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"Regional Water  Wastewater Service"

PRESS RELEASE: For Immediate Release

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MAWC Board Adjusts Rates due to Inflation and Ongoing Investment Need; *Average water bill to increase \$3.56 a month starting in April*

January 17, 2023 (New Stanton) – The Municipal Authority of Westmoreland County Board of Directors agreed to increase rates for water services starting in April, which will cost the average customer \$3.56 a month additional for 3,000 gallons of water.

"This is necessary due to inflation, and the need to invest in water quality upgrades and replacement pipe continues," said MAWC Resident Manager Michael F. Kukura.

While inflation has hit everyone on varying levels, MAWC has faced similar issues. In 2022/2023, rates for electricity and chemicals more than doubled, along with other core business essentials.

"The board of directors is faced with the challenge of covering annual operating expenses in a high inflation environment, and continuing infrastructure investments to keep the system safe and reliable. However, we are also sensitive to the impact our decisions have on customers," said MAWC Chairman Randy Roadman

Increases in high-cost budget items essential to the daily operations of a water and wastewater system are driving the increase in rates.

Chemicals required to treat water cannot be rationed. The same goes for electricity, which is essential to pumping treated water from the plant to the water system and from low-lying areas, to water towers, where it's then fed by gravity to homes or businesses.

Additionally, costs associated with road paving after leak repairs, another high-cost budget item, have increased substantially over the past few years.

The Authority has not adjusted customer water rates for the past six years. The last adjustment came in April of 2018.

MAWC's wastewater systems will also face increases. Mandates from the state to fix legacy issues with wastewater systems are system-specific, so rates are varied to meet these requirements.

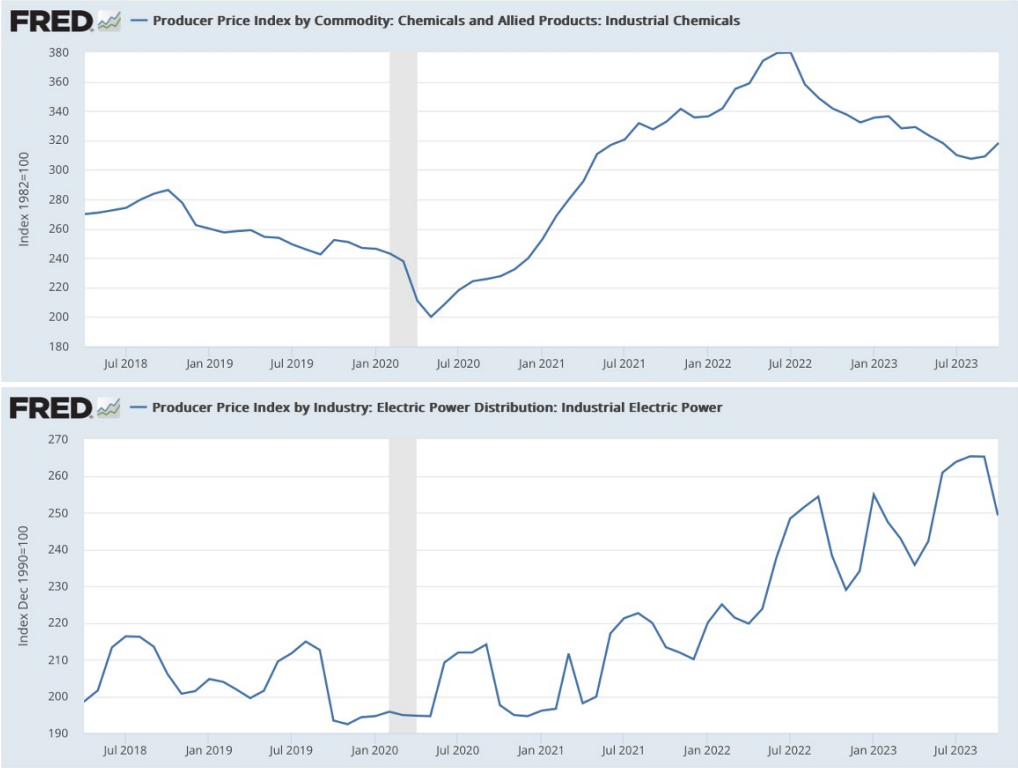
The average bill in the Mt. Pleasant system will increase \$2.33 per month, to \$20.95 from \$18.62 (all rates are for 3,000 gallons per month). In Ligonier, the average bill will increase \$3.45 to \$41.30 from \$37.85. In Avonmore, the average bill will increase \$2.85 to \$30.70 from \$27.85. In Hempfield, the average bill will increase \$2.73 from \$27.52 to \$30.25. In Youngwood, the average bill will increase \$2.25 from \$30.50 to \$32.75.

