

Cape Carancahua Water Supply Corporation

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Website: <http://capecarancahuawatersupplycorps.com>



May 18, 2022

Dear Property Owner,

Cape Carancahua Water Supply Corporation is a separate entity from Cape Carancahua Property Owner's Association. The meeting to go over the assessment was May 15, 2022. This email is to clarify the communities' questions and concerns that are still being asked. If you have questions, it would be prudent to come to the source instead of getting 3rd hand information that is not accurate. There is a lot of misinformation going out on Facebook and Next-door. Facebook and Next-door are not the official websites of Cape Carancahua. The only official websites of Cape Carancahua are as follows:

<https://capecarancahuatexas.com/>

<http://Capecarancahuawatersupplycorps.com>

- The assessment is being levied against every Member of the Cape Carancahua Water Supply Corporation (CCWSC), which is defined as every property owner in Cape Carancahua. Every property owner owns stock in the CCWSC.
- It doesn't matter whether you have an active account with the water department or not, every member is being assessed for the following:
- **\$1,900 (can be paid up front) or can be paid out monthly at \$31.66 per month over a five-year period of time for residential property owners.**

- **For commercial property it will be \$1,900 up front (this does not include the Fire Department).**

The word tap, meter and connection are being used interchangeably. For the purpose of this assessment, they all mean the same thing.

- **Current Water Customers:**

- If you have multiple water meters you will be charged per water meter. You will receive a bill on or around June 24th for the \$1,900.00, if you do not make the first installment payment of \$31.66 or pay the \$1,900 in full, you will lose the ability to make payments over time. If payment is not received after 10 days of July 15, 2022 the water service will be disconnected for failure to pay. The full amount of the assessment will have to be paid up front to restore service.

- **Non-Water Property Owners:**

- Each member will be assessed \$1,900. If you sell your property the assessment will need to be paid or disclosed to the buyer.
- We do not have a mechanism that would allow us to go after the money that is owed by non-water customers. It would be extremely expensive to put liens or collections on this assessment. However, it doesn't negate the fact you still owe it. If the assessment installment is not made by July 15, 2022, the ability to pay the assessment out over 5 years with monthly installments, will no longer be an option. If the property owner wants to put water on their property the assessment will have to be paid in full up front. If the property owner sells the property before the assessment is paid, the assessment will need to be settled at that time. If the owner sells the property after June 24th, the assessment would have to be paid by the new owner. If the seller does not disclose the assessment to the buyer after June 24th, then the buyer could sue the seller for non-disclosure.

The reason for the assessment is because operationally we did not make enough revenue to pay our expenses last year or this year. We need around \$30,000 a year more operationally to make our bottom line due to the rising cost in fuel, materials and contract services. This does not include what is needed for the plant and the main lines.

We need to replace our Water Storage tank and expand it for growth to meet TCEQ Regulatory Compliance. We also have other repairs and maintenance that need to be done to the plant as well as our main lines. There has not been a price increase in 6 years and it was 6 years prior to that. Our flat rate is too low and needs to be raised. In order to generate enough revenue, we needed to do an assessment that the law allows. starting next year, we will be doing incremental price increases to get us where we need to be so we do not end up in the same situation after the five years.

The bottom line is the assessment has to be paid by every member in order for us to do the necessary repairs and updates. This is our own company and we need to invest in it. If we did not have this water plant the cost to us individually would be so much greater. It is in everyone's best interest that we do this.

Please go out to our website under financial reports for detailed financial information if you need more detail information. Thank you

If you have questions, regarding the assessment, please contact us at 361-972-0929.

Sincerely,

Cape Carancahua Water Supply Corporation