**MOFFAT WATER SUPPLY CORPORATION**

**5460 LAKEAIRE BLVD. TEMPLE, TEXAS 76502**

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December 1, 2019

Dear Customers of Moffat Water Supply Corporation,

Effective January 15, 2020, rates and associated fees will change as outlined below. MWSC Directors approved these new rates and a new MWSC Tariff during the Board Meeting on Monday, October 21, 2019. A copy of the updated Tariff, also effective January 15, 2020, is available at the Corporation office and on our website [www.moffatwatersupply.com](http://www.moffatwatersupply.com).

MWSC strives to maintain compliance with the Texas Commission on Environmental Quality (TCEQ) 0.6 gallons per minute per connection rule. Aging infrastructure and growth continue to drive the need for additional capacity and distribution improvements. In response, we have obtained a Texas Water Development Board loan to increase source water and elevated storage. Also, new Capital Improvements are currently underway to address some of the needed distribution system upgrades. The Board-approved 2019-20 Budget honors MWSC’s Bylaw and Loan Covenant reserve requirements[[1]](#footnote-1) and projects earnings sufficient to meet payments toward principal on our loans. The budget also considers future debt service, depreciation and reserve requirements.

Please know the Board and Staff deliberates on budget and rate considerations with great diligence and commitment. As Customers ourselves, we share your disappointment in the news of a rate increase. It is our hope you’ll recognize these actions are necessary to ensure Soundness, Safety, and Solvency and keep Moffat Water Supply Corporation positioned for continued growth and development within our community.

**CURRENT RATES**  **NEW RATES**\* **Effective January 15, 2020**

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| **BASE (only) Rates by Meter Size:**  5/8 “ x 3/4” (Standard-size) Meter - $45.00 per month  1” Meter - $112.50 per month  2” Meter – $360.00 per month | **BASE (only) Rates by Meter Size:**  5/8 “ x 3/4” (Standard-size) Meter - **$50.00** per month  1” Meter - **$125.00[[2]](#footnote-2)** per month  2” Meter – **$400.00[[3]](#footnote-3)** per month |
| **USAGE Rates (applies to all Meter Sizes):**  1. Water - $3.90 per 1,000 gals. from 0,001 to 3,000 gallons  2. Water - $4.19 per 1,000 gals. from 3,001 to 5,000 gallons  3. Water - $4.46 per 1,000 gals. from 5,001 to 7,000 gallons  4. Water - $4.73 per 1,000 gals. from 7,001 to 9,000 gallons  5. Water - $5.00 per 1,000 gals. from 9,001 to 19,000 gallons  6. Water - $5.27 per 1,000 gals. from 19,001 to 34,000 gallons  7. Water - $5.54 per 1,000 gals. from 34,001 to 49,000 gallons  8. Water - $6.07 per 1,000 gals. from 49,001 to 74,000 gallons  9. Water - $6.61 per 1,000 gals. from 74,001 to 99,000 gallons  10. Water - $7.15 per 1,000 gals. from 99,001 to 124,000 gallons  11. Water - $7.69 per 1,000 gals. over 124,000 gallons | **USAGE Rates (applies to all Meter Sizes):**  1. Water - $3.90 per 1,000 gals. from 0,001 to 3,000 gallons  2. Water - $4.19 per 1,000 gals. from 3,001 to 5,000 gallons  3. Water - $4.46 per 1,000 gals. from 5,001 to 7,000 gallons  4. Water - $4.73 per 1,000 gals. from 7,001 to 9,000 gallons  5. Water - $5.00 per 1,000 gals. from 9,001 to 19,000 gallons  6. Water - $5.27 per 1,000 gals. from 19,001 to 34,000 gallons  7. Water - $5.54 per 1,000 gals. from 34,001 to 49,000 gallons  8. Water - $6.07 per 1,000 gals. from 49,001 to 74,000 gallons  9. Water - $6.61 per 1,000 gals. from 74,001 to 99,000 gallons  10. Water - $7.15 per 1,000 gals. from 99,001 to 124,000 gallons  11. Water - $7.69 per 1,000 gals. over 124,000 gallons |
| **NEW SERVICE, by Meter Size:**  5/8” x 3/4” (Standard-size) Meter – Membership: $540.00; Installation: $1,125.00; Impact Fee: $2,200.00  1” Meter – Membership: $1,350.00; Installation: $1,350.00; Impact Fee: $2,200.00 | **NEW SERVICE, by Meter Size:**  5/8” x 3/4 “ (Standard-size) Meter – Membership[[4]](#footnote-4): **$600.00**; Installation: $1,125.00;  **Equity Buy-in Fee: Calculated using prior year audited financial statements[[5]](#footnote-5)**  1” Meter – Membership: **$1,500**; Installation: $ 1,350.00;  **Equity Buy-in Fee: Calculated using prior year audited financial statements** |

1. Bylaws specify MWSC maintain a 3-month Operating Expense reserve; USDA and TWDB loan covenants outline debt service coverage requirements. [↑](#footnote-ref-1)
2. Per Tariff, Base Rate for 1” Meter is 2.5x Base of Standard Size Meter [↑](#footnote-ref-2)
3. Per Tariff, Base Rate for 2” Meter is 8x Base of Standard Size Meter. [↑](#footnote-ref-3)
4. Per Tariff, Membership Fee for each Meter Size equals 12x its Base Rate. [↑](#footnote-ref-4)
5. Per Tariff, each applicant is required to achieve parity with the contributions that have been made previously by existing members.

   \* Changes are in **BOLD.** [↑](#footnote-ref-5)