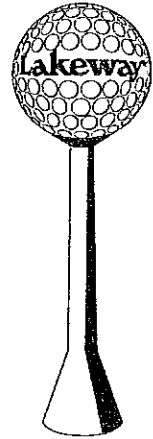


LAKEWAY MUNICIPAL UTILITY DISTRICT

1097 Lohmans Crossing • Lakeway, TX • 78734-4459
(512) 261-6222 • Fax (512) 261-6681



MEMO

TO: Board of Directors
CC: Richard W. Eason
FROM: Margaret A. Cathey
DATE: November 27, 2006
SUBJECT: Supplemental Mailing Policy

This policy is to formalize what will be accomplished in future stuffings. The District has changed from NPSI to AVR to handle our bill preparation and mailing. AVR charges a significant fee to include supplemental enclosures or "inserts". Typically, the District has 3-5 inserts in the annual cycle of six billings. Additional inserts from other entities should pay the additional costs. The staff proposes the following changes in our policy.

SUPPLEMENTAL MAILING POLICY

Bills go out the first day every other month (Feb, Apr, June, Aug, Oct, Dec). Extra notices of a civic nature can be stuffed with the bills. Items of a commercial or political nature will not be considered. Anyone requesting to have a notice stuffed should first get on the calendar. A calendar is kept in the billing department. Stuffing order is first come first serve. A sample notice must be submitted at least one month before the bills go out. Once the insert is approved by the District, a deposit of \$450 will be required and all communication regarding the insert will be between the entity and AVR. The District has exclusive rights concerning what is stuffed with the bills. The District has top priority on any stuffings. All expenses associated with any stuffing will be billed at cost plus 10% for handling. There is a limit on the amount of stuffing before postage goes up, which would constitute extra postage. Anyone who wants notices stuffed into the bills which are already full can either wait for the next available month or pay for any extra expenses at cost plus 10% for handling. Any notice "bumped" will be notified as soon as possible to make other arrangements.

Use Water Wisely  *Every Drop Counts*

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