

Dear Customer:

The item shown on your bill as **LOAF** is the **Lake Ouachita Allocation Fee**. We recognize that an additional fee on all our water bills deserves an explanation. That explanation and the reasoning for the fee follows:

In order to guarantee a long-term source of water supply for North Garland County Regional Water District (NGCRWD), the District has successfully negotiated for an additional 5.0 million gallons per day allocation of water from Lake Ouachita by working in cooperation with the Mid-Arkansas Water Alliance and the U. S. Army Corps of Engineers. The additional water available from Lake Ouachita should provide the NGCRWD with adequate water to deliver our customers with a clean, reliable source of water for the next 20+ years. The availability of additional water will also allow us to serve area businesses, which is necessary to provide economic development, community growth and job opportunities to our citizens.

The effort to obtain the additional allocation has been a 13-year process beginning in 2004. The Board of Directors recognized that this opportunity to obtain more water from Lake Ouachita could very well be a one-time opportunity. Therefore, to secure water for the future of our community, we have chosen to invest in this most valuable of resources.

To assure that this additional water is available to the NGCRWD, the Corp of Engineers requires annual payment of a fee equal to \$19,300 for each 1 million gallons per day of storage capacity. In order to pay for the additional water, a monthly fee will appear on customer bills based upon the size of your service meter, according to the following schedule:

Meter Size	LOAF
5/8"	\$ 2.65
1"	3.70
1 1/2"	4.80
2"	7.70
3"	29.30
4"	37.30

We hope that you recognize how fortunate we are to have Lake Ouachita water as a source of supply for NGCRWD. Access to this valuable resource will ensure that our community can continue to grow and prosper.

Sincerely,

North Garland County Regional Water District
Board of Directors