

# MILLSAP WATER SUPPLY CORP.

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November 1, 2022

Re: Amended Water Rates and Minimums

Dear Millsap Water Supply Corporation Member/Customer:

On October 13, 2022, Millsap Water Supply Corporation (MWSC) Board of Directors approved an increase in water rates for MWSC members/customers. **The amended rates will be reflected on the bills dated November 30, 2022.** The changes will happen in a few ways, as explained below.

**The first two parts of the increase are the result of Mineral Wells Water Department increasing the wholesale cost of water, as well as an increase to our minimum charge, both of which affect our supply costs.**

The First part of the increase is to the **step rates/or per thousand-gallon usage**. This is, as stated, a result of Mineral Wells Water Department increasing the wholesale cost of water. **The new step rates/or per thousand-gallon usage will change as follows:**

| <b>Step Rates</b>  |  |
|--|--|
| <u>Current Rates</u>   | <u>New Rates as of November 2022</u>   |
| \$12.91 per thousand gallons from 0 to 4,000 gallons   | \$14.24 per thousand gallons from 0 to 4,000 gallons   |
| \$14.05 per thousand gallons from 4,001 to 10,000 gallons                                    | \$15.59 per thousand gallons from 4,001 to 10,000 gallons                                    |
| \$14.97 per thousand gallons from 10,001 gallons and up                                      | \$16.62 per thousand gallons from 10,001 gallons and up                                      |
| Commercial Sales rate (3" meters) is: \$15.72 per 1000 gallons usage with no usage included. | Commercial Sales rate (3" meters) is: \$17.45 per 1000 gallons usage with no usage included. |

The current rate for our Special/ Temporary Meter is: \$17.45 per 1000 gallons, the new rate is: \$ per 1000 gallons. This has a service fee of \$50.00 per month with a maximum of 1-month connection.

The **Second** part of the increase is in respect to **the minimum charge**. The City of Mineral Wells has increased our minimum. We must increase our minimums to compensate. Also included, on meter sizes GREATER than ¾", is the **Industry Standard Correction**.

**Third part: Industry Standard Correction to minimum charge for meters GREATER than ¾" x 5/8" (or 'Larger meters'):** MWSC has determined that a correction is necessary only on the minimum charge for meter sizes **GREATER than ¾" x 5/8", which is the Standard Residential meter size** (referred to here as ¾"). The minimum charge calculation on larger meters has not been accurately calculated based on the American Water Works Association (AWWA) industry standards. Each meter GREATER than the standard residential ¾" should have an equivalency calculation included based on the meter size equivalent demand on the water supply system. This has not been included in the larger meter minimum charge calculations in the past and this change is to bring these charges to appropriate industry standards. **Only** the Larger meter sizes will incur this change.

**The new minimum changes are as follows:**

| <b>Monthly Minimum Fee</b><br>(no usage included, all usage at step rates) |                           |                                      |
|--|---------------------------|--------------------------------------|
| <u>Meter Size:</u>   | <u>Current</u>            | <u>New - effective November 2022</u> |
| ¾" (Standard Residential Meter)  | \$ 41.25 – with no usage  | \$ 44.59 – with no usage             |
| 1"   | \$ 56.11 – with no usage  | \$ 111.48 – with no usage            |
| 2"   | \$ 120.46 – with no usage | \$ 356.72 – with no usage            |
| 3" (commercial)  | \$ 140.26 – with no usage | \$ 713.44 – with no usage            |

The Millsap Water Supply Corporation Board of Directors shares your concerns and regrets these actions and their timing. However, MWSC cannot absorb increases from the Mineral Wells Water Department. Additionally, MWSC must try to properly distribute the costs for water distribution demand and have, as such, made the Industry Standard Correction on the minimum charge of **larger** meters.

We are committed to providing our members/ customers with the best, most cost-effective water service as possible. For inquiries about the above rate changes, please contact Millsap WSC corporate office at 940-682-4416.

Thank you,  
Board of Directors, Millsap Water Supply Corporation