



# Mo~Dad Utilities, LLC

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April 12, 2017

Dear Mo-Dad Utilities customer,

I would like to take this opportunity to apologize. We mishandled communicating the April 2017 rate increase. We did not include sufficient information about the necessity of the rate increase and some customers may have received a bill with the authorized increase and no explanation. Our intent was to send a courtesy letter to each of our customers fully explaining the increase before your monthly bill arrived. An error with our printing company prevented this from happening. I sincerely apologize and accept responsibility for this error.

In addition to this apology, we are voluntarily crediting your account in the amount of \$16.54, which is the difference in the past rate (\$35.56) and the new rate (\$52.10).

Below are the answers to the most asked questions:

## **Why am I getting this rate increase?**

This increase is a result of Compliance Orders being issued by the Louisiana Department of Environmental Quality ("LDEQ"). LDEQ has authority over facilities that discharge wastewater into Louisiana waterways. LDEQ is requiring MDU to make specific improvements at the facilities that treat your sewer. This rate increase is necessary solely to fund the LDEQ required improvements.

## **Why is it so much?**

MDU must make significant improvements to your sewer facility to meet the mandated orders by LDEQ. The total estimated cost is \$17 million. MDU must borrow this money. The loan will be spent on the LDEQ required improvements.

## **Didn't I just get a rate increase? Where did that money go?**

Following years of operating at a loss, MDU was granted a rate increase in 2014 that allowed us to meet LDEQ and Louisiana Department of Health ("LDH") operational requirements and reach financial stability to qualify for a loan. There was no money granted in that increase to cover the cost of the improvements. It was not as easy for our customers to see the positive effects of that increase. With this increase, you will readily see the improvements and enjoy the sewer service you deserve.

**When will I see the improvements?**

MDU expects the loan proceeds to be available within six months. Work on the LDEQ ordered improvements will begin as soon as the loan proceeds become available and all LDEQ ordered improvements will be completed within three-years. Your facility will be upgraded according to a schedule ordered by LDEQ.

**How can I stay informed?**

We are working to improve our website and have recently updated it to include information about the scheduled work to be performed at each facility. You can find this information by visiting [www.mduonline.com](http://www.mduonline.com) and clicking on the “My Facility” tab. There you can search for your subdivision, view the coming upgrades, and sign up for notifications related to your Facility’s Project Page. Improvements to the website will continue. Please feel free to suggest other ways for us to communicate with you too.

The new rate will begin on your May 2017 invoice and will be due May 22, 2017.

We are happy to set up meetings at our office with HOA and POA leaders to assist with any questions or provide any additional information that might be helpful. Please don’t hesitate to call, email, or message us with any questions you have.

Sincerely,  
William Stegall  
COO  
Mo-Dad Utilities, LLC