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December 6, 2023

Dear Ransom Canyon Resident:

The City of Lubbock's City Council adopted new water rates in September 2023 for its customers. This affects the Town of Ransom Canyon as a water customer. Therefore, The Ransom Canyon City Council at its meeting on November 14, 2023, acted on the first reading of an ordinance to increase The Town of Ransom Canyon's water rates to reflect the increase passed on from the City of Lubbock. The rate increase will be as follows:

The base rate for each meter monthly \$48.25

Water Rates:

- a. \$5.72 per 1,000 gallons of usage up to 5,000 gallons
- b. \$7.22 per 1,000 gallons of usage over 5,000 gallons up to 14,000 gallons
- c. \$8.20 per 1,000 gallons of usage over 14,000 gallons

Rates for furnishing water to customers outside the city limits will be as follows:

- a. Base Rate for each meter, monthly \$68.25
- b. Water Rates: 120% of the water rates established for residents in Section Above.

In 2019, the Texas Department of Environmental Quality informed us that our Wastewater Treatment Plant (WWTP) would not have sufficient capacity in the future and that the threshold of its capacity would be reached soon. Once a sewer plant reaches 75% of its capacity in Texas, the owner must look at ways to expand its capacity to avoid penalties from the state agency. The City Council immediately took action to remedy the situation and pursued a loan supported by the Texas Water Development Board (TWDB) at an interest rate that would save the taxpayers some money. The project was expected to start in late summer of 2021; however, delays occurred as a result of the pandemic and the inflationary costs due to a lack of supply and demand. Now the sewer plant expansion comes with a price tag of over eight million dollars. Approximately half will be paid by the Lubbock County Water Improvement Control District #1 (Buffalo Springs Lake) because we also process their sewer.

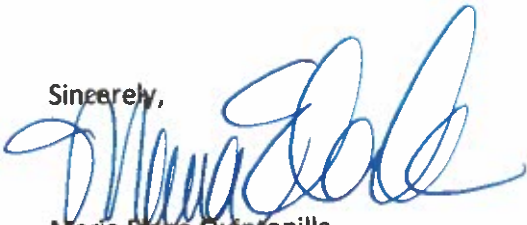
Your City Council has taken steps to save you some money by negotiating the lowest bid of eight million eighty-eight thousand one hundred eighty-five dollars and five cents (\$8,088,185.05) down to six million three hundred thirty-eight thousand one hundred eighty-five dollars and five cents (\$6,338,185.05) and securing funding with the lowest interest rate available to our city.

To pay for the increase in water rates from the City of Lubbock and the additional loan secured for the Wastewater Treatment Plant (WWTP), the city will raise the monthly water meter fee by \$16.25, an increase of ten cents (.10) per 1,000 gallons of usage up to 5,000 gallons, an increase of thirteen cents (.13) per 1,000 gallons of usage over 5,000 gallons and up to 14,000 gallons, and an increase of seventeen cents (.17) per 1,000 gallons over 14,000 gallons. This increase to your water utility bill from Ransom Canyon starts in January 2024.

Infrastructure costs are inevitable for every city as equipment ages, and inflation has affected every city. Your City Council has taken special care to make informed, conservative decisions regarding this financial scenario by securing additional funding that is best for our city and by reducing expenditures for the coming year.

Please contact me or Leslie Randolph, our Deputy City Secretary, with your questions at (806) 829-2470 or emails listed above on the letterhead.

Sincerely,



Maria Elena Quintanilla
City Administrator