

LAZY RIVER IMPROVEMENT DISTRICT
P.O. BOX 1627
SPRING TX, 77383

March 1, 2023

Dear Resident:

This letter is a follow-up to our September 26, 2022 letter to you regarding the status of wastewater treatment plant, the potential revenue bond financing and the necessary water rate increases.

Lazy River Improvement District (the “District”) owns and maintains a water supply system and a waste water treatment system (otherwise known as the District’s “System”). The water supply system is composed of two wells, ground storage and pressure tanks, pressure booster pumps, chemical injection equipment, electrical controls, monitoring systems and water distribution lines. The waste water treatment system contains collection lines, pumping stations and a wastewater treatment plant. The District’s System provides the residents with safe drinking water and the facilities required to transform the wastewater from our homes, so that it can be discharged back into the environment. Portions of our System have been “in the ground” for 40+ years.

As mandated by the Texas Commission on Environmental Quality, the Board of Directors is responsible to ensure that sufficient revenues are generated to cover the District’s monthly operating costs and its long-term capital costs.

It has been the goal of the current and past Boards of Directors to keep the utility rates as low as possible while maintaining the financial integrity of the District.

The decision to increase water rates recently is not one that was taken lightly. Your Board members, as fellow residents of the District, have been subject to the same rate increases. In September 2022, we increased the water rates by \$20 per month; in December 2022 we increased the water rates again by \$20 per month. Effective March 1, 2023, we are implementing the final rate increase of \$40 per month. This will be the final rate increase for the foreseeable future meaning there will be NO additional water rate increase effective June 1, 2023.

The rate increases have been implemented in order to satisfy the Texas Water Development Board (“TWDB”). We are hopeful that the TWDB will lend us the funds necessary for the District to replace and rehabilitate our existing wastewater treatment plant. The TWDB’s loan program allows the District to borrow money with the best possible terms, thereby minimizing the projects overall cost to the District’s residents.

You may recall that in order to offset a portion of the water rate increases, the Board reduced the Lazy River property tax rate from \$0.4556 in 2021 to \$0.1424 in 2022.

As always, we look forward to your continued support and we welcome the opportunity to visit with you regarding District matters at our Board meetings that are held in the District.

Thank you,

Board of Directors
Lazy River Improvement District