



Public Water Supply District No. 2
of St. Charles County, MO
Providing and Protecting our Most Precious Resource

WRIGHT CITY WATER & SEWER SYSTEMS SALE TO PWSD2

FREQUENTLY ASKED QUESTIONS:

Question: Why is the City proposing to sell its water and sewer systems?

Answer: The City's current sewer treatment facility is inadequate. It has failed to strictly comply with MO Dept. of Natural Resources (DNR) regulations for several years now, even after numerous adjustments and fixes. Engineers hired by the City have developed solutions but all solutions would require extensive renovations to the system. Initial cost estimates placed these repairs in the \$3 - \$5 million range to "fix-up" the existing system in an attempt to bring it into compliance with current DNR standards, or \$12 – \$15 million to build a new system that would meet or exceed the current standards.

The City's water system is also in need of upgrades. The current capacity of the system is reaching its limit and needs additional wells and towers to meet the growing demands for a safe and adequate system. Water line breaks and fires have a significant effect on the current system and its users.

While exploring all options, including those above, the City realized the Public Water Supply District No. 2 had available capacity in the area, the City approached the District about the possibility of purchasing the City's utilities as a way to ensure quality water and sewer services to City residents for the long term.

Question: If the sale is approved, what might the City use the sale proceeds for?

Answer: The City and District have agreed to a purchase price of \$10.5 million for the City's water and wastewater facilities conditioned on the election. With this money, the City would be able to pay off existing debt, purchase additional park land, make needed repairs to the existing parks, repair roads, or any number of other capital improvements. Additionally, the City will not be responsible for future costs to operate, maintain or upgrade the systems to comply with the ever-complex government regulations on water and sewer systems.

Question: How does this proposed purchase of the City's utilities fit into the District's system?

Answer: Incorporating the Wright City water and sewer system into the District's nearby existing water and sewer systems will create a more robust and more reliable system for existing and future customers. The additional usage of the City's existing customers will allow the District to more efficiently utilize treatment capacity, reducing unit costs for providing services.

Question: Will customers notice a change in the level of services they used to?

Answer: The District only operates and maintains water and sewer systems. The District's available resources (manpower, equipment, supplies, etc.) and industry knowledge will immediately result in an improved level of service to our new customers. Quick emergency response times, 24-hour availability for customer questions, strategic planning and budgeting, and routine and regular maintenance schedules are all items for which the District is

appropriately equipped to provide on Day 1. The District is a regional leader in the water and wastewater service industries and holds itself to a high standard of excellence.

Question: What is the timeframe of the purchase?

Answer: A 2/3 majority vote of the citizens of Wright City will be required at the April 3rd, 2018 election to approve the sale of the systems to the District. If the citizens approve the sale, transfer of the systems will likely occur in the early summer (June 2018) timeframe.

Question: What is going to happen to the City's existing customers' rates?

Answer: The Agreement has ensured that the City's current rates will be locked for a period of at least 5 years. After the 5 year period, the City's customers' rates will be tied to the same rate structure as the rest of the District's customers. Historically, the District has not experienced large increases in rates as a result of their larger (and therefore more stable) customer base. Any future increases are expected to align with standard inflationary increases.

Question: What will happen to the City's rates if this sale is not approved?

Answer: While the City cannot say exactly, the City is currently faced with expensive upgrades to its wastewater treatment plant for new ammonia effluent limits. Preliminary engineering calculations have estimated that an increase of \$10 to \$15 a month per household will be required to fund the upcoming improvements necessary to remain in regulatory compliance. Additional sewer capacity upgrades and/or sewer infiltration improvements are also on the foreseeable horizon for the City. These improvements have the potential to increase rates by an additional \$10-15 a month or more.

Question: Will the City's residents still have local representation related to the water and sewer systems?

Answer: The District is comprised of 5 elected Board of Directors, each serving 3-year staggered terms. Anyone within the limits of the District's five subdistricts has the opportunity to vote for these 5 elected officials. Wright City would be in the current subdistrict 5 and one of the Board members will be responsible for that area. Additionally, the District's Board meets at least once a month. These meetings are always open to the public, and the District Board welcomes public input.

Question: What will this sale mean for economic development within the City of Wright City?

Answer: Upon sale of the systems, the District's intent is to merge the City's existing systems with the District's surrounding systems creating larger, more robust systems with additional sources of redundancy. It is generally believed that this increased capacity and reliability will positively impact the attractiveness of the Wright City area to prospective businesses and developments. Additionally, as a water district in one of the fastest growing areas over the last few decades, the District's Staff is well prepared to handle prospective development inquiries and managing both large and small development projects. Local developers are familiar with the District's practices and have confidently built in the service area.

Question: What will happen with the City's employees once the sale goes through?

Answer: The City's existing employees will remain on staff with the City, but will be able to focus their time and effort on other aspects within the City, such as streets, storm water, mowing, parks, etc.

Question: Will the District be as pleasant to deal with as the City?

Answer: The District strives for excellence in customer service. They have policies in place to work with those in extenuating circumstances who may need some leniency on paying their utility bill. The District's goal is to respond to customer service calls within 24 hours of receiving the call. The District has an "Operation Roundup" program in place to create a separate fund operated by a non-profit agency in charge of assisting those in need who are struggling to pay their utility bills. District employees have a long track record of being polite, courteous, and helpful to everyone they encounter.

Question: How will Wright City customers be able to pay their bills?

Answer: The District currently has multiple ways to receive payments: Check, Cash, Money Order, Credit Card (MasterCard or Visa), IVR (Interactive Voice Response) system, payments through the Water District web site and payments made electronically through your own bank. There will also be a drop box located at Wright City, city hall.

Question: Will the City's current customers have to pay a new connection fee or deposit for service?

Answer: No, the existing customers will not be charged a new connection fee or pay a deposit for service. However, all new customers in this area will be required to follow the Districts "Rules & Regulations".