

S. S. WATER SUPPLY CORPORATION

10393 US HWY 87 W, La Vernia, TX 78121

June, 2020

Important Water Rate Information

S.S. Water Supply Corporation will enter its 50th year of providing water service to the community in 2021. Much has changed since an earnest group of residents in the Sutherland Springs area decided to band together to create a better water source for themselves and others. Chief among those changes has been the explosive growth our community has seen over the last several years; growth that will very likely continue into the foreseeable future. Additionally, rapid growth brings with it rapid cost increases for all manner of things, including the cost of running a public water system. But one thing hasn't changed, and that is 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.

Meeting Today's Needs While Looking to the Future

S.S. Water has diligently planned over the last 10 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 while maintaining the same level of service and support we provide to our Membership today, we need additional funds to do so. As a private, Member-owned corporation, our major source of revenue comes from retail water sales to our Members. The last time we adjusted our water rates to meet the needs of our Members and our water system was three years ago, on 1 October 2017. S.S. Water has prided itself on being able to maintain rates as long as we have despite rising business costs, but challenges remain. So, 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 8 June 2020 Board meeting. The rate increase is scheduled to be formally voted on and adopted at the 14 September 2020 Board meeting, with the new rates entering into effect on **1 October 2020**.

S.S. Water's Membership has nearly doubled in size; serving around 3,800 accounts in 2010 to over 6,000 accounts and 18,000 customers served today. We maintain nearly 350 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 to our Members via an app and a customer portal; saving hundreds 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, and service provision standards. These regulations, coupled with the day-to-day expense of running and maintaining a water utility while saving for future capital improvements, require us to ensure that we have sufficient operating revenues to meet our current and future financial obligations.

Here are tables showing current rates vs. proposed rates:

Monthly Service Charge	Current Rate	Proposed Rate
Standard 3/4" Meter	\$29.20	\$31.88
1" Meter	\$76.41	\$79.70
1 1/2" Meter	\$146.70	\$159.40
2" Meter	\$292.00	\$318.80

Gallon Usage (First 2K gallons included in Service Charge)	Current Gallonage Charge per 1K Gallons	Proposed Gallonage Charge per 1K Gallons
2,001 - 15,000	\$3.00	\$3.31
15,001 - 30,000	\$4.50	\$4.96
30,001 - 50,000	\$5.85	\$6.45

S.S. Water Supply Corporation is one of very, very few utilities in the State of Texas that can boast of being completely debt-free. This means that all of the capital improvements we have done over the last few years have been 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. 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.

Water Rate Comparison Chart							
Standard 3/4" Meter	SSWSC Current Rates	SSWSC Proposed Rates	East Central	Crystal Clear	Springs Hill	Oak Hills	Sunko
Gallons Used							
3,000	\$32.36	\$35.36	\$55.45	\$56.48	\$53.05	\$27.20	\$41.50
11,000	\$56.48	\$61.98	\$101.32	\$101.32	\$90.55	\$40.80	\$64.50
15,000	\$68.54	\$75.28	\$127.96	\$127.96	\$109.55	\$48.80	\$76.50

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

Here is a list of specific improvements this proposed rate increase will fund over the next five years:

- Permanent removal of convenience fees for online and phone-based payments
- Continued funding of iron filtration fund
- Planned water main replacements/upgrades
- Plant improvements
- Land acquisition for additional wells and plant improvements
- New/replacement wells
- New water storage tanks
- Customer service + office workflow improvements
- 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 13 July, 10 August, 14 September 2020 at 730pm at the office on US Highway 87 West
- Customer service email: customer.service@sswater.net
- Office telephone: (830) 779-2837
- Mailing address: 10393 US HWY 87 W, PO Box 1000, La Vernia, TX 78121

While we understand that there is never a good time to raise utility rates, 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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Facsimile: (830) 779-5122

customer.service@sswater.net

www.sswater.net