

Dear Customer:

This is an update on the status of the rates and refunds for PWC water and sewer customers located within the Hope Mills town limits.

As indicated in previous communications, PWC has been working with Town of Hope Mills officials to verify the locations of our customers within the town limits so that billing rates could be reviewed and corrected. Your account was identified as inside the Hope Mills town limits and billed on outside city rates. Beginning with PWC bills dated May 1, 2016 and going forward, your rate has been changed to inside city rates. The inside rate designation is listed on your bill beside your water and/or sewer service Basic Facility Charge.

PWC is continuing our review of all accounts that have been identified as inside the Hope Mills town limits to determine the amount of refund they are eligible for. Refunds will be based upon the date that the account began to be charged outside rates. For those properties that have been annexed into Hope Mills, the refund will be based on the actual date the property was annexed.

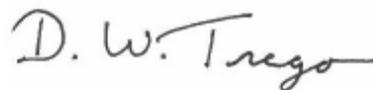
We anticipate it will take several months to complete the refund process. We are reviewing the billing for each account and refunds will be calculated using the difference of what customers were billed monthly on the outside rate. Once this is complete, a refund check will be mailed to you.

If you have questions about rates for customers in the Hope Mills area and changes that will occur as we continue this process, please visit PWC's website, www.faypwc.com/hopemills, or the Hope Mills town website for current information or call (910) 223-4600.

We appreciate your patience and understanding as we work through these changes and refund calculations. We want you to know we are working as quickly as possible to complete the refund process in a timely and accurate manner.

Very truly yours,

PUBLIC WORKS COMMISSION

A handwritten signature in cursive script that reads "D. W. Trego".

David Trego
PWC CEO/General Manager