

Notice of Rate Increases Effective March 1, 2021

At its meeting on November 24, 2020, the Board of Directors voted unanimously to increase Bi-County WSC's rates effective March 1, 2021. This action is deemed necessary to maintain the existing quality and quantity of water we are currently delivering, plus plan and build the system to meet future needs.

The Board wants you to know that we very precisely forecast our operating income and operating expenses in our budget for the full year of 2021. Our net operating income is excellent. 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. Another significant factor is that the cost of pipe has tripled in the last two years

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 \$1 million next year. We also must meet the demand placed on the system by new customers within our service area. Sometime during 2021 we expect to add our 5,000th 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.

It is worth noting that our last rate increase was in February 2017. How many of your expenses have not increased over that period of time.

What does this mean to me?

We are planning to increase the standard meter base rate to \$32.95 per month. Additionally, 25 cents 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 \$4 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	\$32.95
1"	2.0	\$65.90
1 1/2"	4.0	\$131.80
2"	7.6	\$250.42
3"	13.5	\$444.83
3" commercial	25.0	\$748.75

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

- \$ 5.00 per 1,000 gallons for 0 to 8,000 gallons
- \$ 5.50 per 1,000 gallons for 8,001 to 25,000 gallons
- \$ 5.75 per 1,000 gallons for 25,001 to 50,000 gallons
- \$ 6.00 per 1,000 gallons for 50,001 and over
- \$ 3.95 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	\$ 29.95	\$ 32.95
4,000 gallons	\$ 19.00	\$ 20.00
	\$ 48.95	\$ 52.95

Service fee increases

Tap Fee	\$ 400	\$ 700
Membership Fee	\$ 100	\$ 150
Renter Deposit	\$ 50	\$ 100
Customer Service	\$ 35	\$ 45
Inspection Fee		