

Lampson JR.

SJRA documentation for Sunset Review Committee
December 6/7 , 2022

My documentation is simple. I am tagging on to the extensive evidence provided to the Sunset Advisory Committee – Mr. Robert Romig – via August 30, 2022 5 page letter and some 60+ exhibits submitted by Quadvest CEO Simon Sequeira. This information also went to The Honorable Brandon Creighton, Robert Nicols, Cecil Bell, Jr, Will Metcalf, Steve Toth, Charles Schwertner and Executive Director Jennifer Jones.

In Mr. Sequeira's letter he recaps that his company provides ground water from wells they own. He states that Quadvest DOES NOT buy surface water from SJRA – which should be the only water source that SJRA should have a right to charge anyone for.

He also states in 2001 that the 77th legislature created the Lone Star Groundwater Conservation District and that LSGCD was conveniently exempted from the ethics rules of the Texas Water Code regarding conflicts of interest. Subsequent Senate Bill 2489 and House Bill 4804 were introduced to amend SJRA's statute to authorize among other things – adoption and enforcement mechanisms for a groundwater reduction plan, requirement for Montgomery County groundwater users to buy water from SJRA rather than use their own wells, charging fees to groundwater users for pumping from their own wells, etc...

Those bills failed but LSGCD went on to adopt Phase II(B) regulatory plan REQUIRING all Large Volume Groundwater users in Montgomery County to join a Groundwater Reduction Plan (GRP) or face a \$10,000.00/day violation fine. This regulatory plan was later ruled invalid ab initio , or from the beginning, by the 284th District Court. Their fee was to be used to finance SJRA's \$500M expansion project. Companies like Quadvest had no choice but to sign this contract or go out us business as \$10,000.00 / Day fine would bankrupt almost anyone.

A November 2020 Staff Report notes that SJRA did not seek the required voter approval for this project. Rather, SJRA, not having taxing authority, simply chose not to seek the required voter approval to build its surface water treatment plant. Again, surface water has nothing to do with ground water usage of others privately owned wells.

Like most GRP participants – like Quadvest, these private water companies have NEVER received any water from SJRA; however, SJRA continues to charge a pumpage fee which can be considered nothing more than an actual tax ultimately passed thru to customers like me. So instead of going to the public to get taxing authority, it is charging a "backdoor" TAX thru the language of groundwater pumpage fee. Simply put, private water company customers are paying for water they are not receiving from SJRA.

This fee as began in 2010 at \$.50 / 1000 gallons and has now escalated to \$2.99 / 1000 gallons in 13 years which is a 498% price increase. Their most recent price increase was \$.10 / 1000 gallons. If they are allowed to continue unabated to raise rates while still providing NO SERVICE , then they will continue to rape the general public.

Bottom line is that SJRA provides NOTHING to Quadvest , yet their fee of \$2.99 / 1000 gallons on the bill I have included equates to ~ 44% of that bill. This was not even during the 3 month drought we had in the summer. Let's assume that all 15,000 Quadvest customers had this as an average monthly bill for the year, then the SJRA stood to have raked ~ \$50.83 per month or \$609.96 annual per customer x 15,000 customers , or \$9,149,400 while providing no water or no service to Quadvest or its customers.

One last bothersome financial fact is the only way around this is for individuals to drill their own water wells. Unfortunately, the cost of a well is around \$12k and up to \$20K for our area. With an average bill like the one I have submitted of \$129, let's say a well cost \$15k, then that would take right at 10 years to pay out. That's not a good return really. The other downside of property owner wells is that would cut off business from Quadvest and the intent in all this from property owners is not to do that as most likely many people in our area can't afford a \$15K water well anyway.

So, In closing, SJRA and all river authorities should be relegated to regulating and providing surface water only – NOT GROUNDWATER. Their ability to charge private water companies/individuals for NO SERVICE is doubling our cost to where people are having to decide whether to water their lawns, keep ponds full when rain is absent, cut back on washing clothes, cars, even taking baths.

This needs to be stopped NOW. IT is my/our hope that you will see the necessity to stop SJRA from getting involved in groundwater usage and force them to IMMEDIATELY stop their pass thru charges to private companies that provide the groundwater thru their own wells that they have invested millions in. They get no help or anything from SJRA so how can this be an ethical or legal FEE/TAX in any way/shape or form.

Thanks for your attention to this critical problem. The people of Montgomery and others are pleading for common sense on this matter to make things right, fair and above all allow people to spend their money on products/services and labor that they get benefit from. To have to choose between water or food, gas, utilities, medical is not anything people would have ever imagined to be a problem in the Great State of Texas. You are in the unique position to make this STOP and STOP now. The logic is black and white.

Sincerely Anthony Lampson
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