



November 15, 2017

Dear Customer:

On behalf of your retail water service provider, Brushy Creek Municipal Utility District (the "District"), I am writing to provide notice of new water rates adopted by the Board. At the October 12, 2017 meeting the Board adopted a modest rate increase to be implemented in two increments. The rate increase will be the first water rate increase in more than 13 years and the new rates will help ensure the quality, reliability, and affordability of your water service.

The first incremental rate change will be effective for water usage commencing after January 31, 2018 and will be reflected on the March 1, 2018 bill. The impact of the increase to an average customer is estimated to be approximately \$17.51 to their annual water costs. The second incremental increase will be effective for water usage commencing after January 31, 2020 and will be reflected on the March 1, 2020 bill. The impact of this increase to the average customer will be \$16.97 to their annual water costs.

In March 2018, the monthly base rate for District customers will increase from \$14.00 per month for a standard sized meter to \$14.50 per month. During off peak months (October through May) the volumetric rates for water service will increase from \$2.10 per thousand gallons to \$2.17 and during peak months (June through September) from \$2.75 per thousand gallons to \$2.85.

In March 2020, the monthly base rate for District customers will increase from \$14.50 per month for a standard sized meter to \$15.00 per month. During off peak months (October through May) the volumetric rates for water service will increase from \$2.17 per thousand gallons to \$2.25 and during peak months (June through September) from \$2.85 per thousand gallons to \$2.95.

As utility costs throughout the industry continue to rise, the Board of Directors remain committed to managing costs while continuing to maintain an efficient and sustainable future for the District. The new rates will offset increased expenses incurred by the District for electric and raw water contract costs. In addition, the District has reached substantial buildout and the lack of new connections will affect revenues generated by new home connection (impact) fees.

The attached chart provides new base rate information for all meter sizes.

If you have any questions regarding the District's costs of service or the rate change, please contact Customer Service at 512-255-7871, option 1.

Sincerely,  
Mike Petter  
General Manager

## Base Fee Conversion based on meter size

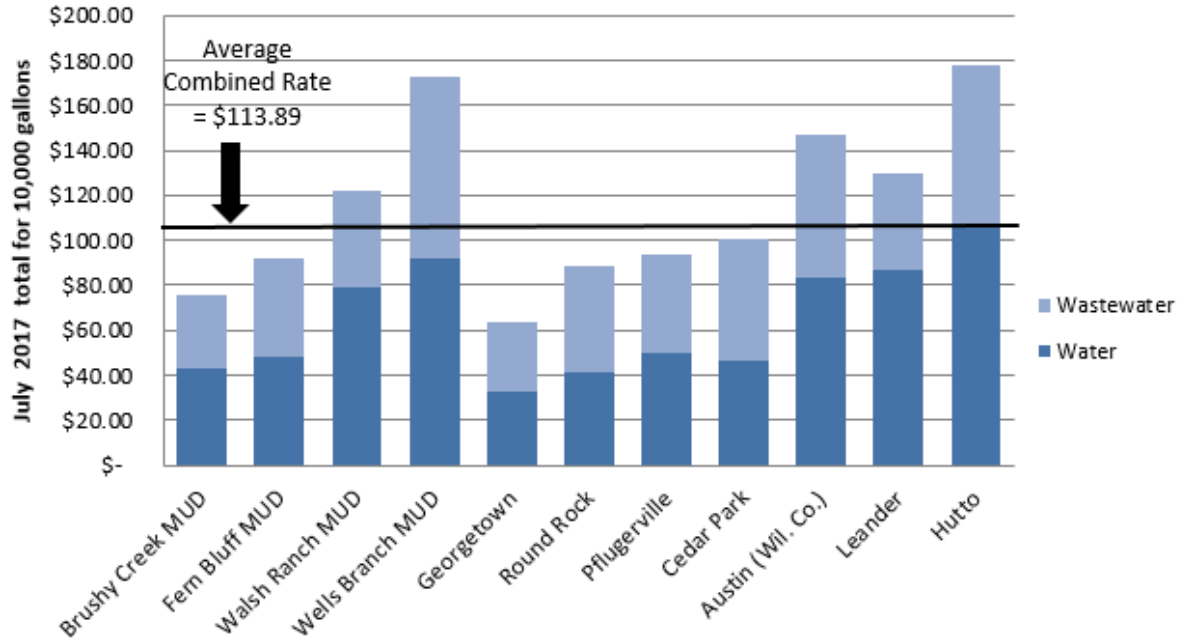
Meter Type	Meter Size	Base Rate - Current	Base Rate - Effective March 1, 2018	Base Rate - Effective March 1, 2020
Simple	5/8" x 3/4"	\$ 14.00	\$ 14.50	\$ 15.00
Simple	3/4"	\$ 21.00	\$ 21.75	\$ 22.50
Simple	1"	\$ 35.00	\$ 36.25	\$ 37.50
Simple	1 -1/2"	\$ 70.00	\$ 72.50	\$ 75.00
Simple	2"	\$ 112.00	\$ 116.00	\$ 120.00
Turbine	2"	\$ 140.00	\$ 145.00	\$ 150.00
Compound	3"	\$ 224.00	\$ 232.00	\$ 240.00
Turbine	3"	\$ 336.00	\$ 348.00	\$ 360.00
Compound	4"	\$ 350.00	\$ 362.50	\$ 375.00
Turbine	4"	\$ 588.00	\$ 609.00	\$ 630.00
Compound	6"	\$ 700.00	\$ 725.00	\$ 750.00
Turbine	6"	\$ 1,288.00	\$ 1,334.00	\$ 1,380.00
Compound	8"	\$ 1,120.00	\$ 1,160.00	\$ 1,200.00
Turbine	8"	\$ 2,240.00	\$ 2,320.00	\$ 2,400.00

## Examples of the financial impact of the incremental Water Rate increases

### Impact of Water Rate Increase to Typical Customers Annual Water and Waste Water Charges

	Current Annual Charge	Annual Increase	Annual Charge After March 2018 Increase	Annual Increase	Annual Charge After March 2020 Increase
Low Use Customer - Averages 3,000 gallons per month 36,000 gallons per year	\$ 420.60	+\$8.88	\$ 429.48	+9.12	\$ 438.60
Average Use Customer - Averages 123,000 gallons per year	\$ 462.94	+\$17.51	\$ 480.45	+16.97	\$ 496.21

## Comparison of Local Utility Rates



## Comparison of Brushy Creek Municipal Utility District charges to local entities

