



MOFFAT WATER SUPPLY CORPORATION

5460 LAKEAIRE BLVD. TEMPLE, TEXAS 76502

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www.moffatwatersupply.com

October 31, 2017

Dear Customers of Moffat Water Supply Corporation,

Effective December 15, 2017, water rates will change by 7.5% as outlined below. MWSC Directors approved these new rates and a new TCEQ Tariff during the Board Meeting on Monday, October 16 2017. A copy of the new Tariff, also effective December 15, 2017, is available at the Corporation office and on our website www.moffatwatersupply.com.

Though fully compliant with the Texas Commission on Environmental Quality (TCEQ) 0.6 gallons per minute per connection rule, multiple developers have submitted plans for new subdivisions that will stress our system. Further, allowable meter connections on some 2" lines are maxed out, driving the need for both larger feeder lines and other distribution improvements. Until these needs are addressed, MWSC cannot install new taps in some areas or maintain water pressure in others. In response, we are funding a capital plan to add a third well with additional overhead storage, replace aging and overloaded lines, and add new ones. The Board-approved 2017-18 Budget honors MWSC's Bylaw and Loan Covenant reserve requirements¹ and projects earnings sufficient to meet payments toward principal on our loans.

Please know the Board and Staff deliberated on budget and rate considerations with great diligence and commitment. As Customers ourselves, we share your disappointment in the news of this rate increase. It is our hope you'll recognize these actions are necessary to ensure Soundness, Safety, and Solvency and keep Moffat Water Supply Corporation positioned for continued growth and development within our community.

CURRENT RATES

NEW RATES* Effective December 15, 2017

<p>BASE (only) Rates by Meter Size: 5/8" x 3/4" (Standard-size) Meter - \$40.00 per month 1" Meter - \$100.00 per month 2" Meter - \$320.00 per month</p>	<p>BASE (only) Rates by Meter Size: 5/8 " x 3/4" (Standard-size) Meter - \$43.00 per month 1" Meter - \$107.50² per month 2" Meter - \$344.00³ per month</p>
<p>USAGE Rates (applies to all Meter Sizes):</p> <ol style="list-style-type: none"> Water - \$3.90 per 1,000 gals. from 0,001 to 3,000 gallons Water - \$3.90 per 1,000 gals. from 3,001 to 5,000 gallons Water - \$4.15 per 1,000 gals. from 5,001 to 7,000 gallons Water - \$4.40 per 1,000 gals. from 7,001 to 9,000 gallons Water - \$4.65 per 1,000 gals. from 9,001 to 19,000 gallons Water - \$4.90 per 1,000 gals. from 19,001 to 34,000 gallons Water - \$5.15 per 1,000 gals. from 34,001 to 49,000 gallons Water - \$5.65 per 1,000 gals. from 49,001 to 74,000 gallons Water - \$6.15 per 1,000 gals. from 74,001 to 99,000 gallons Water - \$6.65 per 1,000 gals. from 99,001 to 124,000 gallons Water - \$7.15 per 1,000 gals. over 124,000 gallons 	<p>USAGE Rates (applies to all Meter Sizes):</p> <ol style="list-style-type: none"> Water - \$3.90 per 1,000 gals. from 0,001 to 3,000 gallons Water - \$4.19 per 1,000 gals. from 3,001 to 5,000 gallons Water - \$4.46 per 1,000 gals. from 5,001 to 7,000 gallons Water - \$4.73 per 1,000 gals. from 7,001 to 9,000 gallons Water - \$5.00 per 1,000 gals. from 9,001 to 19,000 gallons Water - \$5.27 per 1,000 gals. from 19,001 to 34,000 gallons Water - \$5.54 per 1,000 gals. from 34,001 to 49,000 gallons Water - \$6.07 per 1,000 gals. from 49,001 to 74,000 gallons Water - \$6.61 per 1,000 gals. from 74,001 to 99,000 gallons Water - \$7.15 per 1,000 gals. from 99,001 to 124,000 gallons Water - \$7.69 per 1,000 gals. over 124,000 gallons
<p>NEW SERVICE, by Meter Size: 5/8" x 3/4" (Standard-size) Meter – Membership: \$480.00; Installation: \$800.00; Impact Fee: \$1,200.00 1" Meter – Membership: \$1,200.00; Installation: \$900.00; Impact Fee: \$1,200.00 2" Meter – Membership: \$3,840.00; Installation: \$1,275.00; Impact Fee: \$1,200.00</p>	<p>NEW SERVICE, by Meter Size: 5/8" x 3/4 " (Standard-size) Meter – Membership⁴: \$516.00; Installation: \$800.00; Impact Fee: \$1,200.00 1" Meter – Membership: \$1,290.00; Installation: \$ 900.00; Impact Fee: \$1,200.00 2" Meter – Membership: \$4,128.00; Installation: \$ 1,275.00; Impact Fee: \$1,200.00</p>

*changes in **BOLD**

¹ Bylaws specify MWSC maintain a 3-month Operating Expense reserve; USDA and TWDB loan covenants outline debt service coverage requirements.

² Per Tariff, Base Rate for 1" Meter is 2.5x Base of Standard Size Meter

³ Per Tariff, Base Rate for 2" Meter is 8x Base of Standard Size Meter

⁴ Per Tariff, Membership Fee for each Meter Size equals 12x its Base Rate.