In Sewickley, bills will increase \$1.85 per month, from \$61.95 to \$63.80. Upper Tyrone will increase \$0.86, from \$78 to \$78.86. Upper Tyrone and Sewickley systems have both been installed within the past ten years. Their current rates include multi-year loan paybacks for the new infrastructure. Jeannette system customers will pay \$1.65 more per month to \$56.65 from \$55.

White Oak's wastewater rates are increasing more steeply because the City of McKeesport sold its wastewater system to Pennsylvania American Water in 2017. The charge by PA American to treat MAWC's White Oak wastewater has nearly doubled through two increases in 2021 and 2023. Those costs are now being passed on to the customers in White Oak. There, the average bill (3,000 gallons per month) is increased by \$24.12 to \$54 per month, from \$29.88.

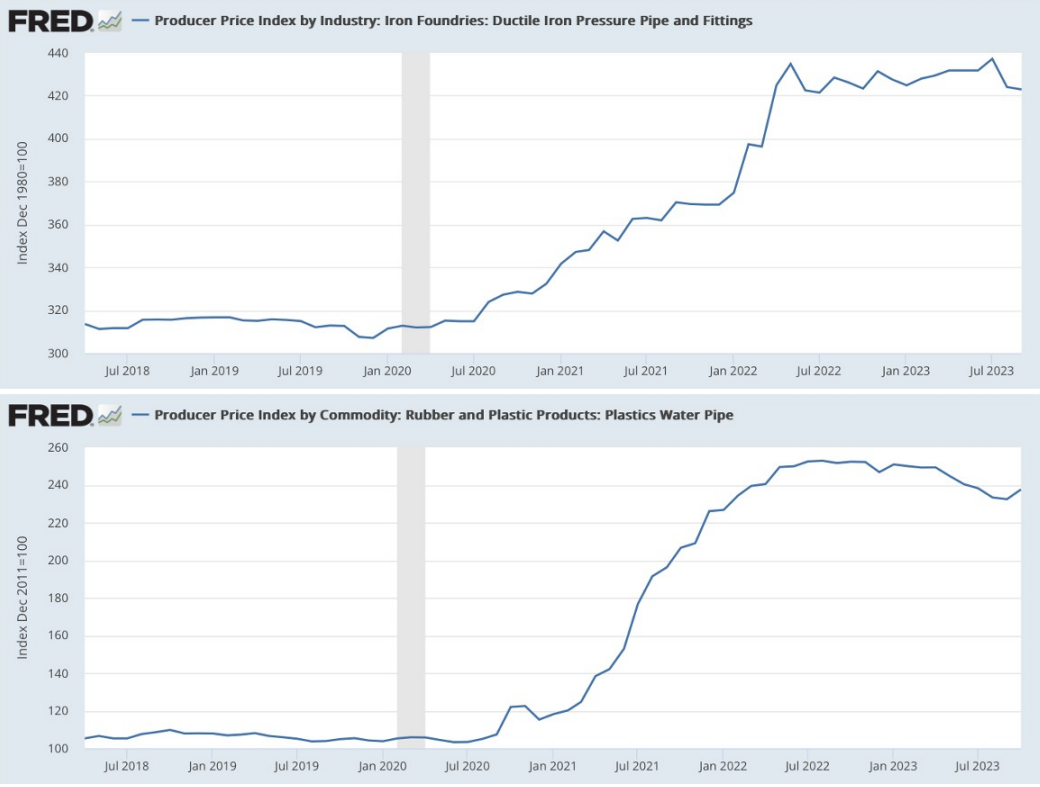
Recently acquired systems like the E. Huntingdon and Scottsdale/Everson will face no increases at this time.

