

**Carroll Water Supply Corporation
P O Box 428
Van, TX 75790
Phone: (903) 963-5559
Fax: (903) 963-5191
October 28, 2022**

Dear Member,

You and your household make up a community of over 480 members, all part of the Carroll Water Supply Corporation (CWSC). The CWSC staff, board and operators are continuously committed to providing and distributing fresh water to every member household in the service area.

Our water system consists of two working wells, two working treatment plants, 6 storage tanks and 3 pressure tanks. Segments of our system were installed in 1965 when CWSC became a State Chartered Corporation. One of the wells has been operating since 1983 and has been maintained in good working order since that time, but it is still 39 years old. Our membership has experienced a recent influx of new members and the capacity of the system needs to increase to serve all members of the Corporation. Additional capital improvements are needed for sustaining the system in accordance with Texas Commission for Environmental Quality (TCEQ) regulations. Additional land has been purchased at plant 2 with plans to dig a test well and place a new 20,000-gallon storage tank which has been approved by TCEQ. Variable speed pumps have been installed at plant 2 and negotiations continue with State Regulators to allow these pumps in lieu of additional pressure tank capacity. Additional land is being acquired in a new subdivision in a barter agreement for the land for a future additional well and plant in exchange for the placement of the water infrastructure in the new subdivision, if a test well proves sufficient water and good quality water is available.

Many additions and improvements have been made over the years. The improvements made in 2010-2011 timeframe resulted in a 40-year mortgage of the system in the amount of \$824,000. As of the end of 2021, the unpaid principal was \$616,478.91. The interest expense paid in 2021 was \$18,773. Since the last rate increase went into effect in 2021, the Board has been diligently working to make the system more efficient and to save all available revenues possible. Those efforts have suffered the inflation increases in the past two years in all areas of routine expenses to keep water flowing.

To accomplish and finance the required upgrades, meet existing obligations of debt, maintaining the current system, doing all we can to not go further in debt, a rate increase is announced to take effect on or about 1 January 2023.

The new rates will go into effect after meters are read on or about mid-December 2022 and will be reflected in the bills sent to members on or about 1 February 2023. The bills members received on or about 1 January 2023 will remain at current rates announced October 30, 2020. The Board has chosen to implement the new rates during lower water demand time desiring to lessen the immediate impact to CWSC members.

The new rate schedule is provided in the following paragraphs:

New Rate Schedule

	New Rate	Current Rate (2020)
New member meter installation (includes \$100 membership)	\$2400	\$2100
Membership per meter	\$100	\$100
Late Charge	\$20	\$20
Returned Check Fee (bank charges)	\$35	\$35
Reconnect Fee	\$60	\$60
Reinstall Meter	\$125	\$125
Processing Fee (ownership change)	\$60	\$45

Rates for Water Purchase:

Minimum Monthly Base rate- ¾ inch meter	\$30.00	\$27.00
Minimum Monthly Base rate- 1 ½ inch meter	\$74.00	\$67.00
Minimum Monthly Base rate- 2 inch meter	\$118.00	\$107.00
0-19,999 gallons: (per thousand gallons)	See	\$4.55
20,000 – 49,999 gallons: (per thousand gallons)	Below	\$5.55
50,000 and upward gallons: (per thousand gallons)		\$8.55

New Rate Structure:

	New Rate
1-6,000 gallons(per thousand gallons)	\$5.00
6,001-10,000 gallons(per thousand gallons)	\$5.30
10,001 – 20,000 gallons(per thousand gallons)	\$5.70
20,001 – 40,000 gallons(per thousand gallons)	\$6.10
40,001 – 50,000 gallons(per thousand gallons)	\$7.75
50,001 and upward gallons (per thousand gallons)	\$9.60

July 2022 water usage data indicates approximately 65% of our members used 10,000 gallons or less for the month. An example of the rate increase for a member using 10,000 gallons follows:

	<u>Current Rates</u>	<u>Increased Rates</u>
Base rate (3/4" meter)	\$27.00	\$30.00
Water usage \$4.55 X 10=	\$45.50	\$5.00 X 6= \$30
		\$5.30X 4= \$21.20
Total for water	\$72.50	\$ 81.20 (a \$8.70 increase)
Add State assessment .5%		
(Shown as TCEQ fee on the bill)	\$ 0.36	\$ 0.41
Total bill	\$72.86	\$81.61 (a \$8.75 increase)