

Dear MacBee SUD Customers,

At a posted, regular monthly Board of Director's meeting on Monday, December 14, 2015 the Board voted to increase the monthly Service Availability Charge for all MacBee SUD customers. Your Board of Directors carefully considered the results of a Rate Analysis and a review of deep Budget cuts for 2016. The District Board of Directors has concluded a \$5.00 increase to the Service Availability Charge is necessary in order for the District to remain financially sound and to make necessary improvements throughout the District.

The Service Availability Charge is a fixed monthly fee and does not include any water usage. It assists in recovering a portion of the fixed costs associated with the delivery of water service to each meter. Those costs are incurred by MacBee SUD regardless of the amount of water that registers through each meter. The Service Availability Charge component includes billing, accounting, customer service, meter reading, a portion of the distribution infrastructure expense for metering, maintaining booster stations and distribution lines, general operations maintenance and other expenses based on the service provided to a residential size meter. A residential size meter's Service Availability Charge is currently \$25.00 and will increase to \$30.00 per month. Larger meter's Service Availability Charge is based on the demand placed on the water system. Example: a 1" meter Service Availability Charge will increase from \$55.00 per month to \$60.00 per month, etc.

The Board approved an increase to the Capital Contribution Fee. The Capital Contribution Fee is currently \$1,350 and will increase to \$1,500 per service connection effective January 1, 2016. The Capital Contribution Fee is a PART of the total cost to have a new service installed. It is a one-time fee required to achieve parity with the contributions to the construction of the Districts' facilities capacity that have been made previously by existing customers. The fee is assessed prior to providing or reserving service on a per-service unit basis for each property and it is assigned and restricted to that property for which the service is originally requested. The total charge to have a new service installed beginning January 1, 2016 is:

*\$1,500.00 Capital Contribution Fee
\$ 750.00 Meter Tap Charge
\$ 200.00 Deposit Fee and a
\$ 75.00 Customer Service Inspection Fee.
\$2,525.00 Total charge for a new service*

The new rate and fee will take effect January 1, 2016. The new rate will be charged starting with the January 2016 billing. The increase in the Service Availability Charge will begin with the billing from the read date in December 2015 through the read date in January 2016.

All other water rates and fees will remain the same as they have been charged since 2008.

For any further questions regarding the rate and fee increase, please contact the District at 903-873-2109 or in person at our main office located at 402 E. South Commerce Street (Highway 80), Wills Point, Texas.