



October 31, 2016

To our fellow Cheniere Drew Water System members/customers:

Notice of Rate Increase

We write you today with unwelcome yet necessary news. The board of directors of the Cheniere-Drew Water System "CDWS" recently voted in favor of rate increases in several areas, as the detailed attachment will show, the first of which takes effect 1/1/2017. The average CDWS residential member will see their monthly rate rise by \$8.50 for the first half of 2017 and an additional \$6.00 for the second half. Each member's actual bill will vary based on that member's water usage.

The factors that drove our decision include:

- When using revenue from all sources our reserves are projected, at present, to shrink at the rate of \$56,000.00 this fiscal year. When using income from water usage sales alone the projected revenue short fall is \$152,916.00
- Without a rate increase these reserves will have averaged losses of \$61,000.00 each year over the next 5 years, from all revenue sources.
- The CDWS has not experienced a rate increase since 2011, yet we all know that most costs have risen in the last 5 years.
- Our current rates are 31% below the average rate for water systems in our area at our average member usage rate.
- We are facing \$890,300.00 of government mandated upgrades; \$573,730.00 of which is needed before the end of 2017.
- We are also facing \$604,600 in regular maintenance and repairs.
- We need these increases to maintain the integrity of the water system in order to continue to provide the consistent high quality water we've all come to expect.

Please note:

- Our first half 2017 rate will still leave us **18% below the average rate** for water systems in our area at our average member usage rate.
- Our second half 2017 rate will still leave us **7% below the average rate** for water systems in our area at our average member usage rate.

As always you may contact any of the board members, a listing of which may be found on our website, [www.cdws.org](http://www.cdws.org) or you can reach us at the number and/or address shown above with any questions, comments or concerns.

Cheniere Drew Water System Board of Directors

Respectfully Yours,

Terry Ware

President of the Board Directors

## Cheniere Drew Water System

Service Classification	Current Water Rates	Phase 1 Water Rate (1/01/2017 - 5/31/2017)	Phase 2 Water Rate (6/01/2017 - 1/01/2018)
<b>Residential</b>			
1st 2K Gals. (Minimum)	\$16.00	\$19.50	\$23.00
Over 2K thru 50K Gals.	\$16.00 + \$3.00/K	\$19.50 + \$4.00/K	\$23.00 + \$4.50/K
51K Gals thru 100K Gals.	\$160.00 + \$3.50/K	\$211.50 + \$5.00/K	\$239.00 + \$5.50/K
Over 100K Gals.	\$335.00 + \$4.00/K	\$461.50 + \$6.00/K	\$514.00 + \$6.50/K
<b>Residential Table</b>			
2,000 Gallons Usage	\$16.00	\$19.50	\$23.00
5,000 Gallons Usage	\$25.00	\$31.50	\$36.50
7,000 Gallons Usage	\$31.00	\$39.50	\$45.50
20,000 Gallons Usage	\$70.00	\$91.50	\$104.00
25,000 Gallons Usage	\$85.00	\$111.50	\$126.50
50,000 Gallons Usage	\$160.00	\$211.50	\$239.00
75,000 Gallons Usage	\$247.50	\$336.50	\$376.50
100,000 Gallons Usage	\$335.00	\$461.50	\$514.00
125,000 Gallons Usage	\$435.00	\$611.50	\$676.50
<b>Commercial</b>			
1st 5K Gals. (Minimum)	\$20.50	\$28.00	\$36.00
Over 5K thru 50K Gals.	\$20.50 + \$3.00/K	\$28.00 + \$4.00/K	\$23.00 + \$4.50/K
51K Gals thru 100K Gals.	\$155.50 + \$3.50/K	\$211.50 + \$5.00/K	\$239.00 + \$5.50/K
Over 100K Gals.	\$330.50 + \$4.00/K	\$461.50 + \$6.00/K	\$514.00 + \$6.50/K
<b>Commercial Table</b>			
2,000 Gallons Usage	\$20.50	\$28.00	\$36.00
5,000 Gallons Usage	\$20.50	\$28.00	\$36.00
7,000 Gallons Usage	\$26.50	\$36.00	\$45.00
20,000 Gallons Usage	\$65.50	\$88.00	\$103.50
25,000 Gallons Usage	\$80.50	\$108.00	\$126.00
50,000 Gallons Usage	\$155.50	\$208.00	\$238.50
75,000 Gallons Usage	\$243.00	\$333.00	\$376.00
100,000 Gallons Usage	\$330.50	\$458.00	\$513.50
125,000 Gallons Usage	\$430.50	\$608.00	\$676.00



# Cheniere Drew Water System Other Rates and Fees

Membership Fees	9/1/2016	1/1/2017	1/1/2018	1/1/2019
	\$15.00	\$25.00	\$25.00	\$30.00
Connetion Fee	\$10.00	\$25.00	\$25.00	\$30.00
Re-Connection Fee	\$25.00	\$50.00	\$50.00	\$60.00
Tampering Fee	\$25.00	\$50.00	\$100.00	\$150.00
Tapping Fee				
3/4"	\$990.00	\$1,095.00	\$1,295.00	\$1,295.00
1"	\$1,150.00	\$1,295.00	\$1,395.00	\$1,395.00
1.5"	\$1,575.00	\$1,795.00	\$1,895.00	\$1,995.00
2" Standard	\$1,925.00	\$2,295.00	\$2,395.00	\$2,495.00
2" High Volume	\$2,375.00	\$2,695.00	\$2,795.00	\$2,895.00
NSF Check	\$20.00	\$25.00	\$30.00	\$35.00
Delinquent Fee	5.00%	5.00%	5.00%	5.00%
Deposit				
Residential Owner	\$25.00	\$50.00	\$50.00	\$50.00
Residential Renter	\$40.00	\$75.00	\$75.00	\$100.00
Commercial	\$50.00	\$100.00	\$100.00	\$150.00
Bulk water Rates				
Fire Hydrant Meter	\$650.00	\$650.00	\$650.00	\$650.00
0-20,000 gallons	\$41.50	\$110.00	\$150.00	\$160.00
21-50,000 gallons	\$3.00 /thousand	\$4.50	\$5.00	\$5.50
50,001-100,000 gallons	\$3.50 /thousand	\$5.00	\$6.00	\$6.50
100,000+ gallons	\$4.00 /thousand	\$6.50	\$7.00	\$7.50

Note: In FY 2016 the average residential customer used 6,600 gallons of water per month.

Note: In FY 2016 the average commercial customer used 20,310 gallons per month.