

Regional Average
Annual Charge -2014

Average Annual Charge Increases 4.1% in 2014

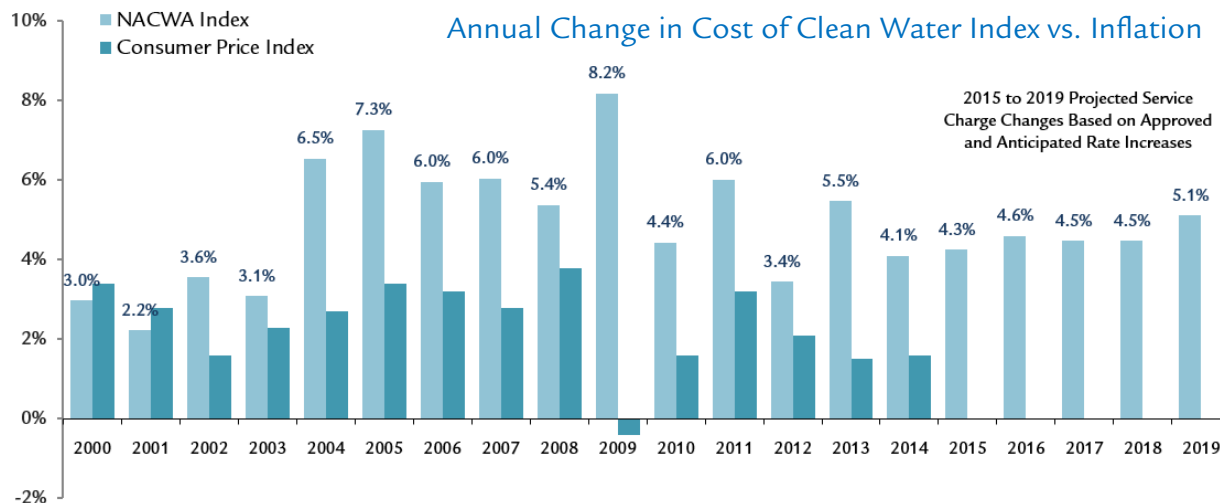
NACWA's 2014 *Cost of Clean Water Index* indicates that the average cost of wastewater services rose 4.1 percent in 2014, more than double the rate of inflation as measured by the Consumer Price Index (CPI) (see *Cost of Clean Water Index vs. Inflation* chart below). The national average amount that a single-family residence pays for wastewater collection and treatment (i.e., the sewer service charge) is now \$448 per year, up from \$435 in 2013. This is the 13th consecutive year that sewer service charges have increased faster than inflation, nearly doubling the average annual charge since 2002.

The national average of \$448, however, provides only part of the picture. Sewer service charges vary widely among EPA regions and states, and are affected by demographics, geography, aging infrastructure, local water quality issues (e.g., TMDLs, nutrients), wet weather infrastructure needs, etc. As an example of these variations, the *Regional Average Annual Charge* map (left) shows a breakdown of average charges by EPA region. The average service charge by Region varies from a low of \$232 in EPA Region 8 to a high of \$722 in EPA Region 1.

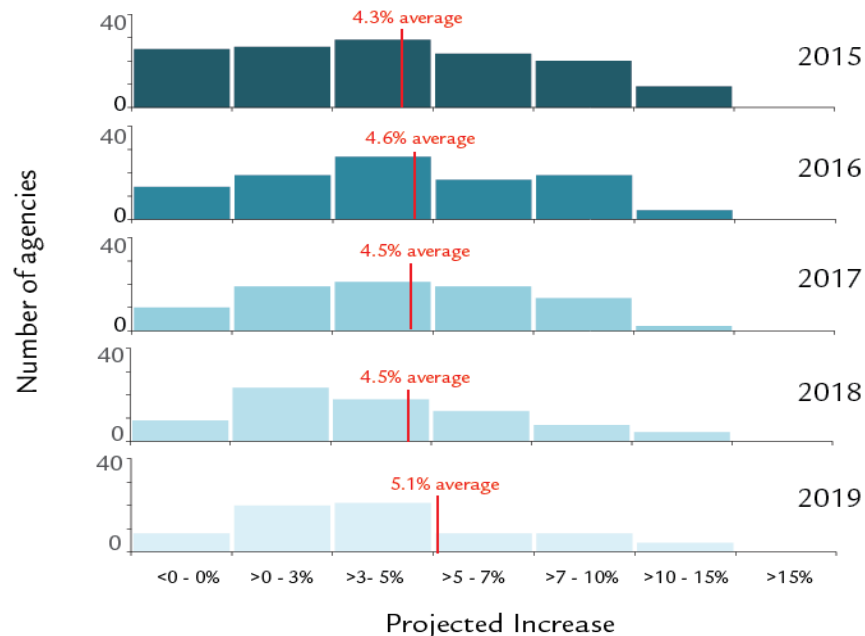
2014 NACWA COST OF CLEAN WATER INDEX SUMMARY

