

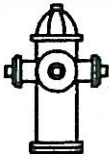
DAVIDSON WATER, INC.

WELCOME, N. C.



DECEMBER, 1993

The Nation's Largest Rural Water System



SINCE 1969



CHANGES IN RATES SET FOR JANUARY

During this past summer water use climbed to over 11 mgd (million gallons per day). Our present plant capacity is only 12 mgd. In order to meet the increasing demand on our system by our members and to provide for the future needs of our children and grandchildren, we must expand our filter plant capacity. Our engineer has estimated a cost of 7 million dollars to increase the water plant capacity to approximately 20 mgd. We plan to accomplish this in two phases. We hope to start construction on phase one by early spring. We will add eight 1 mgd filters and increase our laboratory and testing facilities and our sludge handling facilities, in order to stay in compliance with EPA regulations. Phase two, consisting of increasing the size of our lake's settling capabilities and storage capacity, will be done as growth dictates.

Because of the need to borrow funds for these capital outlays, increased operating cost, new EPA testing requirements and the implementation of the Safe Drinking Water Act regulations, the corporation will need to increase water rates effective on January 1, 1994. The new rate structure and previous one are as follows:

Gallons Used Per Month			Previous Rate	New Rate
0	2,000	Minimum Charge	7.00	7.35
2,001	5,000	Per Thousand	2.45	2.65
5,001	10,000	Per Thousand	2.23	2.40
10,001	20,000	Per Thousand	1.70	1.95
20,001	50,000	Per Thousand	1.40	1.55
50,001	100,000	Per Thousand	1.30	1.45
OVER	100,000	Per Thousand	1.25	1.40

HOW TO FIGURE YOUR WATER BILL

If you use between 0 and 2,000 gallons, your new bill will increase \$.35 per month, an increase of \$ 4.20 per year. A customer using 5,500 gallons would figure their bill as follows:


EXAMPLE CONSUMPTION = 5,500 GAL.

		NEW RATE	PREVIOUS RATE
Minimum	2,000 Gal. (7.35) =	\$ 7.35	\$ 7.00
2,001 - 5,000	3,000 Gal. (3 x 2.65) =	\$ 7.95	\$ 7.35
5,001 - 10,000	500 Gal. (.5 x 2.40) =	<u>\$ 1.20</u>	<u>\$ 1.12</u>
		\$16.50	\$15.47

WATER BILL

Many of our customers may not be aware of the information provided on their monthly water bill or where on their bill to find the information they need. We are publishing a sample bill with a brief description of the information appearing on each bill.

If you receive a bill that seems high, you may want to check the service to and from dates, (7) or days used (8), to see if this may have been for a period when you would have used more water, i.e. watering grass. You may also want to compare the gallons used (3) to the gallons used on some of your previous bills. Our billing department will be happy to assist you with any questions you may have about your bill.

SEND PAYMENTS TO:				 1/18/94		BULK RATE U. S. POSTAGE PAID WELCOME, NC PERMIT NO. 48		
DAVIDSON WATER, INC. P. O. BOX 969 WELCOME, NC 27374-0969								
PRESENT READING	PREVIOUS READING	GALLONS USED		TO AVOID DISCONNECTION PLEASE PAY IMMEDIATELY 11 RETURN THIS STUB WITH PAYMENT				
1 67550	2 62050	3 5500						
SUMMARY OF CHARGES		AMOUNT						
CURRENT BILL		16.50						
**PAST DUE		7.35						
TOTAL AMOUNT DUE		23.85						
ACCOUNT NUMBER		AMOUNT DUE		ACCOUNT NUMBER		AMOUNT DUE		
4 01 985 00 6		5 23.85		01 985 00 6		23.85		
SERVICE PERIOD TO FROM	DAYS USED	DATE MAILED	CURRENT BILL PAST DUE		CAR-RT SORT **RR10** 6 JOHN DOE RR 10 BOX 9999 LEXINGTON, NC 27292			
7 11/20	8 31	9 1/03/94	10 1/18/94					
ANY PAST DUE AMOUNT MUST BE PAID IMMEDIATELY OR SERVICE WILL BE DISCONTINUED. TOTAL BILL PLUS RECONNECTION MUST BE PAID BEFORE SERVICE IS CONTINUED. <u>NO OTHER NOTICE GIVEN.</u>								
JOHN DOE								

1. Present Reading - The meter reading read on the service to date.
2. Previous Reading - The start meter reading read on the service from date.
3. Gallons Used - Total number of gallons used for the current bill. This will be the difference between the present and previous reading.
4. Account Number - In order to correctly credit your account, we need the account number when calling our office to inquire about your bill.
5. Amount - Will show the amount due for the current bill and any past due amount that may still be owing from a previous bill.
6. Billing Name and Address - If you receive a bill that the name or address is incorrect, please contact our office so that a correction can be made.
7. Service Period - The dates that the meter was read for the current bill amount. The meter is normally read 3 - 10 days before the bill is mailed.
8. Days Used - The number of days water was used for the current bill.
9. Date Mailed - The date the current bill was mailed.
10. Current Bill Past Due - The date the current bill is due. This date does not apply to any past due amount. If there is a past due amount on the bill you receive, that amount must be paid immediately at our main office in Welcome to avoid disconnection.
11. Return This Stub with Payment - In order for our computer to read the bar code to correctly credit your account, it is important to return the right side of the bill with your payment. If you have automatic draft, the statement Automatic Draft will be printed above this statement.

BANK DRAFT

Over 1,000 of our customers are now taking advantage of our convenient bank draft service. With bank draft there is never a problem with a past due bill and you save the cost of postage each month. We simply draft your bill from your checking account on the 15th of each month. If you would like to take advantage of bank draft simply contact our office and one of our customer service representatives will be happy to assist you.

SERVICE CHARGES

There is a \$35.00 deposit required on each account. Any deposit for new service that is paid after 1:00 pm will be turned on the next business day. There will be additional \$10.00 service charge for deposits paid after 1:00 pm, but during business hours, in order to have the water turned on the same business day. The service charge for delinquent accounts disconnected for non-payment will remain at \$20.00 during business hours.

This is an equal opportunity program. Federal law prohibits discrimination. Complaints of discrimination can be filed with the Administrator, FmHA, US Department of Agriculture, Washington, DC 20250-0700.