

LAKE PALO PINTO AREA WATER SUPPLY CORPORATION

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As 2020 comes to an end and 2021 is ahead of us, your LPPAWSC Board wishes each of you a very Happy New Year. Managing the water plant is a 24/7 operation by our employees to ensure that everything is functioning according to specifications. Our employees continued to maintain and operate both the plant and system to provide uninterrupted service throughout 2020. I am happy to announce that, once again, there was no time lost to accidents during 2020.

Most of the recent plant upgrades gave the processing plant an increased capacity to produce the quality and quantity of water required by state regulations for the next 15 to 20 years in order to accommodate the anticipated population growth in our area. The Plant Infrastructure Committee along with our engineers, Enprotec, Hibbs & Todd (eHT), are now in the process of determining the areas that are in need of system line upgrades. We are looking into grants and or loans to aid with these costs.

Chase Lerma, Plant Manager/Operator, has done a great job for you this past year, not only in making good water and managing the plant, but also saving money by researching better solutions to problems that arise. James Storms, a water operator in training, is on schedule to take his Class C license test in the near future. Rueann Mowles was hired in June as our new Office Manager and she has initiated a number of procedures to make the office run more efficiently and cost effectively.

In 2013, the Texas legislature changed the procedure for electing members to WSC (Water Supply Corporation) boards. This year, there are 3 places on the board up for election. At this time, applications have been turned in by Laura Jones (Place 4) and Karen Koonsman (Place 1), both incumbents. Wayne Campaign, who graciously filled Place 6 in May, will run for the remaining 2 years of Place 6. Because the 3 open positions for 2021 are unopposed in our WSC, we will not have an election this year. They will be elected by resolution. (TX Water code Sec 67.0055).

TCEQ requires a 0.5% charge for Regulatory Assessment for each customer and the corporation began including that charge this last year. More information can be found at: https://www.tceq.texas.gov/assets/public/comm_exec/pubs/rq/rq-199.pdf

I would like to assure you that the finances of your LPPAWSC are in good condition, with funds earmarked for both expected and unforeseen expenses. All bills are paid and all loans are current as per agreements with government lending agencies. Our CPA continues to be Boucher Morgan & Young.

Each year the Board performs a careful review of our finances as part of preparing the budget for the upcoming year. Because we had an increase of 13.4% in the cost of buying raw water, the Board has decided to increase the base rate 8%. Since inflation impacts the expenses needed to keep your water company maintained and in continuous operation, it is also necessary to raise the consumption rates as follows:

The 2021 rates will be as follows:

Base Rate (5/8" to $\frac{3}{4}$ " meter): \$66.23 (increased 8%)

Consumption Rate:

0 - 10,000 gallons	\$5.88 per 1000	(increased by 2%)
10,001 - 20,000 gallons	\$8.35 per 1000	(increased by 5%)
20,001 - 30,000 gallons	\$10.10 per 1000	(increased by 6%)
30,001 - 40,000 gallons	\$11.72 per 1000	(increased by 6%)
40,001 - 50,000 gallons	\$13.55 per 1000	(increased by 7%)
Over 50,001 gallons	\$15.17 per 1000	(increased by 7%)

For your information, the raw water we process and send to our customers is purchased from Palo Pinto Municipal Water District #1, the owners of Lake Palo Pinto.

All of the above items will be addressed at the annual stockholders meeting on Saturday, March 13, 2021, 10:30 AM at the Lone Camp Community Center. We look forward to seeing you there. There is plenty of room to social distance but please wear a mask.

Karen Koonsman

Karen Koonsman, President
LPPAWSC Board of Directors