



# **GROUNDWATER REDUCTION PLAN**

## ***MONTHLY OPERATIONS REPORT***

**GRP Review Committee  
Meeting  
March 20, 2017**

**SJRA Board  
Meeting  
March 24, 2017**

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# ACRONYMS AND DEFINITIONS

## ACRONYMS

<b>AWS</b>	Alternative Water Source
<b>AWWA</b>	American Water Works Association
<b>CIP</b>	Capital Improvement Project
<b>ECC</b>	Early Conversion Credits
<b>GIS</b>	Geographic Information System
<b>GRP</b>	Groundwater Reduction Plan
<b>GPY</b>	Gallons Per Year
<b>GST</b>	Groundwater Storage Tank
<b>HSPS</b>	High Service Pump Station
<b>ICO</b>	Initial Conversion Obligation
<b>LSGCD</b>	Lone Star Groundwater Conservation District
<b>LVGU</b>	Large Volume Groundwater User
<b>MSL</b>	Mean Sea Level
<b>ORS</b>	Online Reporting System
<b>RWI / RWPS</b>	Raw Water Intake / Raw Water Pump Station
<b>SCADA</b>	Supervisory Control And Data Acquisition
<b>SJRA</b>	San Jacinto River Authority
<b>SWF</b>	Surface Water Facilities (SWTP, HSPS and RWI)
<b>SWRF</b>	Surface Water Receiving Facilities
<b>SWTP</b>	Surface Water Treatment Plant
<b>TCEQ</b>	Texas Commission on Environmental Quality
<b>TQD</b>	Total Qualifying Demand
<b>TWDB</b>	Texas Water Development Board

## DEFINITIONS

<b>GROUNDWATER REDUCTION PLAN (GRP)</b>	The document developed and filed with the LSGCD indicating SJRA's plan to reduce the permitted 2009 groundwater pumpage of its GRP Participants by 30%. The GRP is administered by the SJRA, including any supplements, revisions, or amendments.
<b>GRP ADMINISTRATOR</b>	The SJRA General Manager's designee who administers the SJRA Groundwater Reduction Plan and GRP Contract with GRP Participants.
<b>GRP CONTRACT</b>	Contract between the SJRA and a Participant to be included in the SJRA's efforts to meet the surface water conversion requirements mandated by the LSGCD.
<b>ICO ADJUSTED TQD</b>	The ICO Adjusted TQD is the total amount of groundwater that can be produced by all Joint GRP Participants.
<b>JOINT GRP</b>	GRP which is prepared to include (takes into account) LVGUs who have executed a GRP Contract with the SJRA to join the SJRA's GRP. Contracted LVGUs obtain LSGCD groundwater reduction regulation compliance through the SJRA's Joint GRP without preparing and submitting a GRP.
<b>LARGE VOLUME GROUNDWATER USER(S) (LVGU)</b>	Any person or entity that, through a single well or a combination of wells, actually produces or is authorized by permit(s) issued by the LSGCD to produce 10 million gallons or more of groundwater annually on or after January 1, 2008.
<b>PARTICIPANT(S)</b>	Regulated User(s) that enters into and remains subject to a written agreement with the SJRA to be included in the SJRA's GRP and includes the legal successors or assigns of Participant(s).
<b>REGULATED USER(S)</b>	Any public or private entity or person that is or becomes subject to the District Regulatory Plan established by the LSGCD and includes any amendments, revisions or supplements thereto as may be adopted by the LSGCD.
<b>SJRA GRP DIVISION</b>	Division of the SJRA responsible for GRP compliance, and the management, administration, operation and maintenance of the surface water facilities and surface water transmission system.



## 1.0 REPORTED WATER USAGE

For the purpose of the GRP Monthly Operations Report, water usage is separated into two (2) categories; groundwater and alternative water source (AWS), and is tracked on a monthly basis. Pursuant to the GRP Rate Order, Participant water usage must be reported no later than ten (10) days from the end of the month. Water usage is self-reported by Participants through an online reporting system (ORS), TrueBill. The water usage data in Sections 1.1 - 1.3 is as of March 13, 2017 and is self-reported by the GRP Participants.

### 1.1 REPORTED GROUNDWATER USAGE

The amount of groundwater usage reported by GRP Participants for the month of February is **698, 248,162** gallons.

### 1.2 REPORTED ALTERNATIVE WATER SOURCE USAGE

For the purpose of this report, reported AWS usage is separated into three (3) categories; surface water, Catahoula Aquifer usage, and reuse. The amount of AWS usage reported for the month of February is **443,946,700** gallons. The AWS data reflected in the tables below are reported by source and Participant for the month of February.

