

The Cortland Town Board has determined that after maintaining the water system in the Town of Cortland without increases for water usage or base fees in over 10 years finds it necessary to increase rates. As you may or may not be aware, the Water/Wastewater Department operation is a self-supporting department and it must raise sufficient revenue to cover all costs associated with providing services. The Town Board has found it necessary to increase rates to reverse the trend of operating with a deficit. By adjusting the water usage and water base rate fee on a gradual schedule, over a period of time, the Town will be able to reduce the operating deficit. Having a deficit does not mean the Town is unable to pay its bills as the Town has had the foresight to insure that it has reserve funds.

The Town maintains the following: 4 wells that supply a population of 4,270, as of the 2010 Census, plus business, approximately 223,980 gallons of water is pumped and treated per day, 2 elevated water storage towers, over 30 miles of water main both plastic and ductile, and the Town maintains over 1,250 accounts.

23 municipalities in the DeKalb County area were surveyed in 2014; Cortland's water rates and fees were one of the three lowest. With this increase, Cortland's rates still remain lower than most.

Beginning with the effective date of May, 1, 2015 the 3 year schedule of gradual increases follows:

| | |
|-------------------------|-------------------------------|
| FY16 (May 1, 2015) | |
| monthly base fee \$7.50 | usage per 1000 gallons \$3.00 |
| FY17 (May 1, 2016) | |
| monthly base fee \$8.00 | usage per 1000 gallons \$3.50 |
| FY 18 (May 1, 2017) | |
| monthly base fee \$8.50 | usage per 1000 gallons \$4.00 |

Notice date: January 27, 2015

New billing schedule begins with May 2015

| <u>Months included in quarter</u> | <u>Month Due on 25th</u> |
|-----------------------------------|-------------------------------------|
| May June July | August |
| August September October | November |
| November December January | February |
| February March April | May |