Core Business Essentials – Chemicals and Electricity



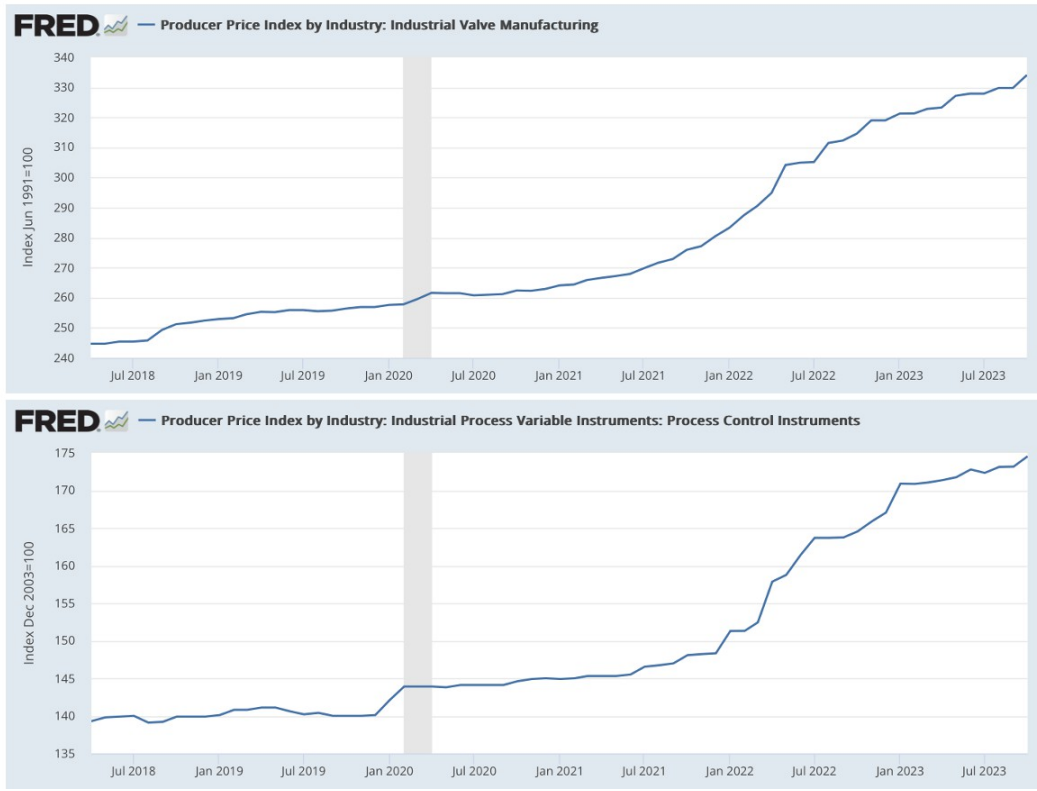
Federal Reserve Economic Data shows inflation for Industrial Chemicals and Industrial Electric rates since MAWC's last rate increase took effect in 2018.

