

We'd like you to know...

Q. What are the "fees" that appear on my water bill?

A. The NHCRWA "fee" is charged to the MUDs/Well Owners within the Authority's boundaries based on the amount of groundwater pumped by their wells, and/or the amount of surface water they receive from the NHCRWA. The MUDs charge their individual customers for the water they use. The more water a customer uses, the higher the fee will be.

While not all water bills look exactly the same, most of the information they contain is similar. On some part of the bill, there will be a breakdown of costs incurred during the last billing cycle -- broken down into charges for "Water", "Sewer", and the "Regional Water Authority".

The Water and Authority items are based on the amount of water used (measured in thousand gallon increments), while the Sewer can be a flat monthly fee or it, too, can be based on water usage. Depending on the water provider, there may also be fee entries for "trash collection", "recycling", or other items approved by their Board of Directors.

All MUDs would prefer to be able to account for 100% of the water distributed through their system, including the groundwater pumped from their wells and surface water purchased from the Authority that all goes through the residents' meters. This is not always possible. In addition to residential and commercial water customers, community water uses also include common areas (esplanades, amenity lakes or ponds, etc.) and emergency services/fire that require variable amounts of water from month to month. So, in order for districts to cover the cost of all the

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water purchased through the Authority, MUDs will usually add a surcharge to the RWA fee on each bill which is typically in the range of an additional 10%.

Q. How often does the Authority increase the fee?

A. Fee increases are imposed only as necessary. Without taxing authority, funding for construction projects must come from pumpage fees and water sales. There will be more rate increases in the future; however, *the Authority is committed to keeping the price as low as possible...for as long as possible.*

Q. What are the Authority's current ground- and surface water fees?

A. \$2.90 per 1,000 gallons for groundwater
\$3.35 per 1,000 gallons for surface water

Effective April 1, 2018 rates will be:

- \$3.40 per 1,000 gallons for groundwater
- \$3.85 per 1,000 gallons for surface water.



3648 Cypress Creek Parkway
Suite #110
Houston, TX 77068
281-440-3924

www.nhcrwa.com

The water we conserve today
can serve us tomorrow!

Securing a Long-Term Supply of Drinking Water for Our Community



Why the Cost of
Water Will Continue
to Increase



It has been said that in Texas, there is either too much water or not nearly enough. During 2017, the brutal assault of Hurricane Harvey exhibited all too clearly the impact that too much rain has on people, places and things. While the monster storm left billions of dollars in damages in its wake, Texans demonstrated their characteristic steely resolve to overcome, restore and rebuild. This same kind of determination is being applied to the challenge of providing a secure, long-term supply of potable water for our communities into the future.

We have traditionally relied on the Gulf Coast Aquifers for our drinking water. They stretch across southeast Texas and are made up of many layers of clay, rocks and sand. Over geologic time, these layers naturally compacted. Sadly, the area's steadily increasing population and voracious demand for water sped up this natural process.

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As far back as the late 1930s, visionary Houston leaders realized the need to identify water sources for future Houstonians. They realized that water pumped from underground sources would not satisfy the appetite of future generations, and that waiting decades to find other water sources might well be too little too late.

They searched the region for water supply options. The San Jacinto River and its two “forks” flowed directly through Harris County on their winding pathways to Galveston Bay. The Trinity River to the east had potential also. Former Houston Mayor Richard H. Fonville wrote a personal check to purchase the land that is now Lake Houston during his 1937-38 term in office. Next, the city acquired water rights in both rivers, and by 1973 had created three reservoirs – Lake Conroe on the San Jacinto River’s West Fork in north Montgomery County, Lake Houston on the San Jacinto River’s East Fork in northeast Harris County, and Lake Livingston on the Trinity River near Huntsville.

As projected, decades of aggressive groundwater pumping not only resulted in a decline of the aquifers, but also triggered land-surface elevation loss, or what is called **subsidence**. Fortunately, a shift to surface water would provide a viable long-term alternative.