#### 1.2.1 Reported Surface Water Usage

Reported Surface Water Usage in Gallons - February 2017	
City of Conroe	134,057,000
City of Oak Ridge North	0
MSEC - Montgomery Trace/Crown Oaks	29,741,000
Rayford Road MUD	0
SJRA - The Woodlands	246,107,000
Southern Montgomery County MUD	0
<b>Total Gallons</b>	<b>409,905,000</b>

#### 1.2.2 Reported Catahoula Aquifer Usage

Reported Catahoula Aquifer Usage in Gallons - February 2017	
City of Conroe	0
City of Willis	10,849,000
Corinthian Point MUD No. 2	1,889,000
Point Aquarius MUD	5,976,000
<b>Total Gallons</b>	<b>18,714,000</b>

#### 1.2.3 Reported Reuse Water

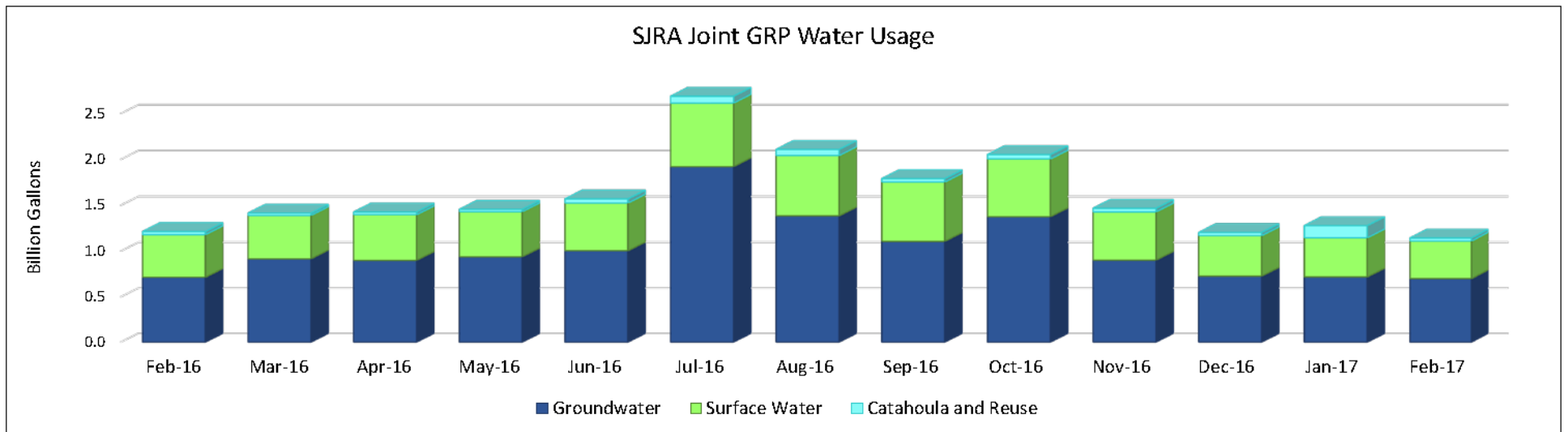
Reported Reuse Water in Gallons - February 2017	
Sequoia - Panther Trails	2,54,3000
Southern Montgomery County MUD	12,784,700
<b>Total Gallons</b>	<b>15,327,7000</b>



