

**CUSTOMER NOTICE OF CHANGE IN WATER RATE**  
**Effective Date of Change: SEPTEMBER 1, 2022**

Date: July 29, 2022

To: All customers of MSEC Enterprises, Inc.

From: MSEC Enterprises, Inc., P. O. Box 970, Navasota, Texas 77868 (“Utility”)

The Utility is a participant in a Groundwater Reduction Plan entered into between the San Jacinto River Authority (“SJRA”) and groundwater producers in Montgomery County to reduce production of groundwater in the county.

For more information regarding the GRP, please go to the SJRA Website: <http://www.sanjacintoriverauthority.com/grp>.

**Be advised that SJRA’s Pumpage / Import Fee and Surface Water Fee** for Participants has changed effective September 1, 2022. According to the SJRA, these fees generate the revenues necessary to pay for the operation and maintenance of the GRP facilities and to fund debt service.

On June 23, 2022, the **SJRA Board of Directors** approved an Amended Rate Order for GRP Participants effective September 1, 2022:

**Pumpage / Import Fee to be charged each Participant is \$2.99 / 1,000 gallons. (\$3.13 / 1,000 gallons when adjusted for line loss)**

**Surface Water Fee to be charged each Participant is \$3.41 / 1,000 gallons. (\$3.57 / 1,000 gallons when adjusted for line loss)**

This change by SJRA requires the Utility to provide you NOTICE under 16 Texas Administrative Code § 24.25(b)(2)(F) of a TARIFF RATE REVISION as follows:

**San Jacinto River Authority (SJRA).....\$3.64\* per 1,000 gallons**  
**\*(The Pass Through Fees are a blended rate adjusted for line loss and include a true-up adjustment.**

The Present Calculation and the New Calculation of the Customer Billing applicable to your billing, including the **SJRA Pumpage/Import Fee and Surface Water Fee**, are set out on the following pages.

**This tariff change is being implemented in accordance with the minor tariff changes allowed by 16 Texas Administrative Code § 24.25. The cost to you as a result of this change will not exceed the costs charged to your utility.**

**Calculation for customer billing Prior to September 1, 2022:**

| SECTION 1.0 --       |                                      | RATE SCHEDULE   |
|----------------------|--------------------------------------|---|
| Section 1.01 – Rates |                                      |   |
| Meter Size           | Monthly Minimum Charge               | Gallonage Charge                                      |
|                      | (includes 0 gallons all Meter Sizes) |   |
| 5/8” or 3/4”         | <u>\$ 33.00</u>                      | <u>\$3.25</u> per 1,000 gallons, first 10,000 gallons |

| Meter Size | Monthly Minimum Charge<br>(includes 0 gallons all Meter Sizes) | Gallonge Charge                                       |
|------------|--|---|
| 1"         | <u>\$ 56.00</u>  | <u>\$3.45</u> per 1,000 gallons, first 10,000 gallons |
| 1 1/2"     | <u>\$200.00</u>  | <u>\$3.70</u> per 1,000 gallons, over 20,000 gallons  |
| 2"         | <u>\$320.00</u>  |   |
| 3"         | <u>\$375.00</u>  |   |

**PASS THROUGH FEES CHARGED BY:**

|   |  |
|---|--|
| Lone Star Groundwater Conservation District (GCD) ..... | \$0.09* per 1,000 gallons<br><b>(Tariff Control No. 50459)</b>   |
| San Jacinto River Authority (SJRA).....                 | \$3.11* per 1,000 gallons<br>*(The Pass Through Fees are adjusted for line loss and true-up) <b>(Tariff Control No. 52385)</b> |
| Bluebonnet Groundwater Conservation District.....       | \$0.05 per 1,000 gallons<br><b>(Tariff Control No. 48657) (For Crown Ranch Subdivision only)</b>                               |

**New calculation of customer billing EFFECTIVE SEPTEMBER 1, 2022:**

| SECTION 1.0 --       |  | RATE SCHEDULE   |
|----------------------|--|---|
| Section 1.01 – Rates |  |   |
| Meter Size           | Monthly Minimum Charge<br>(includes 0 gallons all Meter Sizes) | Gallonge Charge                                       |
| 5/8" or 3/4"         | <u>\$ 33.00</u>  | <u>\$3.25</u> per 1,000 gallons, first 10,000 gallons |
| 1"                   | <u>\$ 56.00</u>  | <u>\$3.45</u> per 1,000 gallons, first 10,000 gallons |
| 1 1/2"               | <u>\$200.00</u>  | <u>\$3.70</u> per 1,000 gallons, over 20,000 gallons  |
| 2"                   | <u>\$320.00</u>  |   |
| 3"                   | <u>\$375.00</u>  |   |

**PASS THROUGH FEES CHARGED BY:**

|   |   |
|---|---|
| Lone Star Groundwater Conservation District (GCD) ..... | \$0.09* per 1,000 gallons   |
| San Jacinto River Authority (SJRA).....                 | \$3.64* per 1,000 gallons<br>*(The Pass Through Fees are adjusted for line loss and true-up) <b>(Pending PUC approval Docket No. _____)</b> |
| Bluebonnet Groundwater Conservation District.....       | \$0.05 per 1,000 gallons  |

**Formula: Adjusted Gallonge Rate (AG)=[(AGp\*p%)+(AGs\*s%)] + TU where:**

- AG = adjusted gallonge charge, rounded to nearest one cent;
- AGp = adjusted SJRA Pumpage and Import Fee per 1,000 gallons
- p% = cumulative total gallons pumped divided by cumulative total gallons
- AGs = adjusted SJRA Surface Water Fee per 1,000 gallons
- s% = cumulative total surface water divided by cumulative total gallons
- TU = (previous true-up amount + \$ paid to SJRA - \$ billed to customer) divided by cumulative total gallons