

Planning Today. Providing Water for Tomorrow.

Statement from the Board of Commissioners Regarding the June 1, 2026 Water Rate Changes

The Board of Commissioners recognizes that any increase in a customer's monthly water bill is important to the families and businesses we serve. We do not take these decisions lightly. Our responsibility is to provide safe, reliable drinking water today while ensuring that our community has the infrastructure needed for tomorrow.

As our community continues to experience rapid residential and commercial growth, the District must continue investing in the water system that supports our quality of life and economic development. Every rate decision is made with one goal in mind: **providing dependable water service today while planning responsibly for future generations.**

Three Things Every Customer Should Know

1. The District is funded by its customers—not by taxes.

Although the District is a governmental entity, it does **not** receive funding from city, county, state, or federal tax dollars for its daily operations or capital improvements.

Every dollar required to operate, maintain, repair, improve, and expand the water system comes from customer revenues, tap fees, development fees, and long-term bond financing. Those revenues are invested directly back into the water system to benefit the customers we serve.

2. The Board is planning ahead—not reacting to a crisis.

The District currently operates a 16-million-gallon-per-day water treatment plant. Daily demand has grown to approximately 11 to 13 million gallons and continues to increase as our community grows.

To meet future demand, the District is constructing a new water intake and a second 16-million-gallon-per-day water treatment plant at an estimated cost of approximately **\$150 million.**

Water treatment plants cannot be designed, permitted, financed, and built in a single year. Projects of this size typically require seven to eight years from initial planning to operation.

If the District waited until the existing treatment plant reached its maximum capacity before beginning construction, customers could face water shortages before additional treatment capacity became available.

Responsible utility management means planning years ahead and building infrastructure **before** it becomes urgently needed—not after customers experience service interruptions or development is forced to stop.

3. The Board's goal is stable, predictable rates.

The June 1, 2026 rate adjustment is part of a planned conversion to the rate structure used by most water utilities across Tennessee and the nation.

Historically, the District included several thousand gallons of water in the minimum monthly bill. Most utilities instead charge a monthly service fee that supports the fixed costs of operating the water system and then charge separately for the water customers actually use.

Reducing the included usage by 1,000 gallons creates a more transparent and equitable rate structure while avoiding larger, sudden rate increases in the future.

The Board believes gradual, predictable adjustments are far preferable to delaying necessary investments and later requiring significant increases to recover from a crisis.

Why These Investments Are Necessary

Operating a public water system requires continuous investment.

The District is responsible for operating treatment plants, pumping stations, storage facilities, maintaining hundreds of miles of water mains, replacing aging infrastructure, meeting increasingly stringent state and federal water quality regulations, responding to emergencies, and ensuring adequate water supplies for homes, schools, businesses, industries, and fire protection.

Unlike many governmental agencies, the District must accomplish all of this without relying on tax revenues.

State law requires the District to adopt a balanced budget each year, and bond agreements require the District to maintain sound financial practices to protect the long-term stability of the water system and keep borrowing costs as low as possible.

These requirements are not designed to generate profits. They exist to ensure the District remains financially strong and capable of providing safe, dependable water service for decades to come.

Our Commitment

The Board of Commissioners is committed to being responsible stewards of the public water system entrusted to our care.

Every decision is guided by three principles:

- Protect public health through safe, reliable drinking water.
- Plan ahead so infrastructure is ready before our community outgrows existing facilities.

- Maintain stable, responsible rates that keep the system financially sound while minimizing the burden on our customers.

We recognize that rate increases are never welcome, but responsible planning today helps prevent larger costs, emergency projects, and service interruptions tomorrow.

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