

NORWOOD WATER SUPPLY CORPORATION

PO Box 27, Farmersville, TX 75442/ Website: norwoodwsc.myruralwater.com

October 16, 2023

REVISED COPY

Norwood Water Supply Corporation has always taken great pride in providing a high level of service to its customers, while attempting to maintain and upgrade aging infrastructure throughout the service area. Over the past several years, expenses incurred by Norwood WSC, which are related to repairs and maintenance of the existing infrastructure, have outpaced Norwood's ability to continue to adequately fund maintenance and improvement projects. Norwood WSC has completed the purchase of land on 1788 ACR 404 and has been working for over a year on a new water well (Well #3) and on the final stages of completion. A fence around a new water well is in the process and hopes to be completed soon. Coupled with the drastic increase in basic expenses, such as fuel, utilities and materials, Norwood WSC's operating, and maintenance expenses continue to increase and outpace our revenue. Unfortunately, the current rate structure for Norwood WSC is not sustainable and will not meet our current or future needs. With that in mind, the Board of Directors met and discussed these issues and elected to approve the rate increase. The Board voted unanimously to approve the rate increase.

The new rates will be implemented starting October 16, 2023. Customers will see the new rates reflected on their water bills due November 10, 2023. With the new rate structure, customers will pay \$42.00 for the first 2000 gallons of water used, which was previously included in the base rate.

The decision to raise rates was not taken lightly and the Board of Directors and staff of Norwood WSC have worked on this issue for a little over a year. This has been a cooperative effort that has included the Board of Directors, Norwood WSC staff, retained professionals' help and guidance.

The implementation of the new water rate structure follows standards recommended by the American Water Works Association.

2" METER

Current Rate Structure	Effective		New Rate Structure	Effective
Base rate for meter	\$240.00		Base rate for meter	\$336.00 October 16, 2023
Tiers	\$ per 16,000 Gallons		Tiers	\$ per 16,000 gallons
16,001 – 26,000 gallons	\$4.00		16,001 – 26,000 gallons	\$4.00
26,001 – 30,000 gallons	\$4.75		26,001 – 30,000 gallons	\$4.75
30,001 – 50,000 gallons	\$7.00		30,001 – 50,000 gallons	\$7.00
50,001 gallons and up	\$13.00		50,001, gallons and up	\$13.00

All rates will be on Norwood's website to view and/or to print.

If you have any questions regarding the new rate structure, please contact Norwood WSC staff by using the phone number 877-782-6418.

Sincerely,
The Board of Directors
Norwood Water Supply Corporation