

NOTICE OF WATER RATE INCREASE

February 1, 2024

Parker County Special Utility District Customers:

Increasing prices in recent years have presented challenges and hardship throughout the economy, and unfortunately your water district has also been impacted by rising costs. Some of our costs have increased 62% percent in just the past year alone. Parts, pumps, pipes, lab supplies, and treatment chemicals have all skyrocketed in price. To remain solvent and continue to provide service, we regrettably have no choice but to raise our cost of service in order to cover the deficit created by the increase in operating expenses. The price increase is listed below but please read the following for more information.

Supply Issues

In 2023, our wholesale water provider (the City of Mineral Wells) increased our price for water by a monumental 146%. Our costs for one thousand gallons rose from \$7.79 to \$19.17 overnight, which is one of the highest costs for treated water in the nation. There is nothing we can do about the prices Mineral Wells is charging us for wholesale water provision. What we can do and have done is absorb those costs with a plan to rely more on our own treatment plant with its existing upgrades. *However, this plan can only work if the community works together to limit water usage.* If we reduce our demand for wholesale water from Mineral Wells, we can keep our prices reasonable.

Historically, Mineral Wells has covered the demand on the north side of our system year-round. Recently, we have been able to greatly reduce our take from the city by providing PCSUD plant water to areas traditionally supported by more expensive wholesale water from Mineral Wells. Our goal is to continue this practice for as long as possible. High demand that outpaces our current plant production will force us to purchase more water at higher prices from Mineral Wells, which **could** result in another increase to our customers. We are making every effort to avoid another price increase in the future, but the inescapable fact is that this will require cooperation from the community in reducing water usage. We are making every effort to create a system that is a shining example of what can be accomplished when a community comes together to achieve a common goal. We will need the community's help to achieve that goal by conserving water this upcoming year. If we work together to accomplish that goal, there will be no need to utilize our full wholesale contract amount, and thus pay the exorbitant prices charged that are part of that contract with Mineral Wells.

Better Days Ahead

We will rely on our own newly upgraded treatment plant to make the water, but the issue arises from our aging distribution system being able to push that water where it needs to go. Our distribution system upgrades start this year, which will bring elevated storage and large trunk lines in parts of our system. This will bring resilience and dependability to areas of the community with more upgrades currently in the planning phase. Once upgrades are complete, this will further reduce our reliance on Mineral Wells. The District asks all its customers to be mindful of the usage and conserve water as best they can. Our current distribution system cannot sustain activities like excessive lawn watering and keeping arenas watered every day. Any alternatives such as rain collection systems, stock tanks, wells, or even water delivery services can be utilized to assist with the demand while our projects are being completed and implemented.

Rates Explained

The new rates are designed with conservation in mind. Single family homes with a usage of *5,000 gallons and under will see an increase of 4% to 6%. The higher the usage tier, the more the customer will see an increase. Western Parker County has historically never been steeped in water resources and the boom in population has stressed what little resources we currently have available. The rates serve the purpose of helping everyone self-regulate their usage and be mindful of the limited resources. PCSUD is dedicated to making what we have go as far as we can for as low a cost as possible.

A Current Update

PCSUD will soon have more storage capacity with larger lines in the Brock area as well as an upgraded pump station. There will be a new ½ million-gallon storage tank standing behind the high school. This will provide dependable water and fire suppression abilities to the area and help to increase our independence from overbearing wholesale contracts and municipalities. PCSUD would like to increase the size of this tank beyond current plans, so it can be a benefit to the area for much longer than currently planned, but costs are currently prohibitive. Any partnership PCSUD can get from the Brock community to accomplish this task will be greatly appreciated. Also, we will soon be implementing our limited ARPA grant monies by upgrading our polymeric micro-filters with brand new ceramic membranes. This upgrade will help every customer by making future production upgrades cheaper, increasing our production capacity, and replacing the membranes that were at the end of service life. PCSUD is, and will continue, actively seeking any other funding opportunities that exist that will not come at a cost that our existing customers will have to bear.

Our customers will see the new rate increase on the February billing. We have held off collecting the new rates to hopefully get everyone through the cold snap knowing that everyone would be dripping faucets and having line breaks.

Ultimately, we want all of our valued customers to understand that we are making every possible effort to provide the best and most affordable service possible under the constraints of high water demand outpacing the limited and costly supply. We believe that with community cooperation and prudent water usage we can continue to increase PCSUD production to become less reliant on wholesale water provision from Mineral Wells and avoid future price increases. We thank you for your business and promise to work tirelessly to provide the best and most affordable service possible.

The graph below is a quick reference to surrounding districts' and city's rates*. PCSUD increased rate is shown. Our wholesale price is also listed.

PCSUD		Millsap		Santo		North Rural		Sturdivant		Mineral Wells Residential		Wholesale
0-5,000	\$9.89	0-4,000	\$25.00	0-5,000	\$19.17	0 - 5,000	\$23.70	0-2,000	\$25.51	0-2,000	\$12.90	\$19.17 per 1,000
5,001-15,000	\$12.55	4,001-10,000	\$27.21	5,001-15,000	\$27.47	5,100 - 10,000	\$24.20	2,001-4,000	\$27.86	2,001-7,000	\$14.84	
15,001-25,000	\$14.89	10,001+	\$28.99	15,001-35,000	\$41.15	10,100 - 20,000	\$24.70	4,001-8,000	\$31.87	7,001-15,000	\$17.08	
25,001-50,000	\$18.72	Meter Fee	\$56.53	35,001+	\$54.87	20,100 - 30,000	\$29.70	8,001-10,000	\$36.66	15,001-30,000	\$19.62	
50,000+	\$23.56			Meter Fee	\$55.00	30,100 - 40,000	\$35.70	10,001 -15,000	\$53.76	30,001+	\$22.57	
Meter Fee	\$54.25					40,100 - 50,000	\$41.70	15,001 -25,000	\$53.76	Meter Fee	\$65.96	
						50,000+	\$47.70	25,001 -30,000	\$66.47			
						Meter Fee	\$36.00	30,001 -UP	\$73.31			
								Meter Fee	\$40.00			

*rates taken from those district's websites

*prices are for per thousand gallons of usage

*5,000 gallons is a national standard for single family, inside-home usage

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Parker County Special Utility District Customers:

Below is the new rate increase that was adopted by the Board of Directors on January 18, 2024. These new rates will be effective during the February – March billing cycle, where payments will be due by April 10, 2024. To see a copy of the Order, visit our website at parkercountywater.com.

Current and Adopted Monthly Fixed Charges (per month)

Meter Size	Current	Adopted
5/8-inch Meter	\$ 51.00	\$ 54.52
¾ inch Meter	76.50	81.78
1 inch Meter	127.50	136.30
1 ½ inch Meter	255.00	272.60
2 inch Meter	408.00	436.16
3 inch Meter	459.00	490.68

Current and Adopted Volumetric Charges (per 1,000 gallons)

Rate Blocks (in gallons)	Current	Adopted
0 - 5,000	\$ 9.76	\$ 9.89
5,001 – 15,000	11.11	12.55
15,001 – 25,000	13.33	14.89
25,001 – 50,000	15.99	18.72
>50,000	18.35	23.56

If you have any questions, please contact the District during regular business hours Monday – Friday 8am–5pm or by email at pcsud@parkercountywater.com.

As always, we appreciate your cooperation.

Sincerely,
Parker County Special Utility District