



## LAKE HOLIDAY ESTATES UTILITY COMPANY

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November 3<sup>rd</sup>, 2005

Dear Customer and Fellow Owner at Lake Holiday,

This letter is accompanied by a notice of increase in water and sewer rates, reclamation fees (which is part of the connection fee) and rule amendment and clarification. As you are probably aware, the Utility Company has operated at a deficit for some time. These increases are necessary for it to bring its annual revenue closer to its annual expenses.

Water and sewer rates were increased in 1999 after not having been raised during the previous 25 years. Labor, equipment and installation costs have continued to rise. The present estimated cost for connecting a water line to a new home remains at \$3,716, and the cost to connect a sewer line likewise is still \$3,190. The increase of the "reclamation" part of the fee (which is dedicated to paying for previously expended costs) will address capital improvements for the expansion of the utility system. This will apply to new homes only, of course.

The Rules and Regulations are being amended in order to keep them consistent with these changes in rates and the duties and obligations of the utility company regarding the installation of water and sewer lines.

We welcome your inquiries and look forward to many more new homes in our Lake Holiday community.

The Board of Directors of Lake Holiday Estates  
Utility Company

**NOTICE OF INCREASE OF  
WATER AND SEWER SERVICE RATES  
AND  
RECLAMATION FEE**

November 3<sup>rd</sup>, 2005

Lake Holiday Estates Utility Company will change its water and sewer service rates on file with the State Corporation Commission, effective for service rendered on and after January 1, 2006. The current service rates are \$29.70 per month for water and \$38.43 for sewer. The service rates as of January 1, 2006, will be **\$49.98** per month for water and **\$58.65** for sewer. The Service Connection fees for new homes shall also be changed to reflect an increased reclamation fee. The Service Connection fees are presently represented as follows: \$3,716.00 for water, \$3,190.00 for sewer and \$1,962.00 for reclamation of cost for waste water treatment plant capacity expansion. As of January 1, 2006, they will be as follows: \$3,716.00 for water, \$3,190.00 for sewer and **\$9,094.00** for reclamation of costs associated with the water treatment plant expansion and increased water storage capacity, waste water treatment plant capacity expansion, and the repair and replacement of lift stations.

The Lake Holiday Estates Utility Company also will change the following portions of its rules and regulations of service, effective on the same date:

"Water Rates" shall reflect the increased water service fee of **\$49.98** per month for family units without meters.

"Sewerage Rates" shall reflect Minimum Charges of **\$58.65** per month for each family unit, or lot.

Rule No. 3:

(f) shall reflect the increased reclamation fee of **\$9,094.00**.

Rule No. 16:

The Utility Company is not responsible for the installation of additional water and sewer lines. If water and sewer lines, mains and extensions are installed by a developer or other agency, in a manner approved by the Utility Company, the Utility Company shall assume ownership of such line extensions as well as maintenance responsibility for them, and shall provide water and sewer service to any lots able to be connected to those lines.

Any interested party may review the Lake Holiday Estates Utility Company's proposed changes during regular business hours at the utility company's office where the customer bills may be paid.

Any interested person may file written comments in support of or objecting to the proposed changes with the Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218.

**LAKE HOLIDAY ESTATES UTILITY COMPANY**

Notice given in accordance with 20 VAC 5-200-40.