

## Information on NFBWA Fees in Water Bills

The North Fort Bend Water Authority ("NFBWA") is a governmental entity created in 2005 by the Texas Legislature to address the Fort Bend Subsidence District's ("FBSD") requirement to convert the Fort Bend County area from groundwater to surface water as the primary source of potable water in order to combat subsidence. The NFBWA's primary assignment is to develop and implement a strategy for complying with FBSD's Regulatory Plan that requires a reduction in groundwater usage. FBSD has mandated conversion from groundwater to surface water in Fort Bend County in order to mitigate subsidence, as follows: (1) overall 30 percent surface water usage by 2014; and (2) overall 60 percent surface water usage by 2027. Failure to meet these deadlines would trigger a FBSD penalty of \$6.50/1,000 gallons pumped. MUD 35 lies within the NFBWA's boundaries.

The NFBWA is responsible for constructing the necessary water infrastructure to deliver surface water to the areas within the NFBWA. In order to design, construct, and operate the necessary infrastructure, the NFBWA assesses fees to the well owners for water pumped and to municipal utility districts for the amount of surface water delivered by the NFBWA.

Fort Bend County MUD 35 ("MUD 35"), as a member of NFBWA's Groundwater Reduction Plan ("GRP"), pays fees to NFBWA for the amount of surface water delivered to MUD 35 ("Surface Water Fee") and the number of gallons of groundwater pumped to serve MUD 35 ("GRP Fee"). The current Surface Water Fee is \$4.90/1,000 gallons delivered and the current GRP Fee is \$4.55/1,000 gallons pumped. MUD 35 has no discretion over whether to pay the GRP Fee and Surface Water Fee to the NFBWA nor the amount of the GRP Fee or Surface Water Fee established by NFBWA. For your reference, MUD 35's current minimum monthly charge for treating and distributing up to 10,000 gallons of water is \$20.60.

MUD 35 passes the GRP Fees and Surface Water Fees through to MUD 35's customers based on the amount of water they use. In addition to MUD 35's water rates, each customer within MUD 35 is billed a separate amount equal to the Surface Water Fee charged to MUD 35 by the NFBWA for every 1,000 gallons of water delivered to the customer in a billing cycle. For additional information regarding the NFBWA, please visit the NFBWA's website as <https://www.nfbwa.com/>.