



WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 20, 2019

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 \$9.00 per 1,000 gallons fine that the HGSD imposes for non-compliance. The HGSD regulations require reduction of groundwater pumpage to no more than 40% of water demand by 2025 and no more than 20% of water demand by 2035.

The water supply projects to achieve compliance with these HGSD regulations include design and construction of: (i) the 320 million gallon per day Northeast Water Purification Plant expansion at Lake Houston in northeast Harris County, (ii) the approximately 40 mile long 96" transmission line to transport water from Lake Houston to the Authority, and (iii) the approximate 75 miles of internal distribution lines to be constructed within the boundaries of the Authority to deliver this water.

To build these water supply projects, the Board of Directors anticipates increasing its fees by \$0.25 per 1,000 gallons effective January 1, 2020, as follows: (i) the Groundwater Reduction Plan Fee to increase from \$2.95 per 1,000 gallons of groundwater pumped to \$3.20 per 1,000 gallons of groundwater pumped, and (ii) the Surface Water Fee to increase from \$3.35 per 1,000 gallons of water delivered by the Authority to \$3.60 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 13, 2019, 6:00 p.m., at 20111 Saums Road, Katy, Texas 77449, the Board intends to consider adoption of the proposed fees.