

NOTICE OF PROPOSED RATE INCREASE

This is to inform you that the South Plains Water Supply Corporation Board of Directors will consider the attached rate increases at the meeting on June 20th at 6:30 PM. The meeting will be held at the Shallowater Community Center, 900 Avenue H., Shallowater, Texas.

The current water system requires significant investment to address water quality issues and the lack of maintenance by the current owner. The Board has been working with the Texas Water Development Board (TWDB) to secure \$3 million in funding to address the water quality issues. The TWDB has agreed to provide the funds once the South Plains Water Supply Corporation (SPWSC) takes ownership of the system from the current owner and presents a financial plan to operate and maintain the system in compliance with all regulations.

The proposed rate (see attached) increases are necessary to ensure sufficient funding for maintenance, regulatory compliance, and financial stability. These adjustments are essential for addressing water quality issues and ensuring a more reliable water supply system for our community. The Board will discuss this matter at the June 20th meeting.

This notice is provided so that you can attend the meeting, learn more, or express your opinion.

Thank you.

A handwritten signature in blue ink, appearing to read "R. Sheets", with a long horizontal flourish extending to the right.

Robert Sheets
System Manager
South Plains Water Supply Corporation