Core Business Essentials – Ductile Iron and Plastic Pipe



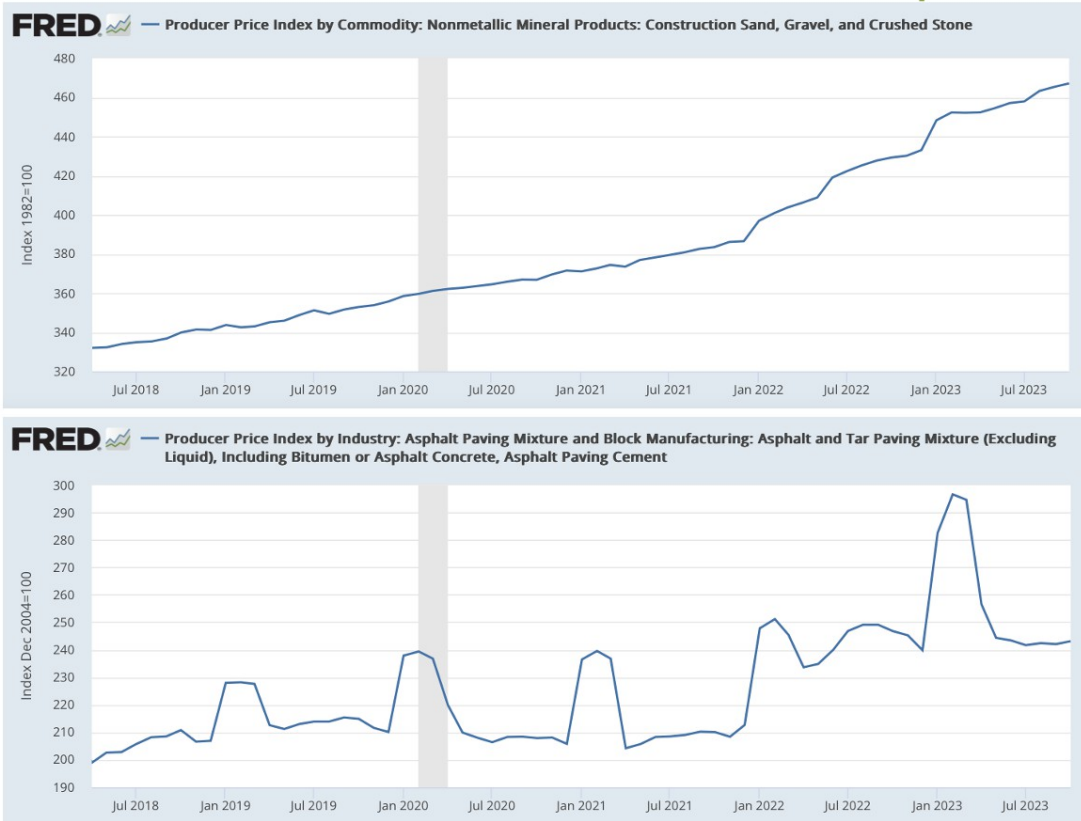
Ductile Iron and Plastic Pipe Inflation

Core Business Essentials – Valves and Instruments



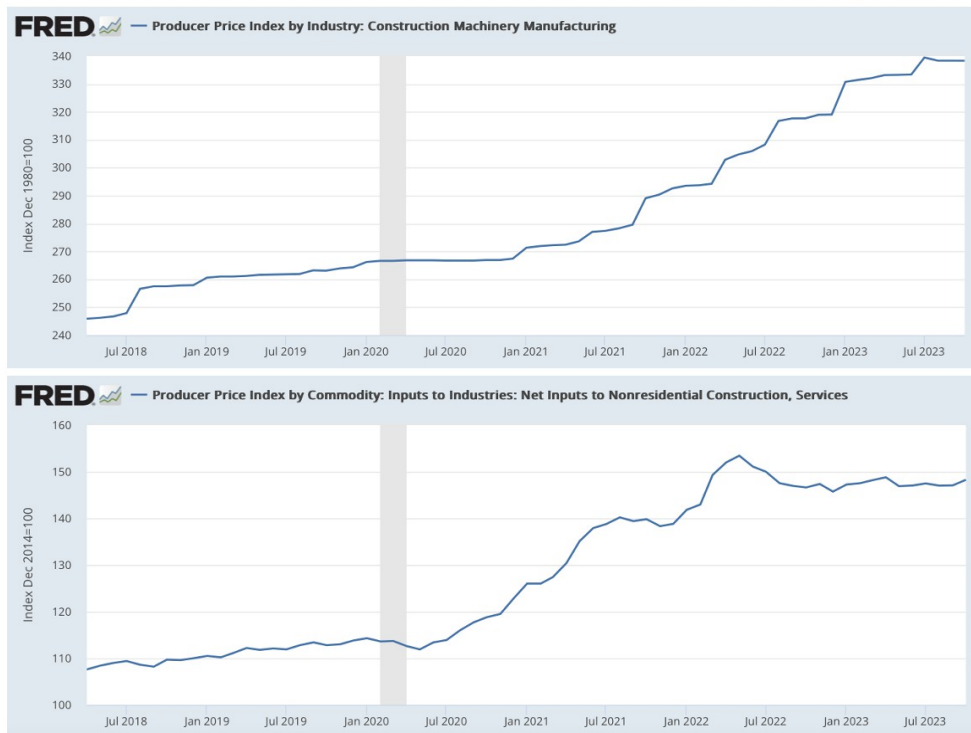
Industrial Valves and Process Control Instruments

