



WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 21, 2017

TO: Utility Districts; the Cities of Houston, and Katy, Texas; Non-District/Non-City Well Owners within the West Harris County Regional Water Authority

FROM: West Harris County Regional Water Authority (the "Authority")

RE: Notice of Anticipated Fees

The Authority's Board of Directors anticipates increasing its fees in order to fund the massive water supply projects that are needed to meet the Harris Galveston Subsidence District ("HGSD") groundwater reduction regulations and to avoid the \$8.46 per 1,000 gallons fine that the HGSD imposes for non-compliance.

These water supply projects are briefly described in the enclosed material entitled "The Rising Cost of Water." (Five copies of this material are attached and additional copies are available for your distribution to customers, upon request.)

To build these water supply projects, the Board of Directors anticipates increasing its fees by \$0.25 per 1,000 gallons effective January 1, 2018, as follows: (i) the Groundwater Reduction Plan Fee to increase from \$2.45 per 1,000 gallons of groundwater pumped to \$2.70 per 1,000 gallons of groundwater pumped, and (ii) the Surface Water Fee to increase from \$2.85 per 1,000 gallons of water delivered by the Authority to \$3.10 per 1,000 gallons of water delivered by the Authority. Such increase would correspondingly increase the Imported Water Fee.

At the Authority's Board of Directors meeting scheduled for November 8, 2017, 6:00 p.m., at 20111 Saums Road, Katy, Texas 77449, the Board intends to consider adoption of the proposed fees.