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CONTACT: Heather Ramsey Cook
hcook@sjra.net

SJRA’s FY2020 Rates: Protecting Water Choices, Preparing For Uncertainty of Future Groundwater Regulations

Conroe, Texas—Uncertainty regarding new groundwater conservation rules and uncollected revenue along with the importance of ensuring reliable water sources for Montgomery County lead the list of reasons San Jacinto River Authority’s (SJRA) FY2020 budget includes a rate adjustment for all participants in SJRA’s Groundwater Reduction Plan (GRP).

The rate adjustment applies to cities, municipal utility districts, and independently owned utilities participating in the GRP program. Individual retail water bills will vary. Retail water providers, not SJRA, decide how to pass the fee through to their retail customers. If a retail utility is billing more than the rates adopted by the GRP, customers should ask their retail utility to explain the markup. For more information on household bills, individuals are urged to contact their retail provider.

The rate adjustment was agreed upon by the GRP customer review committee on Tuesday and approved by the SJRA Board of Directors yesterday. The new rate order increases the Pumpage and Import Fee (groundwater users only) from \$2.64 per 1,000 gallons to \$2.73 per 1,000 gallons and increases the Surface Water Fee from \$2.83 per 1,000 gallons to \$3.15 per 1,000 gallons— a difference of 9 cents and 32 cents per 1,000 gallons respectively. The average household bill, based on 13,000 gallons/month usage, would see an increase of less than \$2.00 per month. The adjustment goes into effect September 1, 2019.

By comparison, SJRA’s rates are still the lowest in the region for similar regional wholesale providers.

Wholesale Provider	Groundwater per 1,000 gal	Surface water per 1,000
SJRA	\$2.73	\$3.15
West Harris County Regional Water Authority	\$2.95	\$3.35
North Fort Bend Water Authority	\$3.65	\$4.00
North Harris County Regional Water Authority	\$3.85	\$4.30

The rate adjustment funds the operation, maintenance, and debt service of the GRP facilities. It also reflects the fact that certain municipal customers have not paid fee increases since FY2016 and the other GRP Participants must make up for the shortfall until collection efforts are successfully concluded. SJRA strives at all times to manage the costs of implementation of the GRP so that the lowest responsible fees are adopted.

“The GRP water plant was built to satisfy Lone Star’s requirements that we develop a plan to use less groundwater,” said SJRA General Manager Jace Houston. “Utilities throughout the greater Houston region have been working to achieve stable, reliable groundwater levels for almost 50 years. We expect Lone Star to work with all utilities in Montgomery County on a way to manage groundwater responsibly instead of changing their requirements and creating risks and uncertainty. Changing the rules is costly for utilities, cities, and MUDs. Ultimately everyone’s water bills go up, not down.”

Background: Montgomery County utilities, through a joint project with SJRA, developed the GRP treatment plant at Lake Conroe in 2010 in response to regulations set by the local groundwater management district, Lone Star Groundwater Conservation District (LSGCD). The plant's purpose is to satisfy LSGCD's requirements to reduce reliance on groundwater (aquifer) supplies by providing a surface water alternative (treated water from Lake Conroe). The GRP entered into more than 80 contracts with utilities to build a \$500 million water treatment plant and pipeline system to satisfy LSGCD's rules. LSGCD recently submitted a new groundwater management plan without aquifer management goals to the Texas Water Development Board, and the TWDB rejected the plan.

One of the major river authorities in Texas, SJRA's mission is to develop, conserve, and protect the water resources of the San Jacinto River. Covering all or part of seven counties, the organization's jurisdiction includes the entire San Jacinto River watershed, excluding Harris County. For additional information on SJRA visit our website at www.sjra.net or like SJRA on Facebook [@SanJacintoRiverAuthority](https://www.facebook.com/SanJacintoRiverAuthority), and follow us on Twitter [@SJRA_1937](https://twitter.com/SJRA_1937).

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