

Notice of Rate Increases Effective July 1, 2022

At its meeting on February 08, 2022, the Board of Directors voted unanimously to increase Bi-County WSC rates effective July 1, 2022. This action is deemed necessary to maintain the existing quality and quantity of water we are currently delivering, along with planning and building the system to meet future needs.

The Board wants you to know we strive for accuracy in forecasting our operating income and operating expenses in our budget for the full year of 2022. Employee wages and benefits are a continuing challenge. Finding people who want to do hard skilled labor and are available to report to duty, regardless of weather conditions, on a 24 hour / 365-day basis is difficult. We are experiencing significant cost factors. The cost of pipe increased 255% in the last year, utilities increased 22% and operational supply expenses increased, ranging from 24% to 41%.

Where we experience the greatest shortfall is in accumulating reserves adequate to meet projected capital expenses. We estimate the cost of replacing parts of a system, some of which is now approaching 50 to 70 years old, will be just under \$2.5 million next year. We also must meet the demand placed on the system by new customers within our service area. The year of 2022, we expect to add our 5,500th connection. We are one of the largest small water supply systems in Texas and our ability to meet both current and future demand is constantly monitored by state regulatory agencies.

What does this mean to me?

We are planning to increase the standard meter base rate to \$37.90 per month. Additionally, approximately 15% will be added to the current rate per 1,000 gallons of water used. The average customer, using 4,000 gallons per month, would have an increase of \$3.00 per month. The new rate structure appears below:

Water Service - The monthly charge for standard metered water service is for a 5/8" by 3/4" meter. The 5/8" X 3/4" meter charge is used as a base multiplier for larger non-standard meters in accordance with the following chart based on American Water Works Association maximum continuous flow specifications:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$ 37.90
1"	2.0	\$ 75.80
1 1/2"	4.0	\$151.60
2"	7.6	\$288.04
3"	13.5	\$511.65
3" commercial	25.0	\$823.75

Gallage Charge - In addition to the Base Rate, a gallage charge shall be added at the following rates for usage during anyone (1) billing period.

- \$ 5.75 per 1,000 gallons for 0 to 8,000 gallons
- \$ 6.35 per 1,000 gallons for 8,001 to 25,000 gallons
- \$ 6.60 per 1,000 gallons for 25,001 to 50,000 gallons
- \$ 6.90 per 1,000 gallons for 50,001 and over
- \$ 4.55 per 1,000 gallons for 0 to 8,000 gallons and over for 3" commercial rate

Average household bill

	Current Rates	New Rate
Base rate	\$ 32.95	\$ 37.90
4,000 gallons	<u>\$ 20.00</u>	<u>\$ 23.00</u>
	\$ 52.95	\$ 60.90

Service fee increases

Tap Fee	\$ 700	\$ 850
Membership Fee	\$ 150	\$ 150
Renter Deposit	\$ 100	\$ 115
Customer Service Inspection Fee	\$ 45	\$ 52