

WEST MADISON UTILITY DISTRICT

P.O. Box 27
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Flora, MS 39071

Telephone: 601-879-9718

July 26, 2017

Dear West Madison Utility District Customers:

I am writing this letter to you as President of the West Madison Utility District ("WMUD") Board of Commissioners in response to the comments made to the Board at its last meeting on July 18, 2017, which was held at the Kearney Park Community Center. At that meeting, the Board attempted to explain to you why WMUD must raise its water and sewer rates; and to explain the dire financial condition that we find ourselves in as recipients of water/sewer service in our community. One of our immediate concerns, of course, is that the District is not collecting nearly enough money from utility payments each month to meet its monthly obligations. For example, in the last year, the district lost approximately \$37,000. This problem must be solved through cutting expenses and increasing income. Raising water and sewer rates is therefore necessary to address these problems, and your Board has sought assistance from Mississippi Rural Water Association to arrive at new water and sewer rates that are commonly charged for such services among its water associations across Mississippi in low income areas. As we stated at our last meeting, there has not been an increase of WMUD's water and sewer rates since 2008.

The Commissioners are also concerned that the District is "losing income" because it is receiving no income from about seventy percent (70%) of the water which is being distributed to customers. Experts tell us that it is normal for a water utility to lose or receive no income from approximately thirty percent (30%) of its water usage, because of water leaks, etc. However, to lose or receive no income from seventy percent (70%) of the water distributed is totally unacceptable, and your Commissioners are determined to find out why this is happening and how to correct the problem.

The problems which I have described above are some of what we found when the new Board of Commissioners was organized in June, 2016. It is well known that West Madison Utility District has had serious problems over the years. We have been informed that because of these problems, the District is not eligible for immediate grants or loans from the U.S. Department of Agriculture needed for improvements until the District gets its act together.

As I mentioned to you at our recent Board meeting, the Commissioners (all of whom are appointed by the Madison County Board of Supervisors) have since August 1, 2016, instituted several cost saving measures as follows:

1. Eliminated the garbage dumpster saving \$133 per month.
2. Implemented bulk rate postage instead of using stamps saving \$105 per month.
3. Reduced the cost of Utility Contractors contract by \$2,500 per month.
4. Eliminated office staff saving \$1,500 per month.
5. Used concrete manhole covers instead of steel saving \$6,400.

It is the intention of the present Board of Commissioners of WMUD to bring stability and responsibility to the District's operation, which it has not had for many years. It is our desire to deliver to you (and to your neighbors) safe and reliable water and sewer services, which we simply must have to enjoy a reasonable quality of life for ourselves and our families. We ask that you join us and support us in this effort, and recognize that all of the Commissioners are your neighbors, and that we are simply trying to bring to our community a safe and reliable utility system that we all want and need.

We recognize that there are some in our community that may need assistance in paying the new water and sewer rates, and we must all seek ways to help them. In the end, however, we must have a water and sewer district that is on sound financial footing if we want our District to survive. We call on you to support and work with us in this effort.

Respectfully,



Larry Bennett
President of Board of Commissioners

cc: Ms. Louvella Lawson
Ms. Letitia Reeves
Ms. Evelyn Brown
Mr. Scott Colson
Mr. K. T. Newman
Mr. David Bishop