



The Town of Trophy Club Is Trying to Raise Taxes and Water Rates

An Open Letter to Trophy Club MUD No. 1 Customers and Trophy Club Citizens

Dear Customers and Friends:

The Trophy Club Municipal Utility District No. 1 has been proud to serve you for many years. In fact, we were founded years before the Town of Trophy Club came into existence. Your Trophy Club MUD1 Board has always had a long-term vision—to provide you, our customers, with clean, safe water and a wastewater system that performs well at stable, fair rates. Additionally, we provide the best Fire Department services available.

Behind our long-term vision stands the MUD's commitment to the Town's slogan, "Trophy Club – A Great Place to Call Home." Our MUD has demonstrated this by lowering your MUD taxes almost every single year, while at the same time keeping your water and sewer rates the lowest and most competitive in North Texas. We were able to build a new \$3-million fire station and complete a \$1.2-million upgrade to the MUD's ground storage tanks while lowering your taxes and keeping utility rates the same.

As the Town, spurred by Town Manager Mike Slye, pushes to take over the MUD, we ask one simple question:

If it isn't broken, why "fix" it?

Safe, clean water, a wastewater system operated at the highest standards and a professional Fire Department, all brought to our customers at the most effective rate, have always been what drives decisions made by your MUD Board. Town management talks a good game about the benefits of consolidation but, in the words of the Town Manager, does not believe that the financial aspects of a consolidation should be top priority. To quote him at the recent Town Hall meeting: "Finances are important, but they are not the end all, be all." We are concerned that the Town Manager, Mayor and Council are not interested in the cost to customers that would result from the Town taking over the MUD. A recent analysis showed that several MUD customers "across the street" would spend tens of thousands of additional dollars annually if their water and sewer services aren't provided by our MUD. Additionally, a MUD takeover would allow the Town to increase taxes and fees to all current MUD customers to pay for services that are not water related. The Town cannot make the case for consolidation based on finances—and that is the only viable reason for consolidation.

The Town Manager erroneously stated during the Town Hall meeting that no other city in Texas has to deal with a MUD—in truth, there are around 850 active MUDs in Texas, many of which are part of towns and cities. A MUD is a time-tested, efficient and cost-effective way to bring clean, safe water and wastewater services to communities. When it makes financial sense, the Texas Commission on Environmental Quality (TCEQ) advocates that MUDs are carefully consolidated into cities. This is the rationale used when the older MUD2 and MUD3 were merged into our operations—to create a larger MUD, ensuring efficiency and cost savings. Let's not overlook the fact that the Town is not qualified to run a water system for its residents. It is already in noncompliance with the TCEQ for the services it offers to Trophy Club residents who are not MUD customers.

We have tried to work with the Town on the most pressing water issue facing this area—the need for multimillion-dollar wastewater plant improvements—and the Town has done nothing but slow us down. Continued growth in the PID has our wastewater plant at the breaking point. This is not just the MUD's problem, it is the Town's problem. The MUD has worked closely with the TCEQ to put a state-approved plan in place with virtually no help from the Town.

Don't let the Town fool you with talk about a Blue Ribbon Panel (selected by the Town and run by the Town Manager), the MUD not attending the recent Town Meeting (we know a set-up when we see one) and minimal loss of revenue (unlike the Town's numbers, ours add up properly).

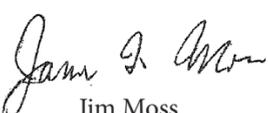
Bottom line, do you want to pay more for water, wastewater and fire services that are inferior to what you currently receive from the MUD? A takeover of the MUD will cost each and every customer—Trophy Club residents, those in the PID and our commercial friends "across the street"—more money, in the form of both higher rates and taxes.

ARE YOU HAPPY WITH YOUR WATER, WASTEWATER AND FIRE SERVICES? DO YOUR RATES SEEM REASONABLE?

If so, please contact your Town Manager, Council and Mayor and tell them to quit wasting taxpayer dollars on this power grab—(682) 831-4600. The Town can't make a financial case for consolidation—and it isn't broken, so they need to quit trying to "fix" it.

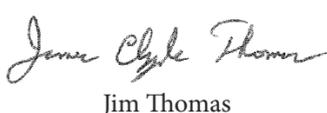
We are honored to serve you as directors of the Trophy Club MUD No. 1 and hope you will join us on SEPTEMBER 30, 2013, at a venue and time we'll announce soon, for an open house and information session we are hosting. We want to answer questions, set the record straight and provide the opportunity for you to get to know the operations of your MUD better.

Sincerely,


Jim Moss


Bill Armstrong


Kevin Carr


Jim Thomas


Nick Sanders