113 Million POPULATION SERVED	183 UTILITY RESPONDENTS	\$448 AVERAGE NATIONAL ANNUAL SEWER SERVICE CHARGE	4.1% INCREASE IN SEWER CHARGES FROM 2013-2014	1.6% INCREASE IN CONSUMER PRICE INDEX 2013-2014
---	-----------------------------------	--	---	--

The *Cost of Clean Water Index vs. Inflation* chart (right) presents a national snapshot of the increase in service charges, as compared to inflation, since 2000. Table A-1 (see *Cost of Clean Water Data Annex*) provides a breakdown of NACWA Index values and service charges back to 1985, the base year for the Index. The values for 2014 are based on the responses from 183 NACWA members serving nearly 113 million people. These regional and national averages tell an important story, but they also mask some of the acute challenges faced by individual communities, in some cases with annual service charges exceeding \$1,000. Additional national and regional data, including maximum reported charge values for each EPA Region, are included in Tables A-1 and A-3 (see *Cost of Clean Water Data Annex*).



Projected Increases in Charges, 2015-2019



Projected Charges Expected to Increase 4 to 5% per Year

Customers pay for sewer services in a variety of ways. Charges may be based on property values, gallons of water used, on a flat rate, or include some combination of these values. Because of this variability, the *NACWA Index* uses what the average single-family residence pays annually because it is a more consistent measure to track the cost of services over the years.

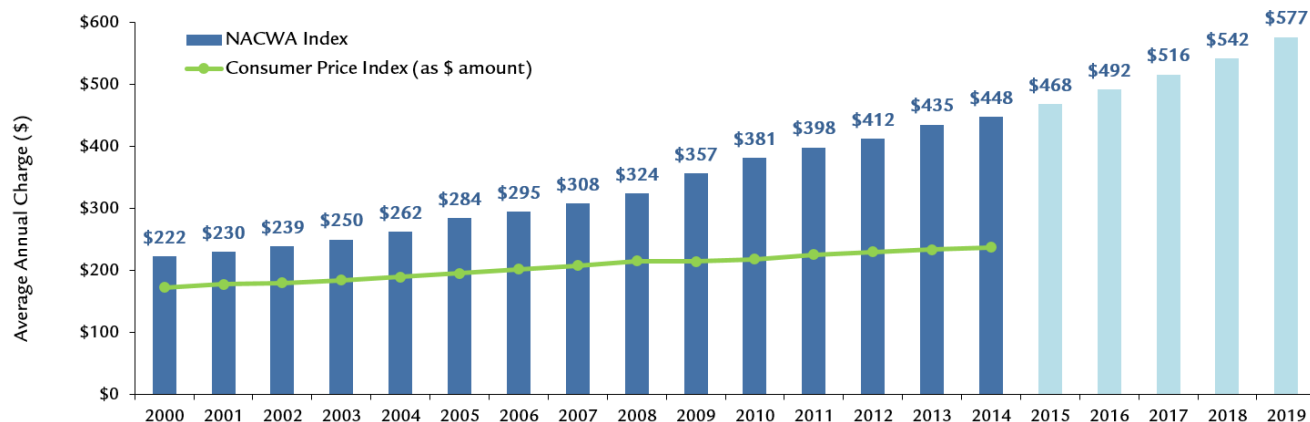
This year, NACWA's *Index* indicates that clean water utilities are expecting average charges to continue to increase from 4 to 5% per year for the next five years. Consent decree compliance was the top reason cited by respondents for projected rate increases greater than 10 percent. Other drivers for large rate increases cited by agency respondents include new plant construction, plant improvements, addressing future sustainability, and combined sewer overflow (CSO) long-term control plan compliance.

The *Projected Increases in Charges, 2015-2019* chart (left) shows the projected percentage increase in charges distributed among agency respondents.

Average Charge to Reach \$500 in 2017

The *Average Annual Service Charge* chart (right) presents a national snapshot of sewer service charges since 2000, and provides a projection of average charges through 2019. While previous projections estimated that average service charges would reach \$500 by 2016, updated data indicate that the average national charge will not eclipse \$500 until 2017.

Average Annual Service Charge, 2000 – 2014 & Projected



Disclaimers: The NACWA Index strives to use the best available data each year when determining current and historical household charges and trends. These data are intended for comparison purposes only, and are subject to change from one year to the next. While this document presents the most up-to-date data available, if better data become available in the future, the data presented here may be modified.

Additional data and information on the *NACWA Index*, past years' surveys, and regional summaries of the data from the 2014 *NACWA Index* are available on NACWA's website at www.nacwa.org/utilitymanagement