PUBLIC NOTICE OF INCREASE IN WATER RATES AND CHARGES Availability Fee Increase Begins Monday, July 1, 2013 Water Rate Increase Begins January 1, 2014

THERE IS A NEED FOR A WATER RATE INCREASE

Bell Arthur Water Corporation (BAWC), like many other utilities around Eastern North Carolina, is facing rising cost to maintain and improve its aging water system. Improvements needed include replacing 30+ year-old pipelines, looping dead-end water mains, upgrading pumps to bring water from its source to your home, and maintaining water quality to ensure clean, safe, drinking water.

Over the last few years, the Board of Directors has worked with staff to minimize rate increases by reducing operational costs, utilizing reserve funds, deferring maintenance and improvement projects.

Before even considering this water rate increase, the Board continued to reduce costs and each employee is doing their part to trim costs are part of their annual goals. Nevertheless, there are day-to-day operational costs that continue to rise, especially in the areas of materials, fuel and chemical treatment.

The rate schedule presented in this notice is bases on using water rates to fund capital improvement projects to improve the water system as well as for operation and maintenance costs.

BELL ARTHUR WATER CORPORATION PURCHASED WATER COST

BAWC receives its water supply from Neuse Regional Water and Sewer Authority (NRWASA). NRWASA's water rates will increase in 2014 by \$0.66 per thousand gallons.

WATER RATE CHANGES

Water rates will be increased January 1, 2014 by \$0.66 per thousand gallons.

Water Availability service charge: Starting July 1, 2013 BAWC will increase from \$25.00 every two months billing period to \$35.00 every two month billing period.