

GULF COAST WATER AUTHORITY
FY 2019 RATE ORDER

WHEREAS, the Gulf Coast Water Authority (the "Authority"), is 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, diversion, withdrawal, transport, storage and treatment of water from the Brazos River, Jones Creek, Oyster Creek, Chocolate Bayou, Mustang Bayou, and Hall's Bayou ("Raw Water"); and

WHEREAS, the Authority has entered into certain long term contracts with customers for the sale of raw water and treated surface water; and

WHEREAS, said long term water contracts provide that the Authority may establish and adjust the rate for the sale of raw and treated surface 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 Raw and Treated Surface 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 September 1, 2018. Any and all previously adopted or stated water rates pertaining to the sale of Raw or Treated Surface Water, is repealed and superseded hereby in all respects as of September 1, 2018.

Section 1.03: Applicability. This Rate Order shall be applicable to all sales of Raw and Treated Surface Water under any Long Term Water Contract, and to the sale of Interruptible Raw Water Contract, except for irrigation water contracts used in conjunction with agricultural use.

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 and includes any amendments or supplements to the Customer Contracts.
- (c) "Raw 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.
- (d) "Treated Surface Water" is defined as water that is treated and produced by the Thomas Mackey Surface Water Treatment Plant in Texas City, Texas;
- (e) "Water Contracts" is defined in the recitals hereto and means and includes any amendments or supplements to the Raw and Treated Surface Water Contracts, and any substantially similar contract or contracts hereafter entered into by the Authority customer relative to the sale of Water.
- (f) "Water Rate" shall mean the rates set forth in Attachment A hereof applicable to the sale of Water to 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.

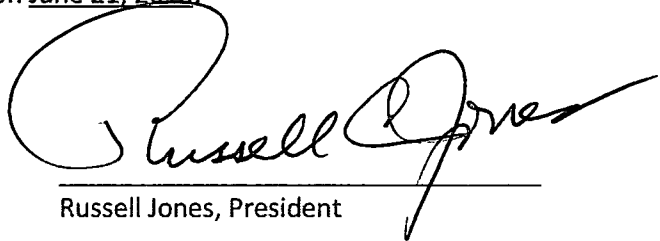
- (a) The various provisions of the Water Contracts, the Addenda, shall govern all matters other than the prevailing rate for the sale of Water, including but not limited to quality, quantity, diversion rates, diversion points, operations, repairs, maintenance, re-sales or exchanges, metering, billing, 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.

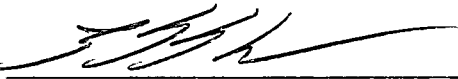
ARTICLE IV
MISCELLANEOUS

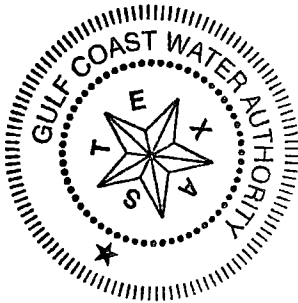
Section 4.01: Water Contracts: Addenda: In the event that any provision of this Rate Order is in conflict with any provision of the Water Contracts, the Addenda, then the terms and provisions of this Rate Order shall control only with respect to the prevailing Water Rate or Reservation Fee, and the Water 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 June 21, 2018.


Russell Jones, President

ATTEST: 
Eric Wilson, Secretary
(SEAL)





Gulf Coast Water Authority

Exhibit A

2019 WATER RATES PER MILLION GALLONS (\$MG)

<u>CANAL- System A & B</u>	<u>O&M</u>	<u>Capital</u>	<u>Additional Stored Water</u>	<u>Stored Water</u>	<u>Stored Water - Pecan Grove</u>	<u>Option Water</u>
--------------------------------	----------------	----------------	------------------------------------	---------------------	---	---------------------

Rates 84.46 57.77 11.44 87.64 276.20 48.26

<u>CANAL- Chocolate Bayou</u>	<u>O&M</u>	<u>Capital</u>	<u>Additional Stored Water</u>	<u>Stored Water</u>
-------------------------------	----------------	----------------	------------------------------------	---------------------

Rates 126.16 184.02 11.44 63.11

<u>INTERRUPTIBLE WATER</u>	<u>Interruptible Rates</u>
----------------------------	--------------------------------

Silvercreek Community Association	307.34
Sugar Creek Country Club	373.97
Mainland Concrete	241.31
First Colony Community Services (Fluor)	268.77
First Colony Commons	241.31
Riverbend Country Club	241.31
Diamond K	241.31
Mag Creek Country Club	241.31
Texas City Golf Course	317.72

<u>Thomas Mackey Water Treatment Plant Rates</u>	<u>Raw Water</u>	<u>Capital</u>	<u>O&M</u>
--	------------------	----------------	----------------

Rates 317.72 176.79 685.11

<u>Texas City Reservoir Rates</u>	<u>Raw Water</u>	<u>O&M</u>	<u>Capital</u>	<u>Bonds</u>		
				<u>Industrial Division</u>	<u>Ashland</u>	<u>Water Treatment Plant</u>

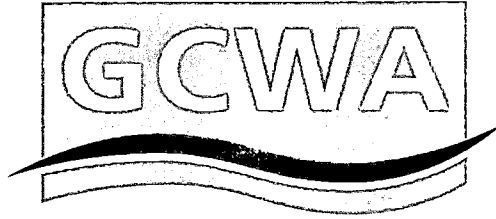
Rates 241.31 14.45 29.68 29.26 29.26 32.28

<u>Texas City Industrial Rates</u>	<u>Power</u>	<u>Raw Water</u>	<u>O&M</u>	<u>Capital</u>	<u>Bonds</u>	
					<u>Texas City</u>	<u>Industrial</u>

Rates 30.17 314.70 45.15 101.31 N/A 53.67

SPOT RAW WATER-(TRUCKED)

\$1,000 minimum up to first million and \$500 per half million thereafter.



