GUM SPRINGS WATER SUPPLY CORPORATION

714 Mt. Pleasant Rd. Hallsville, TX 75650
Phone: 903-660-3420 | Email: [www.gswsc.com](http://www.gswsc.com)

In 2021, Gum Springs Water Supply Corporation celebrated its 55th year in existence, having been incorporated in 1966. Gum Springs WSC has always taken great pride in providing a high level of service to its customers, while attempting to maintain and upgrade aging infrastructure throughout the service area. Over the past several years, expenses incurred by Gums Springs WSC, which are related to repairs and maintenance of the existing infrastructure, have outpaced Gum Springs’ ability to continue to adequately fund maintenance and improvement projects. Gum Springs WSC completed and brought online well # 4 located on FM 449 which is located in the northern part of our service area. Gum Springs WSC also completed the purchase of land on FM 449 to build a new high service pump station that will replace the original pump station #1 located on FM 449. Gum Springs WSC also is in the final stages of completing a new 6’’ water main improvement project on Estesville Road. This new main replaces the water main that was originally installed and will provide better service to the customers in that area. Increased population growth in our area has also impacted Gum Springs WSC with the need to meet greater customer demand, which means larger water lines as more capacity is required to service our customer base, as well as upgrades needed with the system’s current infrastructure. As our membership and connections continue to increase within our service area, Gum Springs WSC will need to meet the demand with new capital improvement projects. Gum Springs WSC will need to purchase land to install a new pump station in the very near future and drill new water wells to meet the needs of our customers associated with the additional growth. Coupled with the drastic increase in basic expenses, such as fuel, utilities and materials, Gum Springs WSC’s operating and maintenance expenses continue to increase and outpace our revenue. Unfortunately, the current rate structure for Gum Springs WSC is not sustainable and will not meet our current or future needs. With that in mind, on November 18, 2021, the Board of Directors met and discussed these issues and elected to approve a rate increase. The Board voted unanimously to approve the rate increase.

The new rates will be implemented starting January 1, 2022. Customers will see the new rates reflected on their water bills due February 10, 2022. Gum Springs WSC will be increasing the existing base water rate at $21.50 per month to $26.00.

The decision to raise rates was not taken lightly and the Board of Directors and staff of Gum Springs WSC have worked on this issue for a little over a year. This has been a cooperative effort that has included the Board of Directors, Gum Springs WSC staff, retained professionals and the help and guidance of the Texas Rural Water Association.

The implementation of the new water rate structure follows standards recommended by the American Water Works Association.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Current Rate Structure** | EffectiveApril 1, 2020 |  | **New Rate Structure** | EffectiveJanuary 1, 2022 |
| Base rate for meter | $21.50 |  | Base rate for meter | $26.00 |
| Tiers | $ per 1,000Gallons |  | Tiers | $ per 1,000gallons |
| 0 – 2,000 gallons | $2.00 |  | 0 – 2,000 gallons | $2.50 |
| 2,001 – 6,000 gallons | $4.00 |  | 2,001 – 6,000 gallons | $4.00 |
| 6,001 – 10,000 gallons | $4.50 |  | 6,001 – 10,000 gallons | $4.50 |
| 10,001 – 20,000 gallons | $5.00 |  | 10,001 – 20,000 gallons | $5.00 |
| 20,001 – 30,000 gallons | $5.50 |  | 20,001 – 30,000 gallons | $5.50 |
| 30,001 – 40,000 gallons | $6.25 |  | 30,001 – 40,000 gallons | $6.25 |
| 40,001 – 50,000 gallons | $7.00 |  | 40,001 – 50,000 gallons | $7.00 |
| 50,000 gallons and up | $7.75 |  | 50,000 gallons and up | $7.75 |

**The base rate listed is for a 5/8 x 3/4 meter. The base rate for larger meters will increase proportionately.**

If you have any questions regarding the new rate structure, please contact Gum Springs WSC staff by using the phone number or email address above.

Sincerely,

The Board of Directors

Gum Springs Water Supply Corporation