



August 28, 2009

Dear Holmwood Utility Customer:

Beginning with the September 2009 consumption cycle the water and wastewater customers in the Holmwood Subdivision will experience a rate increase. This rate increase is in response to changes which have taken place since the last increase more than a year ago. Those changes are:

- Increase in wholesale wastewater treatment costs.
- Increased operation costs, treatment chemicals and significant increase in ongoing water and sewer system repairs.
- The Texas Commission on Environmental Quality is requiring water treatment system upgrades due to the continued growth of the subdivision. These upgrades include an additional 33,000 gallon ground storage tank, new booster pumps and controls.

The chart below summarizes the rates as they relate to different consumption levels:

| <u>Description</u>                                 | <u>Current Rate</u>  |             | <u>New Rate</u>      |             |
|--|----------------------|-------------|----------------------|-------------|
|  | 5/8" x 3/4"<br>meter | 1"<br>meter | 5/8" x 3/4"<br>meter | 1"<br>meter |
| <b>Water</b>                                       |                      |             |                      |             |
| Fixed Rate with 3,000 gallons                      | \$ 41.41             | \$46.41     | \$ 42.81             | \$47.81     |
| Variable Rate (per 1,000) 3,000 - 10,000 gallons   | \$ 1.49              | \$ 1.49     | \$ 1.92              | \$ 1.92     |
| Variable Rate (per 1,000) 10,000 gallons and above | \$ 2.50              | \$ 2.50     | \$ 2.50              | \$ 2.50     |
| <b>Sewer</b>                                       |                      |             |                      |             |
| Fixed Rate with 3,000 gallons                      | \$ 37.01             | \$ 42.01    | \$ 43.52             | \$ 48.52    |
| Variable Rate (per 1,000) 3,000 - 7,000 gallons    | \$ 3.44              | \$ 3.44     | \$ 3.44              | \$ 3.44     |
| Variable Rate (per 1,000) 7,000 gallons and above  | No Charge            | No Charge   | No Charge            | No Charge   |

If you have any questions about the rate increase, water quality or service, please contact us toll-free at 800-282-5634.

Respectfully,

Jon Cheatham  
 Planning & Operations Division Manager