



September 4, 2013

Dear Trophy Club MUD No. 1 Customers,

We value all of our customers very much, and we thank you for allowing us to serve you.

If you are receiving this letter and are a resident of the PID, we want you to have important information that the Town of Trophy Club is not sharing with you. There has been talk about PID residents potentially not receiving water and wastewater services from the MUD in the near future. This would happen only if the Town does not execute a long-term contract with the MUD—in June, we gave the Town a deadline of Sept. 17, 2013. If the contract with PID customers does not continue, it will **cost all MUD customers more money** to receive the same services you currently enjoy. Once again, the Town is playing with your money and your access to clean, safe water and a wastewater system that performs well at fair, stable prices.

PID Customers, do you want to be left high and dry without water and wastewater services? That could happen—and soon—if the Town does not enter into a long-term contract with the MUD.

What are the facts of the situation?

- The Town currently purchases wholesale water from the MUD and provides it to our PID customers. The Town sets water and wastewater rates for PID residents, and the MUD operates and maintains the PID water and sewer systems through a contract with the Town. The operations contract also requests that the MUD collect your payments.
- The wholesale contract with the Town could potentially expire in less than two years when the PID is built out.
- Growth in our area has led to TCEQ-mandated upgrades to the MUD's wastewater treatment plant, and those upgrades must be implemented as quickly as possible to avoid major fines.
- It is to everyone's benefit that the MUD is able to finance the sewer plant upgrades so that all customers pay only their fair share. A long-term contract with the Town for water will ensure this. The MUD will move forward with the wastewater plant upgrades with or without the contract with the Town to provide service to PID residents.

What are the options for PID residents?

- The Town can sign the long-term contract with the MUD, and PID residents' water and wastewater services will continue exactly as they have been. We will continue to **provide clean, safe water at fair, stable rates.**
- If the Town does not sign the contract, it will need to find an alternate source for PID residents' water and wastewater services. These costs in all surrounding areas are much higher than PID residents currently pay, because the MUD has the best rates in North Texas. Additionally, the infrastructure necessary to make this switch will **cost PID residents millions of dollars.**

- **PID residents can request to be annexed into the MUD.** The annexation process could begin upon the filing of a petition signed by at least 50 landowners in the PID. The procedure from the Water Code for annexation could then be followed. The Town must consent to this plan. This option would relieve the need for the Town to serve as a middleman.

PID residents: You have a choice—and you also have a voice.

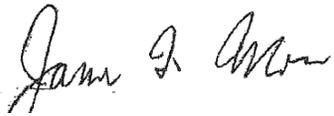
Are you happy with your water and wastewater services? Are your rates reasonable? If so, contact the Trophy Club Town Manager, Council and Mayor at (682) 831-4600 and ask them to sign a new long-term water contact with the MUD. If the Town does not execute this contract, your access to clean, safe water will either go away or cost much more than it currently does.

The current system isn't broken, so what is the Town trying to "fix"? Not only is the system not broken, it is efficient, effective and provides vital water services at reasonable rates.

All customers: We invite you to attend the MUD No. 1 Open House on September 30, 2013 to learn more about *your* MUD. Watch the MUD's website for details on location and time.

Help us ensure that we continue to be your water and wastewater service provider. It is our privilege to serve you. We welcome your questions and inquiries, and we can be contacted at (682) 831-4600 or by email at info@tcmud.org.

Sincerely,



Jim Moss



Bill Armstrong



Kevin R. Carr



Jim Thomas



Nick Sanders