

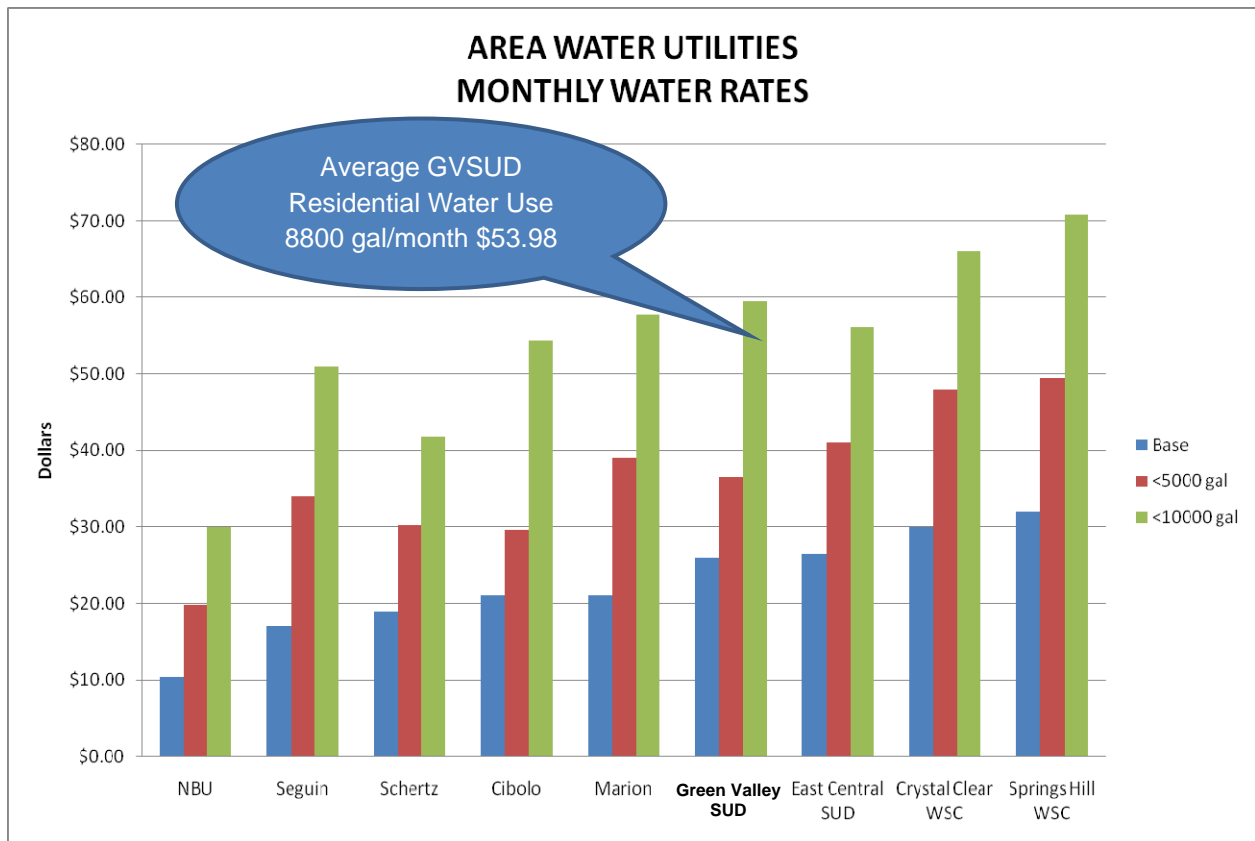
Notice of Green Valley SUD Water Rate Increase Effective November 1, 2011

After holding water rates down for the last three years, GVSUD customers will see a rate adjustment on their December 2011 water bill. The Board of Directors approved the new rates, effective November 1, 2011, at the recent September board meeting.

The District has adopted a policy of "... growth paying for growth...". This is reflected in a new capital recovery fee application pending with regulatory authorities. It will increase capacity buy in fees for new development. However, aging infrastructure and increased fire and emergency demand protection has challenged the District's facilities. Cost increases for utilities, chemicals, construction, fuel and related charges have continued to raise the District's operating costs. Additionally, regulatory fees and new requirements have also impacted the District's budget. The proposed rate changes will provide for renewal and replacement of existing infrastructure, secure new water supply capacity and establish sound, long term financial stability.

Local water supply alternatives are more expensive to develop, if available at all. The District has to go farther, out-of-District, to develop Carrizo groundwater in Gonzales County, as well as new surface supplies. These options provide new, redundant water sources to our local Edward's and Guadalupe River main stays. These supplies are all facing ever increasing pumpage fee's and drought restrictions. The more distant the water, while more expensive to treat, pump and deliver, provides a diverse, long term reliable and dependable supply.

As shown in the graph below, the proposed rates strive to maintain GVSUD's affordable rates in comparison to neighboring utilities. An average single family residence utilizes 8800 gallons per month of water. This will equate to a charge of \$53.98 with our new rates. The table below lists the District's new residential, wholesale, commercial and industrial customer charges.



Proposed Green Valley Water Rate Increase Effective November 1, 2011

Residential

Monthly Base Rate

Meter Size

5/8"	\$26
3/4"	\$39
1"	\$65
1 1/2"	\$130
2"	\$208
3"	\$455

Gallonge Residential Rate per Thousand

0-2,000G	\$0.00
2-5,000G	\$3.50
5-10,000G	\$4.60
10-15,000G	\$5.50
15-25,000G	\$6.60
25-50,000G	\$8.25
>50,000G	\$9.80

Commercial / Industrial

Monthly Base Rate

Meter Size

1"	\$65
1 1/2"	\$130
2"	\$208
3"	\$455

Gallonge Commercial/Industrial Rate per Thousand

0-50,000G	\$3.50
50-200,000G	\$4.50
200-300,000G	\$5.25
300-500,000G	\$6.50
>500,000G	\$8.00

Wholesale

Gallonge Rate Wholesale per Thousand

0-50,000G	\$3.50
50-200,000G	\$4.50
200-500,000G	\$5.25
>500,000G	\$5.75

Fire Hydrant

Monthly Base Rate

Meter Size

1"	\$65
2"	\$208
3"	\$455

Gallonge Fire Hydrant Rate per Thousand

0-100,000G	\$4.00
100-200,000G	\$4.50
200-300,000G	\$5.25
300-500,000G	\$6.50
>500,000G	\$8.00