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Dear Stakeholder,

ReWa's commitment to equity and affordability led us to revise our wastewater trunk and treatment new account fees. These fees are calculated based on meter size for residential and commercial developments. Multi-family developments are calculated based on the number of bedrooms per unit. These adjustments will create a more affordable rate structure for our existing customer base and support responsible growth.

New account fees are a one-time charge implemented to cover the costs related to wastewater system capacity needs. This charge helps lessen the need for existing customers to pay for system expansions entirely through increased rates. The fees support the concept of growth paying for growth.

ReWa has proposed updating its new account fee policy to adjust the minimum rate for commercial and residential developments to \$4,110. The minimum rate per unit for multi-family developments will be adjusted to \$2,055 (one-bedroom units). The adjusted fees reflect the combination of capital contributions fees and new account fees into one fee. As part of the policy revision, new account fees will be collected before the issuance of flow acceptance letters. Pending approval by ReWa's board of commissioners on January 22, 2024, the policy will go into effect July 1, 2024.

The current \$2,500 new account fee will remain in effect until June 30, 2024. During the proposed transition period, developers and homebuilders can prepay at the current rate. Beginning July 1, 2024, unpaid lots will be billed \$4,110. Those who pay capital contribution fees before July 1, 2024, will pay the current \$2,500 rate until December 31, 2025.

A list of frequently asked questions is enclosed with this letter.

If you have additional questions, please contact 864-299-4000.

Sincerely,

David Niesse
Technical Services Officer

Frequently Asked Questions

How are ReWa's usage fees used?

-ReWa does not receive any money from state or federal taxes. This means ReWa depends on customer payments to cover the operation and maintenance costs of the wastewater system.

What are the major sources of ReWa's income?

-There are two types of fees paid to ReWa. One is paid by customers to cover the costs of the utility's operations and maintenance. The other is the new account fees paid by builders and developers for the capacity needed for new customers.

How are new account fees used?

-New account fees are solely used to support projects that increase the capacity of the wastewater system. ReWa's day-to-day operations, replacement and rehabilitation capital projects are not supported by new account fees.

What's changing with the new account fee?

-ReWa's new account fee is being combined with its capital contribution fees and will be billed at a rate of \$4,110 which will need to be paid by developers and homebuilders. The fee must be collected by ReWa before the issuance of flow acceptance letters.

When will the fee change?

-ReWa's new account fee will be updated to \$4,110 beginning July 1, 2024. The current \$2,500 new account fee remains in effect until June 30, 2024. The new fee combines the existing new account, and the capital contribution fees that developers and homebuilders pay. During the transition period, developers and homebuilders can prepay at the current rate. Those who have paid capital contribution fees before July 1, 2024, will be able to keep the current new account fee of \$2,500 until December 31, 2025.

Why is this change necessary?

-New account fees support the philosophy that growth pays for growth, which limits ReWa's existing customers from having to pay for system expansions entirely through increased user rates.

When was the last new account fee increase?

-ReWa's new account fee was established in 1995. It has not been adjusted since 2004.

How was the new account fee calculated?

-The new account fee is calculated by determining a projected cost for the addition of new or expanded wastewater collection and transportation lines, new or expanded wastewater pump stations and expanded wastewater treatment facilities needed to support growth in the ReWa service area. The projected cost is then divided by the total new wastewater capacity provided by the new infrastructure to then determine a cost for new wastewater service provided by the new account.