

# S. S. WATER SUPPLY CORPORATION

10393 US HWY 87 W, La Vernia, TX 78121

August 2022

## Important Water Rate Information

S.S. Water Supply Corporation celebrated its 50th year of providing water service to the community in 2021, and we hope to celebrate many additional anniversaries going forward. Despite the tumultuousness of the last two years, the explosive growth our community has seen over the last several years continues nearly unabated with an additional “serving” of inflation on the side. These two factors and their effects on our corporation have been challenging, but S.S. Water’s desire to provide reliable, potable water service to our Members and customers in areas that encompass Sutherland Springs, La Vernia, Adkins, Floresville, and Bexar County is unwavering.

### **Meeting Today’s Needs While Looking to the Future**

S.S. Water has diligently planned over the last 12 years to build out the water distribution system needed to handle the kind of growth we are seeing in our area. However, to enact those plans we must ensure the corporation is best positioned to whether the seemingly never-ending price increases for pretty much everything nowadays. As a private, Member-owned corporation, most of the corporation’s revenue comes from retail water sales to our Members. We last adjusted our water rates two years ago on 1 October 2020, but inflation levels up to and surpassing 10 percent across the full spectrum of industries and services we rely on to bring reliable and potable water to our Membership have forced us to revisit our water rates. To meet these challenges, the S.S. Water Board of Directors—a group of nine dedicated individuals who all live on the system—voted for and accepted a proposed water rate increase at the 11 June 2022 Board meeting. This rate increase is scheduled to be formally voted on and adopted at the 12 September 2022 Board meeting, with the new rates entering effect on **1 October 2022**.

S.S. Water supplies over 6,700 accounts that serve over 20,000 customers across Wilson County. We maintain nearly 400 miles of water mains, 16 water distribution facilities, nine active wells, and a state-of-the-art Advanced Metering Infrastructure that provides near-real time water use data saving tens of millions of gallons of water a year. Additionally, numerous state and federal regulations require public water systems to maintain certain water storage, water testing, back-up power generation capabilities, and service provision standards. This extensive regulation regime, coupled with the day-to-day expense of running and maintaining a capital-intensive business like a water utility while also saving for future capital improvements, require us to ensure that we have sufficient operating revenues to meet our current and future financial obligations. Most of the corporation’s revenue comes from retail water sales.

**Here are tables showing current v. proposed rates. The proposed increase for the Base Rate is seven (7) percent, with the largest gallorage charge increase being nine (9) percent (seen below):**

<u>Monthly Service Charge/Base Rate</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Standard 3/4” Meter	\$31.88	\$34.05
1” Meter	\$79.70	\$85.28
1 1/2” Meter	\$159.40	\$170.56
2” Meter	\$318.80	\$341.12

<u>Gallon Usage (First 2K gals. included in Base Rate)</u>	<u>Current Gallorage Charge per 1K Gallons</u>	<u>Proposed Gallorage Charge per 1K Gallons</u>
2,001 - 15,000	\$3.31	\$3.31 (No change)
15,001 - 30,000	\$4.96	\$4.96 (No change)
30,001 - 50,000	\$6.45	\$7.04 (9% increase)

As of this writing, S.S. Water Supply Corporation remains one of very, very few utilities in the State of Texas that is completely debt-free. This means that all the capital improvements we have done over the last two years – to include purchases of a new 530,000-gallon storage tank and 10 back-up diesel power generators totaling over \$1.5M – were all paid for in full. This is a testament to the judicious and effective stewardship of your Member dollars to fund current and future projects, but saving and spending prudently are not enough given the ever-rising cost of materials, land, capital, and business expenditures. An important part of prudent financial planning is forecasting what the system’s financial needs will be during normal times and emergent situations, and the trials we have all gone through over the last two years certainly qualify as emergent. That is why we seek regular, incremental rate increases instead of larger ones over longer periods of time.

On the next page there is a table showing sample bills under our new rate structure, and what those bills would be using the published rates of neighboring water utilities:

<b>Water Rate Comparison Chart</b>							
<b>Standard 3/4" Meter</b>							
Gallons Used	SSWSC Current Rates	SSWSC Proposed Rates	East Central	Crystal Clear	Springs Hill	Oak Hills	Sunko
3,000	\$35.37	\$37.37	\$61.26	\$61.01	\$53.32	\$27.20	\$41.50
11,000	\$59.17	\$63.87	\$121.81	\$109.45	\$92.02	\$42.40	\$64.50
15,000	\$71.23	\$73.77	\$128.50	\$138.21	\$111.62	\$50.40	\$76.50

Even with the proposed rate increase, our rates remain very competitive with those of neighboring water utilities.

**This proposed rate increase will fund/continue funding:**

- New/replacement wells (two new wells to be commissioned in 2022 alone at \$1,000,000+ each)
- Planned water main replacements/upgrades
- Plant improvements
- Land acquisition for additional wells and plant improvements
- New water storage tanks
- Customer service + office workflow improvements
- Continued funding of iron filtration fund
- Additional regulatory compliance (enhanced or additional water testing and unfunded mandates).

**\*\*\* Opportunities to Voice Your Opinion to the Board of Directors \*\*\***

- Monthly Board meetings on 8 August and 12 September 2022 at 7:00pm at our offices at 10393US Highway 87 West
- Customer service email: [csr@sswater.net](mailto:csr@sswater.net)
- Office telephone: (830) 779-2837
- Mailing address: 10393 US HWY 87 W, La Vernia, TX 78121

This proposal will ensure our ability to provide potable water service to our served population now and into the future, while continuing to meet or exceed all regulatory requirements. We thank you very much for your continued support!!

**Office Phone: (830) 779-2837**

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