

GULF COAST WATER AUTHORITY
FY 2019 AG RATE ORDER

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

RECITALS

WHEREAS, the Gulf Coast Water Authority (the "Authority"), a conservation and reclamation district under the provisions of Section 59, Article XVI of the Texas Constitution created and operating under the provisions Chapter 712, Acts of the 59th Legislature, Regular Session, 1965 (originally codified as Article 8280-339, Vernon's Texas Civil Statutes), as amended; and

WHEREAS, the Authority is the holder of permits and other rights for the storage, diversion, transport, and withdrawal of water from the Brazos River, Jones Creek, Oyster Creek, Chocolate Bayou, Mustang Bayou, and Hall's Bayou ("Raw Water"); and

WHEREAS, the Authority may establish and adjust the rates for the sale of Agriculture (Ag) water from time to time; and

WHEREAS, the General Manager is also charged by the Board of Directors with authority to make Interruptible Water sales; and

WHEREAS, the Board of Directors has determined it necessary and prudent to adjust its rate for the sale of Ag Water; and

NOW THEREFORE, be it ordered by the Board of Directors of the Gulf Coast Water Authority that:

ARTICLE I
FINDINGS; EFFECTIVE DATE; APPLICABILITY

Section 1.01: Findings. Each of the recitals stated in this Rate Order are hereby adopted as findings of fact of the Board of Directors. All statutory and contractual requirements and conditions have been met for the establishment of fees, rates, and charges under this Rate Order.

Section 1.02: Effective Date: Prior Resolutions or Orders. This Rate Order shall be effective as of March 7, 2019. Any and all previously adopted or stated water rates pertaining to the sale of AG Water, is repealed and superseded hereby in all respects as of March 7, 2019.

Section 1.03: Applicability. This Rate Order shall be applicable to all sales of AG Water under Ag Water Contracts.

ARTICLE II
DEFINITIONS; INTERPRETATIONS; REFERENCES

Section 2.01: Definitions. In addition to terms defined elsewhere in this Rate Order, and unless the context requires otherwise, the following terms used in this Rate Order shall have the following meanings and, to the extent applicable, shall serve to supplement terms defined elsewhere in this Rate Order:

- (a) "Authority" is defined in the recitals hereto and means and includes the legal successors or assigns of the Gulf Coast Water Authority.
- (b) "Customer Contracts" is defined in the recitals hereto and means.
- (e) "Agriculture Water" (Ag Water) is defined in the recitals hereto and shall mean and include all untreated surface water diverted from Brazos River, Jones Creek, Oyster Creek, Chocolate Bayou, Mustang Bayou, and Hall's Bayou, to which the Authority has rights, powers, and authority under or evidenced by Certificate of Adjudication Nos. 12-5168, 12-5322, and 12-5171, and Water Permit No's 5169 and 5357, as amended, issued by the Texas Commission on Environmental Quality or its predecessors.
- (c) "Water Rate" shall mean the rates set forth in Attachment A hereof applicable to the sale of Water to Ag Water Contract customers.

Section 2.02: Interpretations. The article, section, and subsection headings of this Rate Order are included herein for convenience of reference purposes only and shall not constitute a part of this Rate Order or affect its interpretation in any respect. Except where the context otherwise requires, words imparting the singular number shall include the plural and vice versa. References to an entity refer to the legal successors of such entity, and to the board of directors, officers, or other officials of such entity where appropriate.

Section 2.03: References. Any reference in this Rate Order to a document shall mean such document and all exhibits thereto as amended or supplemented from time to time.

ARTICLE III
WATER RATE;

Section 3.01: Water Rates. (a) Unless otherwise agreed in writing, the Water Rate shall be as stated in Exhibit A, attached hereto.

- (a) The various provisions of the Ag Water Contracts, the Addenda, shall govern all matters other than the prevailing rate for the sale of Ag Water, including but not limited to quality, quantity, diversion rates, diversion points, operations, repairs, maintenance, re-sales or exchanges, metering, billing, payment, credits against the Water Rate, collections, late fees, penalties and interest, shortages or water and force majeure, in respect of the sale of Water thereunder.