Core Business Essentials – Gravel and Asphalt



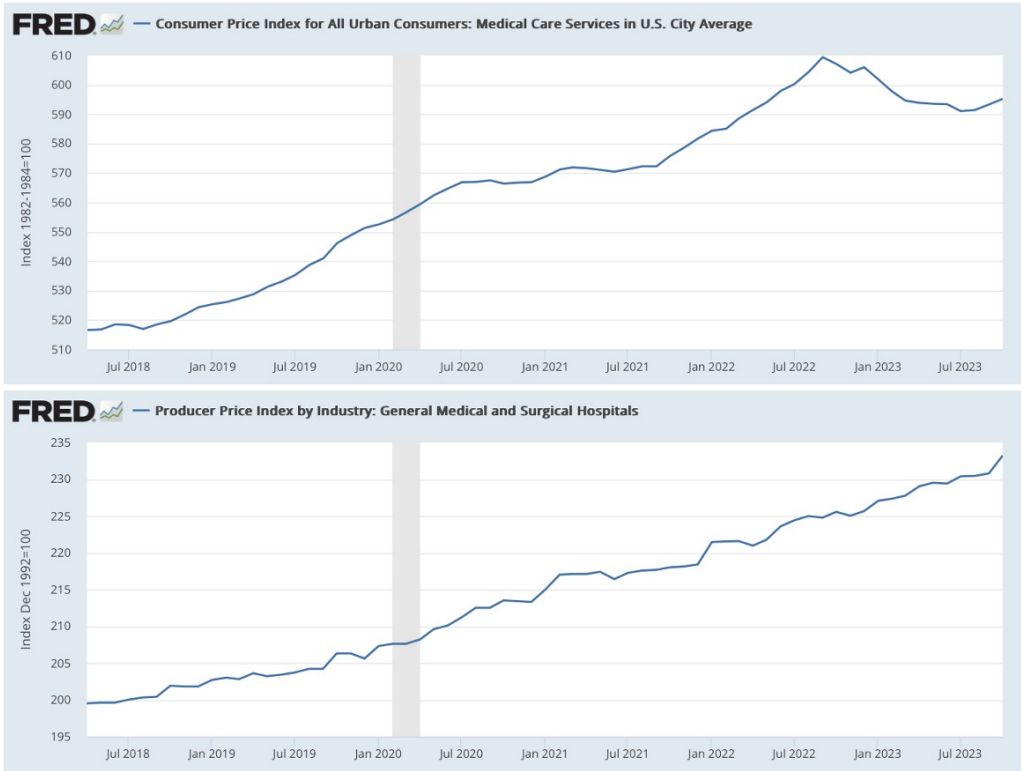
Gravel and Asphalt Inflation

Core Business Essentials – Construction Machinery and Services



Construction Machinery and Nonresidential Construction Service Inflation

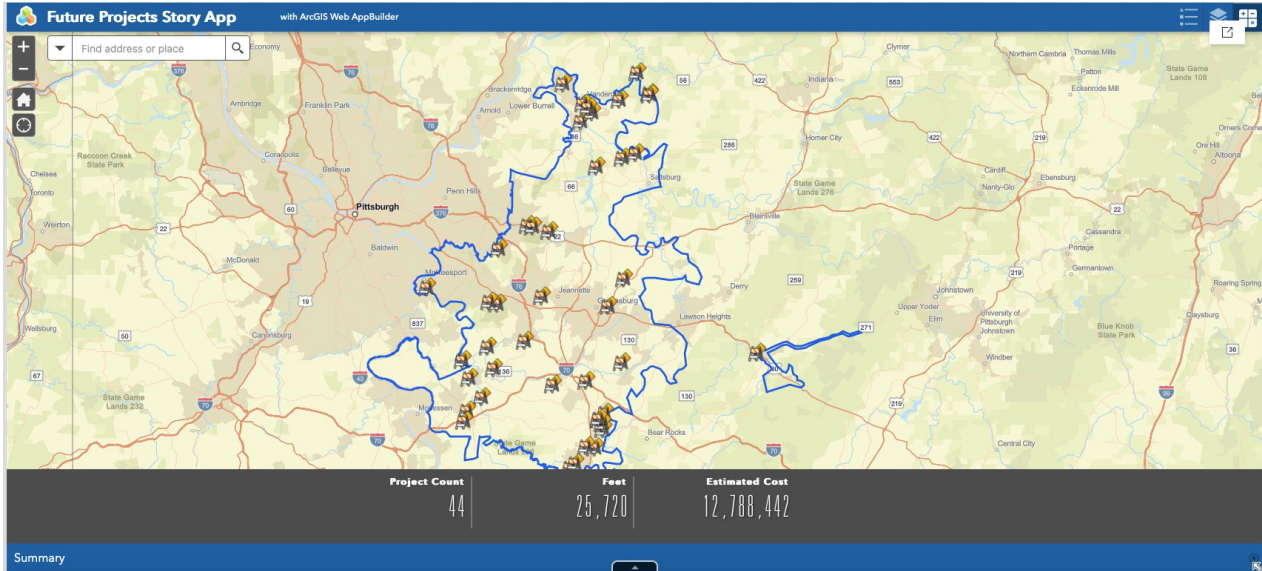
Core Business Essentials – Health Care and Hospitalization



Medical Care and Hospitalization Inflation

Because MAWC's board remains focused on keeping water and wastewater services affordable, the rate increase for 2024 is the minimum increase necessary to support operations during this period of historically high inflation.

