

Fact Sheet: Water and Sewer Rate Increases

Town of Hillsborough water and sewer rates are increasing 5% each, effective July 1, 2019, when the town's new fiscal year begins. The Hillsborough Board of Commissioners approved the increases on June 10, with the adoption of the Fiscal Year 2019-20 budget.

Rates below are per 1,000 gallons. The average residential customer use is 3,864 gallons per month. Customers are charged for a minimum of 2,500 gallons.

Water rates

In-town: \$9.26 → \$1.70 increase per month for average user. (Previous rate: \$8.82)

Out-of-town: \$18.06 → \$3.32 increase per month for average user. (Previous rate: \$17.20)

Sewer rates

In-town: \$13.69 → \$2.51 increase per month for average user. (Previous rate: \$13.04)

Out-of-town: \$26.69 → \$4.91 increase per month for average user. (Previous rate: \$25.42)

Primary reasons:

- *West Fork Eno Reservoir expansion* — The roughly \$14.5 million expansion started in 2018 to raise the reservoir about 10 feet, doubling the volume and providing adequate supply for future growth. Debt service will increase to \$1 million annually over the next two years. The reservoir was planned as a two-phase project in the 1990s.
- *Wastewater Treatment Plant upgrade* — The 2014 upgrade cost about \$18 million, with the town borrowing \$16 million for the construction. The town continues to pay yearly debt payments of \$1.2 million.
- *Loss of Efland-Cheeks sewer customers* — Customers in this area connected to the Mebane system in 2019. This is a loss of \$372,000 annually in the Hillsborough Water and Sewer Fund.
- *Decreased use of non-recurring revenues to balance the budget* — The town must minimize use of development fee revenues and savings to responsibly maintain the water and sewer system, maintain the AA rating for bonds sold to expand the reservoir, and plan for unexpected costs during the expansion.



More information

The operation, maintenance and improvements of the Hillsborough water and sewer system are paid for by revenue generated from water and sewer rates.

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