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2019 WATER RATES**

RAW WATER

<u>CANAL SYSTEM A&B</u>	CONTRACT QUANTITY	
	<u>(MGD)</u>	<u>(\$/MG)</u>
Industrial Division	110.7620	241.31
Ascend Performance Materials	17.8660	241.31
Ft. Bend WCID#2	4.0000	241.31
Missouri City	15.0000	241.31
Pecan Grove	2.3524	418.43
Sugar Land	10.0000	241.31
Underground Storage	1.6000	241.31
<u>CHOCOLATE BAYOU</u>		
INEOS Olefins and Polymers	24.0000	384.72
<u>OPTION WATER</u>		
Sugar Land	10.0000	48.26
Ft. Bend WCID #2	6.5000	48.26
Pearland	10.0000	48.26
<u>INTERRUPTIBLE WATER</u>		
Silvercreek Community Association	0.0000	307.34
Sugar Creek Country Club	0.2098	373.97
Mainland Concrete	0.0329	241.31
First Colony Community Services (Fluor)	0.0803	268.77
First Colony Commons	0.0384	241.31
Riverbend Country Club	0.1370	241.31
Diamond K	0.0580	241.31
Mag Creek Country Club	0.4930	241.31
Texas City Golf Course	0.1095	317.72

SPOT RAW WATER-(TRUCKED)

\$1,000 minimum up to first million and \$500 per half million thereafter.



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2019 WATER RATES**

RAW WATER - TEXAS CITY RESERVOIR (TCR)

	RAW WATER		O & M		CAPITAL		*BONDS		AVERAGE COST PER (MG) BASED ON CONTRACT QUANTITIES	
	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)	CONTRACT (MGD)	(\$/MG)
Industrial Division	60.0620	241.31	60.0620	14.45	60.0620	29.68	60.0620	29.26	60.0620	314.70
Ashland	1.0000	241.31	1.0000	14.45	1.0000	29.68	1.0000	29.26	1.0000	314.70
Thomas Mackey Water Treatment Plant	49.7000	241.31	49.7000	14.45	49.7000	29.68	49.7000	32.28	49.7000	317.72

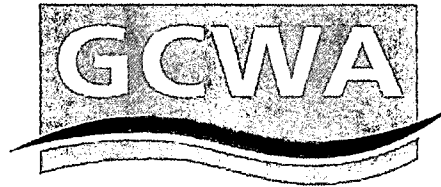


Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2019 WATER RATES**

RAW WATER - TEXAS CITY INDUSTRIAL (TCI)

	POWER		RAW WATER		O & M		CAPITAL		BONDS		AVERAGE COST PER (MG) BASED ON CONTRACT QUANTITIES	
	ESTIMATED		CONTRACT		CONTRACT		CONTRACT		CONTRACT		CONTRACT	
	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)	(MGD)	(\$/MG)
Dow	7.3093	30.17	12.3910	314.70	12.3910	45.15	12.3910	101.31	12.3910	53.67	12.3910	532.62
Eastman	0.9484	30.17	8.5420	314.70	8.5420	45.15	8.5420	101.31	8.5420	53.67	8.5420	518.17
Valero	1.5883	30.17	6.5100	314.70	6.5100	45.15	6.5100	101.31	6.5100	53.67	6.5100	522.18
Blanchard Refining Company	31.0142	30.17	32.6000	314.70	32.6000	45.15	32.6000	101.31	32.6000	53.67	32.6000	543.53
Texas City (Highway 146)	N/A	N/A	0.0190	314.70	0.0190	45.15	0.0190	101.31	N/A	N/A	0.0190	461.16



Gulf Coast Water Authority

**SUPPLEMENT TO EXHIBIT A
2019 WATER RATES**

THOMAS MACKEY WATER TREATMENT PLANT

	RESERVE CAPACITY			O & M ESTIMATED METERED WATER		COST BASED ON ESTIMATED METERED WATER	
	<u>(MGD)</u>	<u>RAW WATER (\$/MG)</u>	<u>CAPITAL (\$/MG)</u>	<u>(MGD)</u>	<u>(\$/MG)</u>	<u>(MGD)</u>	<u>(\$/MG)</u>
Texas City	11.5050	317.72	176.79	6.2000	685.11	6.2000	1,602.74
LaMarque	2.7800	317.72	176.79	2.4000	685.11	2.4000	1,257.92
WCID #1	4.1650	317.72	176.79	2.2180	685.11	2.2180	1,613.71
Bacliff	1.1900	317.72	176.79	0.6110	685.11	0.6110	1,648.23
Bayview	0.3880	317.72	176.79	0.1200	685.11	0.1200	2,284.02
WCID #12	1.0430	317.72	176.79	0.7120	685.11	0.7120	1,409.83
San Leon	1.7850	317.72	176.79	0.6500	685.11	0.6500	2,043.10
League City	2.5440	317.72	176.79	1.5000	685.11	1.5000	1,523.80
Galveston	20.9900	317.72	176.79	12.7500	685.11	12.7500	1,499.21
Hitchcock	1.5000	317.72	176.79	0.8000	685.11	0.8000	1,612.31
WCID #8	1.0000	317.72	176.79	0.5500	685.11	0.5500	1,584.22
MUD #12	0.4500	317.72	176.79	0.2250	685.11	0.2250	1,674.13
FWSD #6	0.3600	317.72	176.79	0.2150	685.11	0.2150	1,513.12