As inflation moderates, we plan to keep reinvesting in the system, and are dedicated to finding innovative solutions to keep replacing old infrastructure, and investing to meet new regulatory mandates.

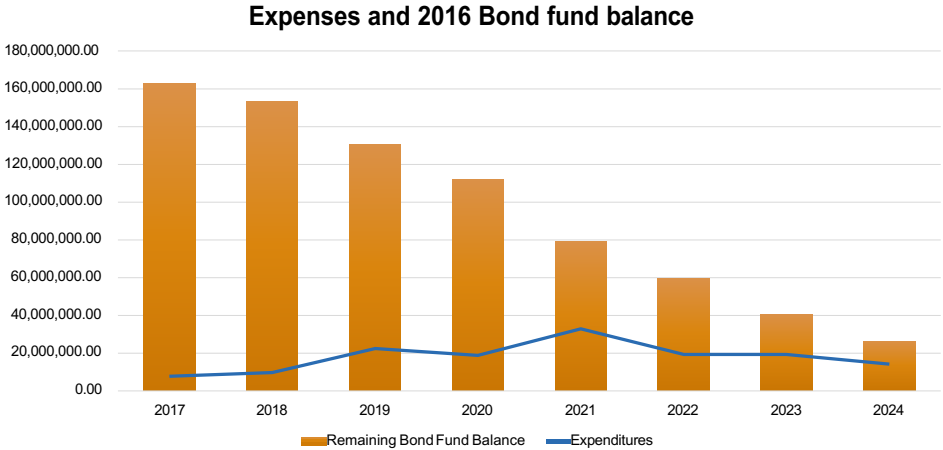


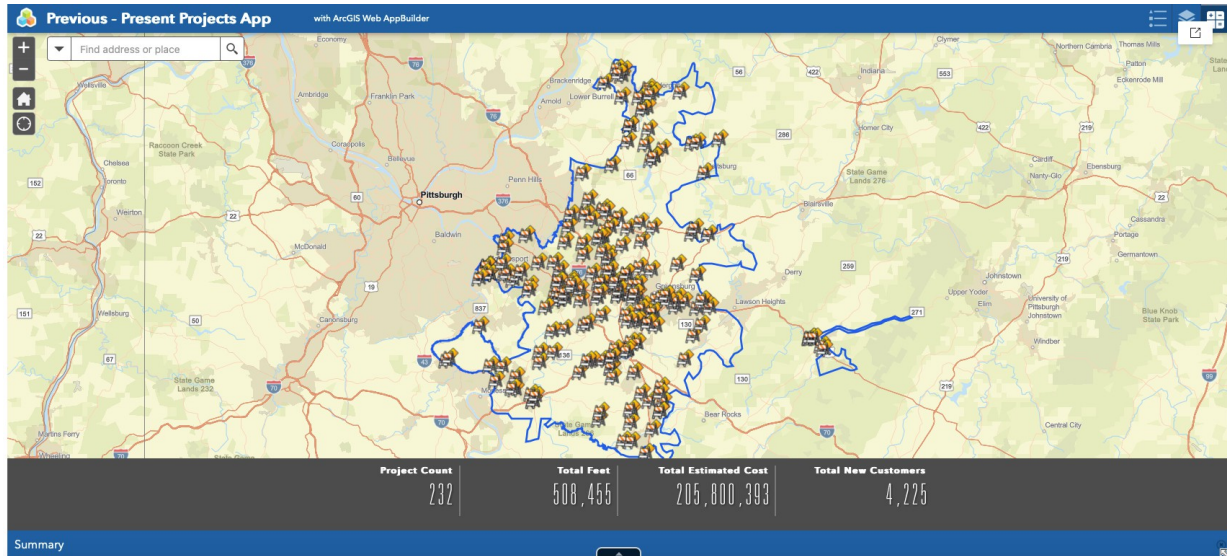
Planned upgrades made possible with the increase passed Wednesday

In addition supporting operations, the projects listed above are being made possible due to the rate increase.

The below chart shows investments made from the previous increase, which supported operations and \$160,000,000 in infrastructure investment to underground pipes, treatment plants and other operational facilities.

Infrastructure Reinvestment, Declining Bond Balance





Above, 2016 bond spending and balances, as of December 2023. Below, bond and regularly budgeted projects since 2017, showing 232 projects, with more than 96 miles of new pipe.

Those who want to mitigate the increase's effect on the budget can conserve. See <https://www.mawc.org/conservation> for tips and tricks that help reduce your use.