

STATE OF THE UTILITY REPORT

This informational document serves to update our customers on the status of our: System Performance; System Improvements; Current Challenges and/or Relevant Announcements.

As expected, our annual audit has shown that the WRRMA must increase the current rate structure. Beginning January 1, 2026, the new quarterly sewer rate will be \$190.00 per EDU per quarter. This increase is necessary to cover the ever-rising operational costs and required critical capital improvements.

Remember this system has operated 24/7 for over 40 years.

Our latest challenge is the method of bio-solids (sludge) disposal. Traditionally, this product was applied to local farms as "beneficial fertilizer". However, practices have changed and this method is no longer viable. The WRRMA will be required to invest in new equipment to address this problem. A "sizeable" loan will be required for this upgrade. We continue to apply for various State Grants to assist with financing.

Adding to our dilemma is the "delinquency rate" of our customer base. At any given time, this amount is upward of \$100,000.00. As a direct result we have been forced to implement every legal remedy available to collect this money. Our options are: Late Fees; Water Termination; Filing Property Liens; and finally initiating a formal "Sherriff Sale" of Property. All of these options have additional costs above and beyond the delinquent charges. It is sad that these measures are necessary to collect charges for services legally rendered. In conclusion, our faithful staff will continue to provide the outstanding service that you have come to expect!