

EAST FELICIANA RURAL WATER SYSTEM
9923 BATTLE ROAD
ETHEL, LOUISIANA 70730
(225) 683-9698 FAX (225) 683-9610
eastfelicianaruralwater.com

Dear Member,

The following is to inform you of some fundamental changes in EFRWS disconnection and penalty policy. EFRWS's rapid growth in the last few years while a good thing has disproportionately increased problems with overdue bills, collection and disconnect procedures and at the same time decreased the amount of on-hand working revenues available each month. The Board of Directors has elected to remedy this costly situation by adopting a standard which is more in keeping with other utility companies, so please note the following changes, which will become effective on August 1, 2007.

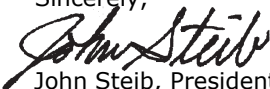
1. The Grace Period: The existing 60 day grace period for paying bills has changed to 30 days. This means that any account not paid by the 1st of the month following the receipt of the bill, will be scheduled for disconnection. Once scheduled, disconnection can only be prevented if payment in full is made on or before the 15th of that month. **PAYMENT IN FULL** means that the account (past due and current month bills) must be **paid to a zero balance**. Before a meter is disconnected, account holders with a valid phone number on file will be notified via an automated phone message. This is a convenience only, and claims that notice was not received will not be grounds for delaying disconnection. Each member is being counted on to pay bills in a timely manner.

2. Penalties on Outstanding Balances: A cumulative penalty of 10% per month will be charged on any outstanding balance, not just a particular bill. Outstanding balances plus penalty charges can add up over the course of several months so be cautious. The best remedy is to pay the bill on time.

3. Preventing Disconnection: If your account is paid on or about the 15th of the month, but prior to disconnection, proof of payment in full may be left in a sealed plastic bag in the meter box. Acceptable proof of payment will include a date stamped receipt from the bank, or a copy of the front and back of your canceled check. Money order receipts and duplicate check receipts will NOT be considered acceptable proof of payment. Please do not leave any type of payment, such as cash, check, or money order in meter boxes. Payment can NO longer be made to personnel in the field; therefore, EFRWS will not take responsibility for payments left in the meter boxes. Personnel will only be there to disconnect meters and will be forbidden to accept payments. No EFRWS personnel will be allowed to grant preferential treatment or exceptions.

4. Reconnection Policy: Reconnection can only occur after any amount owed is paid to a zero balance, plus a \$50 reconnect fee. Accounts with no record of a deposit will be required to pay the \$75 deposit. **All fees associated with reconnecting must be paid in full at EAST FELICIANA RURAL WATER SYSTEM'S OFFICE AT 9923 BATTLE ROAD, ETHEL, LOUISIANA, 70730. Payment must be made by money order or cashier check. Absolutely NO CHECKS or CASH will be accepted. Payments made at the bank after service has been disconnected will apply to the account as a payment and services will not be reconnected until all fees are paid at the office. Services will be reinstated on the next business day for accounts paid in full after 2 p.m. Unauthorized tampering after disconnection of service will result in an additional \$225 penalty before reconnection can take place and could result in criminal charges.**

In case you didn't know, East Feliciana Rural Water System is a non-profit cooperative. The Board of Directors, responsible for major policy decisions, is composed of volunteer citizens just like you, who want to keep rates low while maintaining the highest possible efficiency level. In keeping with this approach and improving services, EFRW's Board of Directors is happy to announce the addition of "BEN", an automated phoning system. This will allow contact with customers for various purposes including outages, emergencies; disconnect notification, and other pertinent information. Please take a few minutes to fill in and return the Member Contact Information Form at the bottom of the page or write the contact information in the space provided on your monthly bill.

Sincerely,

John Steib, President

MEMBER CONTACT INFORMATION FORM

Account # _____ Customer Name: _____

Phone # _____