

June 1, 2018

To: White Bluff Rate Payers

From: White Bluff Rate Payers Committee

Marshall Snyder, Scott Shelton, John Upchurch, John Bass

Subject: WBRP Update

First, I would like you to congratulate yourself for making the extended effort to support this winning cause, for what is as of the 1st of June, 22 months. Since we just celebrated Memorial Day, in contrast, it didn't take this long to win the peace in Europe during World War 2. D-Day, June 6th, 1944 to May 9, 1945. Just under one year.

A quick review. The Water/Sewer Rate Application was filed on the 1st of August 2016. Your WBRP Committee along with our Rate Expert, Nelisa Heddin, and Attorney, Joe Freeland, quickly pointed out the fallacy of the calculations in this application. In so doing a ten-month reprieve in implementing the 42% rate increase was forestalled. Each Rate Payer saved roughly \$400 during this time.

The (PUC) Public Utilities Commission met for the supposed final hearing on May 10th, 2018. To everyone's surprise the PUC accepted all the (ALJ) Administrative Law Judge's recommendations, plus some extras. This was a great win for you the Rate Payer. The total revenue requirement that DDU was asking for was reduced by \$510,000 to where it is less than the old rates currently in place. The current Water Base Rate is \$31.01 drops to \$21.15 and Sewer Base Rate goes from \$41.00 to \$33.23, according to the ALJ's Proposal. Volumetric rates will also drop but not quite as dramatic. As of now this is a savings of \$795.63 per year for every WB Rate Payer forever. 641 rate Payers divided into \$510,000 = \$795.63. To date this endeavor has cost about \$150,000. The expense has been split evenly between you the Rate Payer and the WBPOA. The WBPOA currently has 17 meters and will save \$13,547 per year.

New action. Without any prompting from our attorney, the WBRP committee, or the Rate Payers, the PUC Commission scheduled another hearing for May 25. None us of attended but we did watch the proceeding on CCTV. Commissioner D'Andrea asked the PUC Staff for a review of the Customer Contributions as compared to the Developer Contributions as it relates to the original infrastructure of the systems at White Bluff. What does this really mean to you? It seems that if the original infrastructure was paid for by Customer Contributions via lot purchases, which we believe it was, then DDU does not get to depreciate those assets in the Rate Application. This potentially could be an additional revenue requirement "DROP" for DDU of between \$100,000 to \$150,000. This means more savings in your rates. This action should be concluded some time in July and then a final written ruling will be issued by the PUC. At that time your new rates will go into effect and you should be refunded any additional monies you paid back to April 1st.

The Cost. Our attorney, Joe Freeland, has estimated the cost to complete this matter at about \$18,000. This includes the PUC hearing and filings in May. We currently have about \$4000 in cash in our account. So as much as I hate to ask again, would you please help us out one more time with a donation. At least this time it won't just be a "hope" we can prevail. It has been done and we have prevailed. 100 Rate Payers donating \$100 each will get us to our goal. The entire WBPOA Board has committed already an additional \$200 donation each. So please help us out. You may drop off a check at the POA office made out to the WBRP. You may mail a check to WBRP, PO Box 37, Whitney, Texas 76692 or you can go to the WBPOA website by clicking on this link <http://www.whitebluffpoa.com/white-bluff-rate-payers.html>, go to the bottom of the page and click on donate to use Paypal or a credit card.

Thank you once again for your continued support.

Your WBRP Committee