

November 5, 2013

Dear Templeton Water Customer,

From April 2013 to present Templeton Water has been utilizing the consulting/engineering services of Tighe & Bond for the purpose of completing a comprehensive capital improvement plan and a water rate study for Templeton Water. These studies have not been updated since 2001 and 2003 respectively. Based on Templeton Water's aging water infrastructure needs combined with a consistently downward water sales trend, Tighe & Bond had developed three different water rate scenarios.

Each of these scenarios offered different revenue options for Templeton Water to be able to operate with better cash flow. For the last several fiscal years Templeton Water has struggled to keep up with the costs of bond payments, chemicals, compliance, electricity and station and vehicle maintenance just to name a few. The fiscal water budget has been \$1,400,000 for several years, a third of which has been bond debt on capital improvement projects completed from 2000 to present. These projects were critical in order to keep Templeton Water in compliance with the Massachusetts DEP, the state regulatory agency who establishes all of the operating guidelines on drinking water.

In October 2013, after much discussion with the General Manager and the Water Superintendent about the rate study results, the Templeton Water Commission voted to adopt the second of the three water rate scenarios proposed by Tighe & Bond, which will increase the existing water rates by 23% in FY14. While Templeton Water realizes that this is a drastic increase for the average water customer in Templeton, it is important to understand that our water rates are a function of our operational costs. Templeton Water's rates have not increased consistently with the corresponding increases in operational costs. The quarterly water customer charge was last increased in December 2008, 5 years ago. The quarterly water usage charges were last increased in April of 2007, 6 years ago.

Enclosed within you will find a copy of Templeton Water's new rates which will be effective in the December water billing period. The new water rates will raise the average water customer's quarterly bill from \$138 to \$170. A copy of the new water rate study will be posted on the TMLWP website (www.templetonlight.com) within the next few weeks for public viewing. Templeton Water is also looking to post the entire capital improvement plan on the TMLWP website, but due to its larger file size it is not yet known when it will be available for public viewing online.

Please feel free to contact the office with any questions on the new water rates or any other issues that you may have as a water customer. Thank you.

Sincerely,

John M. Driscoll

General Manager