

Gday everyone,

We have had several questions regarding to the water system LU fees increase from \$55 to \$65.

The loans from Urban Development were combined and refinanced in August of 2020. The new bonds were issued through County that co-signed for the original loans. That refinance resulted in a decrease in the interest folks were paying. It dropped from 5.125% to 3.35%.

The original LU fee was set at \$75 to pay 1/3 of the loans. The LU fees were decreased (to \$55) below that level to entice folks to connect to the water system. Did not work. It did not result in more connections (more folks paying in), and put the payment schedule on course to be in the red.

The new Bond amortization schedule indicated that at \$55, we were unable to make the payments for the duration of the bond unless we raised the LU fee to \$65 (if we did it soon). This increase will keep us in the black for the life of the bonds (28 years).

If something occurs later to change the funds needed, we will need to lower the LU fee to insure we only pay for what we need.

Thank you for your support,  
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