



EL OSO WATER SUPPLY CORPORATION

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"This institution is an equal opportunity provider, and employer."

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NOTICE OF RATE INCREASE

The El Oso Water Supply Corporation Board of Directors held a public meeting on November 10, 2020, and voted to increase rates for water service to all members. In our efforts to provide corporation solidity, a rate study has been conducted by Communities Unlimited, for rural water corporations. El Oso WSC has been advised to incur a rate increase in order to continue providing quality water, maintain the current system and to provide preparations of future needs. These studies are in depth and conducted according to guidelines established by the TCEQ Chapter 291 Rules and Texas Water Code. Future growth and increased cost of supplies are contributors in the rate increase. Additionally, numerous state and federal regulations require public water systems to maintain certain water storage, water testing, water utility while saving for future capital improvements, require us to ensure that we have sufficient operating revenues to meet our current and future financial obligations. An important part of prudent financial planning is forecasting what the system's financial needs will be during normal times and emergent situations. That is why we seek regular, incremental rate increases instead of larger ones over longer periods of time.

The rate increase will be implemented on the January 2021 reading, for the February 2021 payment. As always, the bill is determined by the amount of water used, so you will continue to have the power of controlling the increase through your personal usage.

Below are tables showing current rates vs. new rates

| Monthly Meter Service Base Rate Charge | | |
|--|--------------|------------|
| Meter Size | Current Rate | New Rate |
| 5.8" Meter | \$44.55 | \$45.45 |
| 1" Meter | \$100.51 | \$102.52 |
| 1 1/2" Meter | \$193.78 | \$197.66 |
| 2" Meter | \$305.70 | \$311.81 |
| 3" Compound Meter | \$604.15 | \$616.24 |
| 4" Compound Meter | \$939.91 | \$958.71 |
| 6" Compound Meter | \$1872.57 | \$1,910.02 |

| Gallon Water Volume Usage Charges | | |
|-----------------------------------|-------------------------------|---------------------------|
| Gallon Water Usage | Current Rate (per 1K gallons) | New Rate (per 1K gallons) |
| 1 – 6,000 gallons | \$5.08 | \$5.19 |
| 6,001 – 10,000 gallons | \$6.47 | \$6.60 |
| 10,001 – 30,000 gallons | \$7.54 | \$7.69 |
| all over 30,000 gallons | \$8.28 | \$8.44 |

| | Current Rate | New Rate |
|--------------------------|--------------|----------|
| Membership Fee (Deposit) | \$100.00 | \$200.00 |

Here is a list of specific improvements this rate increase will fund over the next five years.

- Planned water main replacements/upgrades
- Plant improvements
- Land acquisition for additional well and plant improvements
- New well and Plant Facility
- New water storage tanks
- Additional regulatory compliance

While we understand that there is never a good time to raise utility rates, this increase will ensure our ability to provide potable water service to our served population now and into the future, while continuing to meet or exceed all regulatory requirements. We thank you very much for your continued support. For more information about the rate increase, please contact the Corporation.