

S. S. WATER SUPPLY CORPORATION

10393 US HWY 87 W, La Vernia, TX 78121

September 2025

Important Water Rate Information

S.S. Water Supply Corporation (SSWSC) remains well-capitalized with no loan debt, but unrelenting cost increases and additional regulatory costs continue to challenge us. These growing costs and the unrelenting expansion of our service requirements require us to revise our water rates. This is necessary to ensure the Corporation can continue providing the potable water service our Members and customers in Sutherland Springs, La Vernia, Adkins, Floresville, and Bexar County depend on now and into the future.

Cost Increases, Large Capital Expenditures, and Regulatory Costs

S.S. Water has the water distribution system plans needed to accommodate the growth we are seeing in our service area. However, to enact those plans we must ensure the corporation is well-positioned financially now and very likely into the future. As a private, Member-owned corporation, the vast majority of the corporation's revenue comes from retail water sales to our Members and customers. We last adjusted our water rates on 1 October 2024 but market conditions, our legal requirement to ensure adequate and continuous water service, and a new regulatory requirement that we begin acquiring water rights necessitate a new water rate revision. Given this fiscal reality, upon the recommendation of the General Manager the S.S. Water Board of Directors accepted a proposed water rate increase at the 8 September 2025 regular meeting. This rate increase is scheduled to be formally voted on at the 8 December 2025 Board meeting, with the new rates to take effect on 1 January 2026 if approved.

S.S. Water supplies over 7,000 accounts that serve over 21,000 customers across Wilson County and Bexar 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 and Supervisory Control and Data Acquisition (SCADA) system that provides near-real time water use data that saves tens of millions of gallons of water a year. **Additionally, numerous state and federal regulations require public water systems to maintain specific water storage, testing, back-up power generation capabilities, service provision standards, and – as of 25 April 2025 – the acquisition of water rights. While the corporation has and continues to explore low or no-cost ways to acquire water rights, we must nonetheless prepare ourselves financially to pay for water rights given our legal requirement to provide water service.**

This extensive and costly regulation regime, coupled with the day-to-day expenses 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.

Tables showing current v. proposed rates:

<u>Monthly Service Charge/Base Rate</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Standard 3/4" Meter	\$39.17	\$47.29
1" Meter	\$97.93	\$118.23
1 1/2" Meter	\$195.85	\$236.45
2" Meter	\$391.70	\$472.90

<u>Gallon Usage (First 2K gals. included in Base Rate)</u>	<u>Current Gallonage Charge per 1K Gallons</u>	<u>Proposed Gallonage Charge per 1K Gallons</u>
2,001 - 15,000	\$3.35	\$3.63
15,001 - 30,000	\$5.03	\$5.45
30,001 - 50,000	\$7.04	\$7.54

S.S. Water Supply Corporation remains one of very, very few utilities in the State of Texas that is completely debt-free. And we remain so even after spending \$4.8MM dollars so far on three new water wells and a 2-mile 16" pipeline extension to support the increased demands on the water distribution system. While we are and will remain conscientious with Member dollars, saving and judicious spending on their own are not enough in the high-cost environment we operate in. Prudent financial planning requires us to not only forecast but to be ready for the system's financial needs today, tomorrow, and for emergent situations. This 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 the proposed new rate structure, and what those bills would be using the published rates of neighboring water utilities. The average SS Water monthly usage per connection is 10,017 gallons/month as of 31 December 2024:

Standard 3/4" Meter Water Rate Comparison Chart (SSWSC average use 10,017 gals/mo.)							
Gallons Used	SSWSC Current Rates	SSWSC Proposed Rates	East Central	Crystal Clear	Springs Hill	Oak Hills	Sunko
3,000	\$42.52	\$50.99	\$63.88	\$74.00	\$53.84	\$31.10	\$45.50
11,000	\$69.32	\$79.96	\$121.72	\$132.77	\$89.08	\$48.65	\$78.50
15,000	\$82.32	\$90.85	\$164.62	\$167.69	\$96.33	\$59.85	\$96.50

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

Current and planned expenditures:

- Additional funds to begin acquiring water rights to comply with Evergreen Underground Water Conservation District regulations
- Ongoing infrastructure and plant improvements
- Land acquisition for additional wells and plant additions
- New water storage tanks
- New water mains
- New booster pumps
- Additional heavy equipment
- Continued funding of iron filtration fund
- Additional regulatory compliance (enhanced or additional water testing and other unfunded federal and state mandates)

***** Opportunities to Voice Your Opinion to your Board of Directors *****

- Monthly Board meetings on 13 October and 10 November 2025 at 7:00pm at our offices at 10393 US Highway 87 West
- Customer service email: 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!!

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