



7412 Emerald Dr.  
P.O. Box 4009  
Emerald Isle, NC 28594  
(252) 354-3307  
FAX (252) 354-2563

Bogue Banks Water Corporation has been serving the residents in the towns of Emerald Isle, Indian Beach, and the community of Salter Path since its incorporation in January of 1968. We have always sought to provide safe drinking water at a low cost to the consumers that we serve. 20 years ago, we began experiencing saltwater intrusion into the aquifer on the west end of the island. After several studies and rising salt levels in existing wells were observed for several years, the Reverse Osmosis plant located on Coast Guard Rd was built and put into commission in February of 2013 as a solution to the issue. That plant has been successful at keeping the salt intrusion isolated to the western end of the island while providing an outstanding quality of water. It will produce around 1.3 million gallons per day (MGD) of treated drinking water at full capacity. While our system usage during the winter is only around 750,000 gallons per day, the summer usage averages around 3.25 MGD with peaks of 4 MGD during holidays. Much of this increase is due to the large volume of tourists and summer homeowners that visit May through September and the abundant amount of irrigation systems that run during these times.

Bogue Banks Water Corp has initiated a plan to bring the higher quality water to more of the residents we serve throughout the entire year, with a long-term goal of treating the entire system by reverse osmosis all year long. To accomplish this, we must achieve 2 primary goals. One is to fund and build a second reverse osmosis treatment plant with equal or greater production than the current plant, and the second is to reduce our demand during the peak tourism months. We have already begun the long process of a second treatment plant. There are many steps and hurdles to overcome, but we will get there. The second goal of reducing consumption can happen in many ways. We have been installing new meters throughout the system that are highly sensitive and can track leaks down to 0.05 gallons a minute. Coupled with a new reading system, we will be able to detect these small leaks and notify homeowners as they are flagged during monthly reads. Consumers can do their part by installing and maintaining rain sensors on their irrigation systems to keep them from running unnecessarily, switch over to low-flow sprinkler heads or have their timers altered to minimize the length of time and/or number of days activated.

We have a long-standing tradition of keeping the rates low, very low, for our consumers. We are a non-profit that funds itself 100% on the income of monthly water bills and cellular antenna rent on our towers. The last rate increase was in May of 2011 for the current Reverse Osmosis plant and increasing expenses system wide. Due to the development of a new treatment plant and the continual rising costs to run and maintain our existing systems, this spring there will be a change to the billing rate structure. We will be moving away from the flat rate of \$2.00 per 1000 gallons of usage and to a tiered rate structure. The tiered breakdown will follow this letter, but the simple version is the more you use, the higher the rate per 1,000 gallons.

I pass this message on to you the consumer, hoping you will understand the reasoning behind the rate changes. Between our continually rising costs and the expense of a new plant on the horizon, the change and increase is a necessity. We also must keep a wary watch on our source waters. The planet's aquifers are not an unlimited supply, the water we remove and treat today can take thousands of years to replenish. If we overdraw, saltwater can and will migrate in its place forever changing the quality of water below ground.

Sincerely,

A handwritten signature in black ink, appearing to read "Seola Hill", with a stylized flourish at the end.

Seola Hill  
Executive Director  
Bogue Banks Water Corporation



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New Tiered Structure Rates as of April 1<sup>st</sup> 2020:

|                  |            | Price per 1,000 gallons used |                 |                 |                   |               |
|------------------|------------|------------------------------|-----------------|-----------------|-------------------|---------------|
|                  |            | Tier 1                       | Tier 2          | Tier 3          | Tier 4            | Tier 5        |
| Gallons per Tier | Meter Size | <b>\$3.00</b>                | <b>\$3.25</b>   | <b>\$3.75</b>   | <b>\$4.50</b>     | <b>\$5.50</b> |
|                  | 3/4"       | 0-3,000                      | 3,001-6,000     | 6,001-9,000     | 9,001-12,000      | 12,001+       |
|                  | 1"         | 0-3,000                      | 3,001-6,000     | 6,001-9,000     | 9,001-12,000      | 12,001+       |
|                  | 1.5"       | 0-7,500                      | 7,501-15,000    | 15,001-25,000   | 25,001-40,000     | 40,001+       |
|                  | 2"         | 0-20,000                     | 20,001-45,000   | 45,001-75,000   | 75,001-125,000    | 125,001+      |
|                  | 3"         | 0-50,000                     | 50,001-100,000  | 100,001-150,000 | 150,001-300,000   | 300,001+      |
|                  | 4"         | 0-100,000                    | 100,001-200,000 | 200,001-300,000 | 300,001-400,000   | 400,001+      |
|                  | 6"         | 0-150,000                    | 150,001-400,000 | 400,001-700,000 | 700,001-1,000,000 | 1,000,001+    |

How to read the chart:

For a 3/4" meter that used 2,500 gallons in a billing cycle:

$$2,500 / 1,000 \text{ (gallons)} = 2.5 * \$3.00 \text{ (Tier 1 rate)} = \$7.50 \text{ (cost of water used)} + \$15.00 \text{ (base rate)} = \$22.50$$

For a 1" meter that used 6,200 gallons in a billing cycle:

The first 3,000 is Tier 1, The second 3,000 is Tier 2, the last 200 is Tier 3

$$3,000 / 1,000 \text{ (gallons)} = 3.0 * \$3.00 \text{ (Tier 1 rate)} = \$9.00$$

$$3,000 / 1,000 \text{ (gallons)} = 3.0 * \$3.25 \text{ (Tier 2 rate)} = \$9.75$$

$$200 / 1,000 \text{ (gallons)} = 0.2 * \$3.75 \text{ (Tier 3 rate)} = \$0.75$$

$$\$9.00 + \$9.75 + \$0.75 = \$19.50 \text{ (cost of water used)} + \$21.00 \text{ (base rate)} = \$40.50$$