The Harris-Galveston Subsidence District (HGSD) — created by the Texas Legislature in 1975 to study and control subsidence in Harris and Galveston counties — issued a groundwater regulatory plan requiring industries on the Houston Ship Channel to convert to surface water. The results were dramatic — subsidence in the Baytown-Pasadena area was dramatically improved,

and has since been largely halted.

The District imposed a phased timeline for northwest Harris County to reduce reliance on groundwater that began in 2010. The mandates were modified in the District’s 2013 Regulatory Plan, to allow a little more time to meet the next milestone – 60% conversion to surface or alternate water by 2025.



Water for the future...

The challenge of securing our future water supplies continues, however, with some of the biggest hurdles still ahead because there is not enough water in the San Jacinto River system to meet our 2025 needs and beyond.

- ◆ The water authorities in the region teamed up with the City of Houston to initiate the Luce Bayou Interbasin Transfer Project with the capacity to bring nearly 450 MGD of raw water from the Trinity River to Lake Houston and the City’s North East Water Purification Plant (NEWPP) at a total cost of about \$381 million. The NHCRWA share of this visionary project is approximately \$100 million.
- ◆ With the availability of more raw water coming into the San Jacinto/Lake Houston reservoir, there was an urgent need for

additional treatment capacity. A supplemental agreement for participation in the NEWPP expansion was successfully negotiated by the regional water authorities with the City of Houston.

- ◆ The NHCRWA will have approximately 144 MGD treatment capacity in the plant. The project will be completed in phases over the next 6 to 9 years, increasing the treatment capacity from the current 80 MGD to 400 MGD at a total cost of about \$1.3 billion. The NHCRWA share of the expansion will be approximately \$469 million.

- ◆ In addition to the cost of purchasing the surface water from the City of Houston, there are shared transmission, operations and maintenance expenses to be paid. Some routine water facility expenses -- chemicals and energy, for example -- have spiraled in recent years.

All of these factors -- coupled with the cost of constructing the NHCRWA’s 2025 system -- will impact the future cost of water.

Will we have enough water to meet the needs of a growing population and to sustain economic growth and development for future generations? The answer is a cautiously optimistic, “Yes”. We may not have all the water we want, but we will have the water we need if we all make a commitment to use water as efficiently as possible and to end wasteful practices such as excessive residential turf irrigation.

The NHCRWA is in the Texas Water Development Board (TWDB) Region H area, encompassing all or part of fifteen counties in southeast Texas. Each year, the TWDB collects information from water systems around the state. The Authority’s reservations for future water supplies are based on these

comprehensive population projections.

In 2000, when the NHCRWA was created, there were about 3.3 million people living in Harris County. The population boom has continued. TWDB’s 2017 **State Water Plan** projects that our population will continue its rapid growth. Population overall in Harris County is expected to increase to 4.4 million in 2020, and then to 5.5 million in 2050. Fortunately, this same Plan provides a roadmap for how to address the water needs that accompany that growth.

How will we pay for it?

The NHCRWA has no taxing authority, so fees are charged for groundwater pumped by the utility districts and well owners within the NHCRWA’s boundaries in order to pay Authority costs. Fees are also charged for surface water delivered to utility districts.

The 83rd Texas Legislative session kicked off the State’s new approach to turning water plans into water supplies by creating the State Water Implementation Fund for Texas (SWIFT) program to fund projects included in the state water plan. With assistance from the SWIFT program, Texas now has the means to help meet the state’s water needs far into the future.

The TWDB approved the Authority’s 2015, 2016 and 2017 Financial Assistance Applications for SWIFT funding with multi-year financial assistance commitments totaling \$1.25 billion.

The TWDB estimates the Authority has received savings to date of \$109,076,334 by utilizing the SWIFT Program; this figure is obtained by comparing TWDB’s AAA Bond Rating vs. rates the Authority would expect to receive in the open market.