

STEPHENS REGIONAL SPECIAL UTILITY DISTRICT

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August 29, 2024

Re: Water System Improvements and Expansion Project
(Southeast portion of Stephens County, TX – See enclosed map)

Dear Landowner:

Stephens Regional Special Utility District's (SRSUD) is nearing the completion of the design phase and funding application for a planned water system improvement project that when completed, will increase existing system capacity and where feasible, will allow extension of service to new customers in the Southeast portion of Stephens County. Below is information relating to the proposed expansion and upgrades should you be interested in participating in the proposed project.

The District began collecting *Indication of Interest Deposits* some years ago for the project, but was met with numerous obstacles, funding being one of the primary concerns. Initially, the project planned to be funded as one large project, but the funding agency required it be split into three separate projects, to be completed in three phases. This triggered changes to the planned funding options, and considerably changed the anticipated schedule for the projects. The District's Water Treatment Plant was Phase 1, and was required to be completed prior to any additional phases involving expansions or upgrades to the water distribution system.

These types of projects are primarily funded with state and federal funds often including both loan and grant, and are often driven by government administrations, subject to available funds, natural disasters, project scoring criteria, etc. Small water systems such as SRSUD, are dependent on securing funding that also include grant with the funding options to make projects affordable for both current and future customers. Unfortunately, this can often be a lengthy process, but necessary to make it as cost-effective as possible. During Phase I of the Water Treatment Plant construction, and Phase II of the construction of the infrastructure to tie the treatment plant into the existing system, the District continued to seek available funding options that would best meet these objectives.

SRSUD has obtained funding for the distribution system improvements to the southeastern portion of Stephens County, and expansion in areas where there has been the most interest in obtaining water service. Some landowners have already shown interest in participating in the project and have submitted Indication of Interest Deposits. If you are one of those landowners, someone associated with the District will contact you when the construction phase for the project is nearer with regards to the project line placement, easement, and service connection. If you are not one of those landowners who have submitted an Indication of Interest Deposit and would like to participate in the project, or know of someone in the proposed project area who may be interested in participating, please do not hesitate to contact to the District to initiate that application process before the deadline indicated in this letter. Once the District's engineer has finalized the project design, and submits it to the state and funding agencies for their review and approval, the District will no longer be able to accept Indication of Interest Deposits for participation in the project. **The Indication of Interest Deposit amount is \$1,500.00 for participation in the project. The District will allow Indication of Interest Deposits to be submitted for participation in the project until September 30, 2024.** After that date, consideration for

service in your area will be made based on the completion of the project, availability, any upgrades and/or extensions, if necessary, and the current cost for new service at the time application is made. **Currently where water service is now available, the cost for a new standard residential service connection is \$6,105.00 (this amount DOES NOT include any extension, upgrades, or road bore costs, if required).** In the event a water main is installed along your property as a result of the project, participating in the project prior to the deadline date mentioned above would result in a substantial saving to the landowner for future prospective water service.

The District desires to complete all of the proposed lines in the planned areas, **but there is no guarantee that the project will reach some of the areas as planned.** As previously mentioned, depending on bids proposals for the project, available funds, and fluctuating cost of materials, unfortunately it is probable that portions of the project may have to be omitted. In areas where there exists a lack interest by landowners in submitting Indication of Interest deposits, as well as funding challenges resulting from bid proposals, etc., it is likely areas of the project will not be completed in this phase as planned. However, when that determination is made, if your area is not included as a result of the above mentioned, you will have the option to request a refund.

If you decide you would like to participate in the project, it is important to complete the enclosed forms, and **submit along with \$1,500.00 for the Indication of Interest Deposit to SRSUD prior to the September 30, 2024 deadline.**

If you need any assistance, do not hesitate to contact the office at 254-559-6180.

Sincerely,

Leshia Brewster
General Manager, SRSUD
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