

HCMUD No. 44 Board of Directors are pleased to announce the North Harris County Regional Water Authority (NHCRWA) fee was reduced effective October 1, 2023 pursuant to section 3.04 of the District's rate order. As of October 1, 2023 the NHCRWA fee shown on your monthly water bill reflects the reduced rate plus 10% to cover such things as leaks in distribution system and uncollectable accounts. Please reference the NHCRWA fee on your September 2023 bill verses the NHCRWA fee on your October 2023 bill for confirmation of the reduction.

What does this mean and how is this calculated? The current NHCRWA surface water fee \$4.05 x 10% = \$4.455 / 1,000 gallons. We are happy to share section 3.04 of the District rate order which further explains the District's implementation / billing of the NHCRWA fee. We hope you have a further understanding of this fee and how it is calculated. For additional information you may visit <https://www.nhcrwa.com/docs/water-rates-and-pumpage-fees/> or email customerservice@wdmtexas.com.

Section 3.04. North Harris County Regional Water Authority Regulatory Assessment.

Pursuant to the Groundwater Reduction Plan adopted by the North Harris County Regional Water ("NHCRWA"), the District is required to pay a monthly fee to the NHCRWA based on the total amount of ground water pumped at the District's water wells and/or the total amount of surface water delivered to the District by the NHCRWA (the "NHCRWA Water Fee").

To cover the NHCRWA Water Fee assessed to the District, the District hereby imposes a monthly charge (the "NHCRWA Charge") equivalent to the NHCRWA's current groundwater assessment rate per 1,000 gallons of metered water usage, plus an additional 5% to cover water that is not billed to customers, such as water loss due to leaks, flushing and other uses. At such time as surface water is delivered to the District, the monthly charge imposed by the District for the NHCRWA Charge shall be equal to the NHCRWA's Surface Water rate plus 10% to cover water that is not billed to customers, such as water loss due to leaks, flushing and other uses. The Operator shall list the NHCRWA Charge on the customer's bill as a separate line item and shall collect the NHCRWA Charge in addition to other charges. Failure by a Customer to pay the NHCRWA Fee shall result in the termination of water and sewer service in accordance with the provisions of this Rate Order.

At the end of each month, the Operator shall prepare a written statement indicating the total pumpage at each of the District's water wells and/or the surface water delivered to the District by the NHCRWA for the month, and the amount due to the NHCRWA. The Operator shall deliver the written statement to the District's Bookkeeper for payment.

Pursuant to the assessment imposed by the North Harris County Regional Water ("NHCRWA"), the District shall pay on each January 31, April 30, July 31, and October 31 the regulatory assessment to the NHCRWA in the amount assessed by the NHCRWA based on the total water pumped in the prior quarter.

At the end of each calendar quarter, the Operator shall prepare a written statement indicating the (i) the total water pumped by the District for calendar quarter; and (ii) the regulatory assessment due and payable to the NHCRWA. The Operator shall deliver the written statement to the District's Bookkeeper for payment by the District.

The Regulatory Assessment shall be added on the Customer's bill as a separate line item. To cover water that is not billed to customers, such as water lost through leaks, construction, flushing and other uses, the District will add ten per cent (10%) to the Regulatory Assessment charged to Customers. The Operator shall collect the Regulatory Assessment in addition to other charges.