ARTICLE IV
MISCELLANEOUS

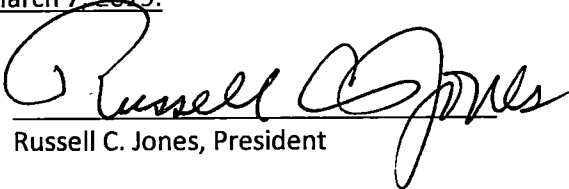
Section 4.01: Water Contracts: Addenda:. In the event that any provision of this Rate Order is in conflict with any provision of the Water Contracts, the Addenda, then the terms and provisions of this Rate Order shall control only with respect to the prevailing Water Rate or Reservation Fee, and the Water Contracts, the Addenda, shall control with respect to any other matter.

Section 4.02: Future Amendments. As determined necessary by the Authority, the Authority reserves the right to amend from time to time: (1) the rates, charges and fees contained in this Rate Order; and (2) any other terms and provisions of this Rate Order.

PASSED AND APPROVED by the Board of Directors on March 7, 2019.

ATTEST: _____

(SEAL)


Russell C. Jones, President

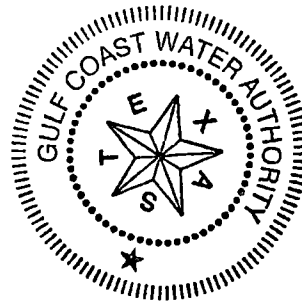


EXHIBIT A
AG WATER RATES

Exhibit A
2019 Ag Water Rates
Gulf Coast Water Authority

Rice - First Crop			
2018 Prices		2019 Prices	
First Crop Water \$45.29 per A/F		Base Rate = \$55.06/AF x Average AF/acre x Certified Acres	
Water usage less than 2.50 AF/Acre will receive a \$5.00 per certified acre Water Conservation Incentive to be applied to the 2018 Irrigation Invoice	\$130.87 per certified acre (Includes \$5.00 Water Conservation Credit)	\$55.06 was arrived at based on GCWA 2019 Industrial Rate with a 30% discount for Ag Customers (BRA Cost Method)	
		Depending on Average AF/acre Usage, a Conservation Credit or an "Above average" Usage fee may apply.	
2.50 to 3.00 AF/Acre or less	\$135.87 per certified acre	Conservation Incentive Credit	
		< 2.25 AF per acre	\$10.00 per Certified Acre Credit
		2.25 - 2.75 AF per acre	Base Rate
3.01 to 3.50 AF/Acre	\$163.52 per certified acre	"Above Average" Usage Fee	
		2.76 - 3.25 AF per acre	\$5.00 per Certified Acre Fee
3.51 to 4.00 AF/acre	\$186.16 per certified acre	3.26 - 3.75 AF per acre	\$7.50 per Certified Acre Fee
Above 4.0 AF/Acre	\$208.81 per certified acre	> 3.75 AF per acre	\$10.00 per Certified Acre Fee

Rice - Ratoon Crop			
Permanent Hold	To be determined	Pricing at June Board Meeting	Pricing at June Board Meeting

Rice Water off Canal System (Acres Not Under Current Rice Contract)			
Note!!! Water at the discretion of Authority Water is only available if sufficeint run-of-river water exists. Water will be measured at the point of discharge from the canal. Fifty (50) percent deposit of anticipated usage must be paid up front. Balance due at completion of each watering. Not eligible for BRA Stored Water	\$75.44 per acre foot (2017)	9% Increase	
	\$79.96 per acre foot(2018)	\$87.16 per acre foot (2019)	

Row Crop			
Corn, Milo, Soybeans and Cotton Note!!! Water at the discretion of Authority Water is only available if sufficeint run-of-river water exists. Water will be measured at the point of discharge from the canal. Fifty (50) percent deposit of anticipated usage must be paid up front. Balance due at completion of each watering. Water must be applied by an approved industry Standard metered irrigation piping system Not eligible for BRA Stored Water	\$67.50 per acre foot (2017)	9% Increase	
	\$67.50 per acre foot(2018)	\$73.58 per acre foot (2019)	

Commercial Water			
Aquaculture/Waterfowl Note!!! Water at the discretion of Authority Water is only available if sufficeint run-of-river water exists. Water will be measured at the point of discharge from the canal. Fifty (50) percent deposit of anticipated usage must be paid up front. Balance due at completion of each watering. Not eligible for BRA Stored Water	\$123.25 per acre foot (2017)	9% Increase	
	\$122.54 per acre foot (2018)	\$133.57 per acre foot (2019)	