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Dear Valued RSD#1 Customer,

This letter is to inform our customers of service rate changes.

In April 1985, the Rural Sewer District #1 Rogers County was formed to be able to provide wastewater collection and processing for the Verdigris area. Wastewater collection allowed developments like Blackberry Ridge, The Vintage, Willow Gorge, and King Ridge to exist along with allowing for the growth of our schools and added services from businesses like Quiktrip, Casey's, Dollar General, Sonic, Tractor Supply and our banks.

Every 5 years, RSD1 is required to apply to the Department of Environmental Quality for a public discharge permit. Under the new permit, DEQ added new discharge and disinfection requirements with a July of 2026 completion date. The current RSD1 process plant has been in operation since 1989 and DEQ has mandated changes to ensure the water quality we discharge back into the public water ways continues to be safe. To meet these mandates, the District must rebuild and expand the current plant, add new modern technology, safeguards, and a disinfection system we presently do not have.

DEQ finalized and approved our design plans in January of this year. A required public bid package was sent out and on April 17th the sealed bids were opened. The District received bids from three different contractors. The low bid was for \$12.6 million by Crossland Heavy. To pay for the new process plant, the district has obtained a loan from the Oklahoma Water Resource Board. Under the loan agreement the District is required, by the OWRB, to have 1.25% of its debt covered by the service rates we charge.

To meet the 1.25% debt coverage, the OWRB requires a new service fee schedule to be in place starting with the June 2025 service month (July billing). RSD#1's service rates were set at:

Residential properties - \$55 per month.

Commercial/Industrial properties - \$7.00 per thousand gallons with a minimum charge of \$55 per month.

We understand that rate increases can be challenging in this economic climate. Substantial price increases have come from all our material and service suppliers. Our goal is to ensure that our sewer system remains efficient, safe, and capable of meeting the standards now in place by our government and the needs of all our customers and community. 100% of the rate increase is to cover the new loan debt coverage. On time payments are essential and if you have bank pay, please change to reflect the new rates. Thank you for your understanding and continued support. If you have any questions, please do not hesitate to contact our office to speak to the District Manager. Sincerely,