



WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

12117 Bee Cave Road
Building 3, Suite 120
Bee Cave, Texas 78738
Office: 512/263-0100
Fax: 512/263-2289
wtcpua.org

January 5, 2018

Dear Valued Customer:

We are pleased to announce that on December 28, 2017 the West Travis County Public Utility Agency (PUA) completed refinancing \$151,703,000 of its Series 2013 Bonds. The new Series 2017 bonds will have an effective interest rate of 3.51% vs. the 2013 Series bonds interest rate of 4.95%, resulting in \$17.4 million in principal and interest savings over 28 years, or \$621,000 per year. We are gratified that Standard and Poor's improved the PUA's bond rating from A- to A/Positive, which recognizes the operating and financial improvements that have been achieved over the past year. In particular, saving \$600,000 a year by bringing operations and customer service in house, settling three lawsuits and reduction of litigation costs, and increased revenue from the PUA revised investment policy. Cost savings from this bond refinancing will improve our ability to provide rate stability to our customers, including no rate increases for FY2018, which started October 1, 2017.

At Customer Service, we are pleased to report that our new telephone system, increased staffing and additional payment options are providing improved service to our customers. Our Customer Service Manager has advised that call volume has decreased 75% since 2015, which is indicative of this improved service. Also, we had our second Customer Academy at the PUA office on Friday, December 8, 2017. A presentation was delivered outlining PUA history, operations, finances and rate development, and tours given of our water plant and wastewater treatment plants. The presentation is posted on our web site under "WTCPUA Facts." Customers who attended the Academy advised that it was informative and enjoyable. For customers who receive sewer service from the PUA, please remember that your sewer charges are based on a "winter average" of your consumption in December, January and February. By keeping your water usage low during the winter months, your annual monthly sewer charges will be lowered.

We have made great progress with our Engineering Department reorganization and are now providing improved, timely service to our customers who submit service extension requests (SERs), construction plan reviews, and other requests for technical assistance. In Operations, we are pleased to report that we were in full compliance with TCEQ regulations in 2017, including passing detailed inspections of our water and wastewater systems with no violations. Our water system compliance is documented in our 2016 Consumer Confidence Report (CCR) which was mailed to you last summer.

On the capital improvements side we recently awarded a contract for the Raw Water Intake Pump Station Improvement Project, which will replace Pump No. 3 with a higher capacity pump along with necessary electrical upgrades. This project will run in parallel with our second raw water line project, which is expected to bid this spring and facilitate redundant supply and increased capacity from our Raw Water Pump station to our water treatment plant. These projects will be complete in 2018. We also bid and awarded our 1340 elevated storage tank project, and are preparing to bid the 1340 Transmission Main project in February. These projects will provide for growth and improved service on our U.S. 290 system. We also authorized design of the West Bee Cave Pump Station Second Storage Tank and Home Depot Pump Station Improvement projects. The Lake Pointe WWTP Upgrade is progressing well and scheduled for completion in April, 2018. The Water Tank Painting and Pump Station Rehabilitation project has been awarded and will commence this month. Design services for the Lake Pointe Manhole Rehabilitation project was awarded in November, 2017 and construction is expected to be completed in the second quarter of 2018. The Water Treatment Plant Rehabilitation project is currently under design and should also be bid in the second quarter of 2018.

Thank you for your support as we work to provide safe, reliable water and wastewater services to our customers.

Sincerely,

A handwritten signature in blue ink that reads "Robert Pugh". The signature is written in a cursive, slightly slanted style.

Robert Pugh
General Manager