

Spring Creek Forest Public Utility District  
P.O. Box 9  
Spring, Texas 77383

*An update from the Spring Creek Forest Public Utility District (SCFPUD) Board of Directors*

**Dear SCFPUD residents,**

Your water board would like to provide you an update regarding coming changes to your water bill, which go into effect January 1, 2007. As you may know, your water bill is separated into several different assessed fees. The fees include: (1) actual water usage fee based on the amount of water which passes through your water meter, (2) a sewage fee that also includes the direct cost for garbage pickup and disposal and recycling and (3) a “surface water” fee which is paid directly, and entirely, to the Harris County Regional Water Authority designed to eventually provide our district with surface level water from Lake Houston.

There will be a change in the water rate. Water rates are divided into a graduated scale based on the total amount of water used during the month. There is a “base” fee of \$10 for the first 5,000 gallons of water used. This base fee of \$10 per month will not change. However, the cost of water used in amounts greater than the base amount has increased. Below is the current and scheduled changes to the water rate schedule. These water rate increases are needed to continue to maintain the current level of water service provided.

**Current Water Rates**

0-5k gallons - \$10 fee  
5k-10k gallons - \$0.75/thousand gallons  
10k – 20k gallons - \$1.00/thousand gallons  
20k+ gallons - \$1.25/thousand gallons

**New Water Rates (starting 1/1/2007)**

0-5k gallons - \$10 fee  
5k-10k gallons - \$1.00/thousand gallons  
10k – 20k gallons - \$1.25/thousand gallons  
20k+ gallons - \$1.50/thousand gallons

The second change, and most dramatic, will be the increase in the sewage fee. The SCFPUD has recently conducted a financial study of costs associated with maintaining our sewage system. For a number of years, a flat rate of \$10 was charged per household; however, for the last year, the actual cost paid by the SCFPUD to our regional sanitary plant is approximately \$22 per household/month, a difference of \$12 per household/month.. Beginning January 1, 2007, this additional \$12 per household will be applied to your sewage fee on your monthly bill. Please also remember that your “sewer” fee on your monthly bill also includes garbage/recycling pickup. The monthly cost for garbage and recycling is \$23 per month per household. These funds are collected and paid directly to the garbage collection contractor. This brings the total sewer portion of your bill to \$45 per household per month for sewage, garbage pickup, and recycling.

As with most things in life, the cost of doing business is rising. The operational costs associated with maintaining our aging water and sewer plants are continuing to rise as well. In the past, some of the larger capital expenses required to maintain these facilities were paid from bond monies and paid out over long periods of time. Your annual taxes paid to the SCFPUD, go to pay back these bonds over the longer period making the payments smaller on an annualized basis. However, as we have not been able in recent years to pass any bond authority, we are now in emergent need of creating an operational reserve to help cover emergency expenses. Most utility districts have an operational reserve of at least one year worth of operating expenses and we are well below that figure. In fact, if there were a major emergency event requiring a large capital expense, we are not certain if we would have the operational funds available to make the necessary repairs. As a result, we are adding a \$5 per month fee to all households to assist in maintaining our operational reserve. This fee will be added to the sewer portion of your bill bringing the sewer portion to \$50 per household. We will continue to closely monitor these expenses over the coming years.

On a happier note, due to the fact we are lowering our amount of bond service, the SCFPUD was able to reduce your property taxes by 11% from this year to next year. The 2006 tax rate was \$0.55 per \$100 of home valuation. The 2007 tax rate will be \$0.49 per \$100 of home valuation. One a home valued at \$120,000, your tax bill would go down from \$660 to \$588. It is worth noting that the SCFPUD tax rate has been steadily reduced over the years. Since 1989, the SCFPUD has reduced the tax rate from \$0.78 per \$100 valuation on your home to the 2007 rate of \$0.49. This represents a 66% decrease in your annual tax bill since 1989. The ability to make this happen has been the result of an increase in the assessed value of the entire water district we serve. By developing new areas of the water district with new neighborhoods and business development district, there are more people paying into the system. The bottom line is, the more people you having paying into the system, the less we all have to pay in the long run. This trend may not continue in the future if we are not able to continue to develop the district with new payees. Without the ability to raise bond monies, we are already turning away additional business development in our district, which would help to lower the tax rate in coming years.

The SCFPUD is making a renewed effort and commitment to maintaining a healthy water and sewer system for all of us to use for many years to come. If you would like to know more about the SCFPUD, please access our website at [www.springcreekforest.com](http://www.springcreekforest.com).