### 1.3 HISTORICAL DATA REPORTED BY PARTICIPANTS

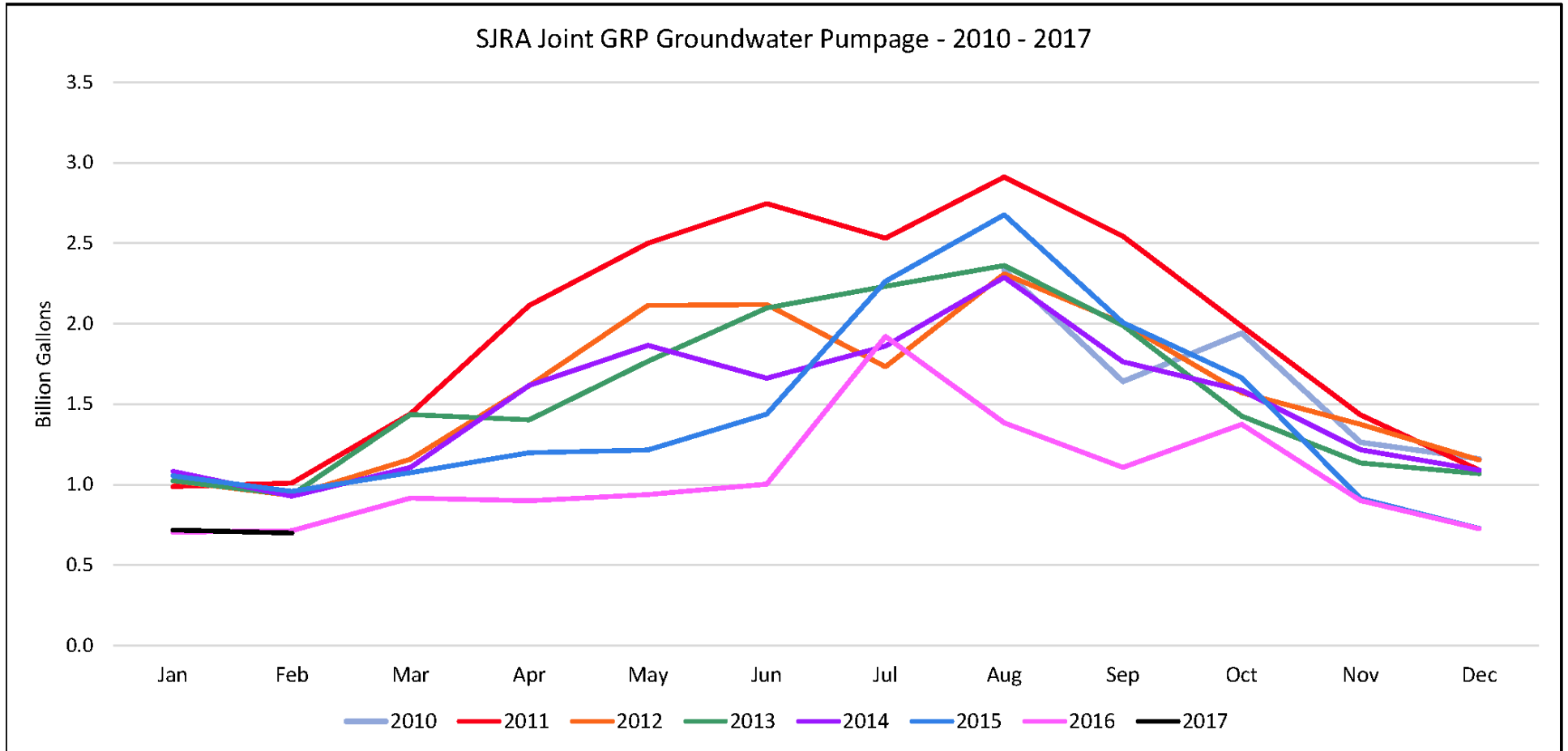
The table and chart below reflect the historical usage of groundwater and alternative water sources for all Joint GRP Participants. For representational purposes, historical surface water usage has been presented independently from other AWS usage.

	Reported Surface Water Usage in Gallons			Reported Groundwater Usage in Gallons			Reported Catahoula Aquifer and Reuse in Gallons		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Jan	0	402,401,000	426,901,000	1,053,121,573	703,423,241	717,197,847	12,875,000	47,191,800	133,117,900
Feb	0	464,506,000	409,905,000	957,449,001	713,566,491	698,248,162	11,616,332	33,625,100	34,041,700
Mar	0	472,880,000		1,073,944,063	915,213,029		17,476,258	24,575,500	
Apr	0	497,328,000		1,197,285,858	898,291,014		14,505,905	29,447,300	
May	0	492,059,000		1,214,339,213	936,707,323		12,331,000	25,023,500	
Jun	0	520,498,000		1,437,279,301	1,002,279,881		17,789,706	45,254,000	
Jul	0	692,602,000		2,261,950,683	1,920,006,040		30,200,834	74,973,700	
Aug	0	658,102,000		2,675,612,746	1,383,063,438		29,510,064	66,639,800	
Sep	94,555,000	646,490,000		2,005,742,242	1,105,338,253		29,794,419	37,561,100	
Oct	226,715,000	628,901,000		1,663,431,672	1,373,942,265		29,198,500	49,025,400	
Nov	353,189,000	525,919,000		912,138,433	900,129,030		13,166,800	40,077,200	
Dec	408,797,000	441,440,000		726,743,838	726,036,280		13,202,100	34,681,700	
<b>Total</b>	<b>1,083,256,000</b>	<b>6,443,126,000</b>	<b>836,806,000</b>	<b>17,179,038,623</b>	<b>12,577,996,285</b>	<b>1,415,446,009</b>	<b>231,666,918</b>	<b>508,076,100</b>	<b>1,67,159,600</b>



### 1.3 HISTORICAL DATA REPORTED BY PARTICIPANTS (cont.)

The chart below reflects historical usage of groundwater pumped by all Joint GRP Participants, since August, 2010 through the month of February, 2017.



## 2.0 COMPLIANCE

The following information is related to the Joint GRP's compliance with Lone Star Groundwater Conservation District's (LSGCD) rules and regulations, along with Participant compliance with the GRP Contract.

### 2.1 LONE STAR GROUNDWATER CONSERVATION DISTRICT REQUIREMENT STATUS

Per LSGCD rules and regulations, the Joint GRP was required to reduce its overall groundwater pumpage in 2016 to below its Initial Conversion Obligation (ICO) Adjusted Total Qualifying Demand (TQD). The GRP successfully achieved this goal and now must meet compliance with LSGCD by reducing groundwater to below its ICO Adjusted TQD, on average, for the next thirty years.

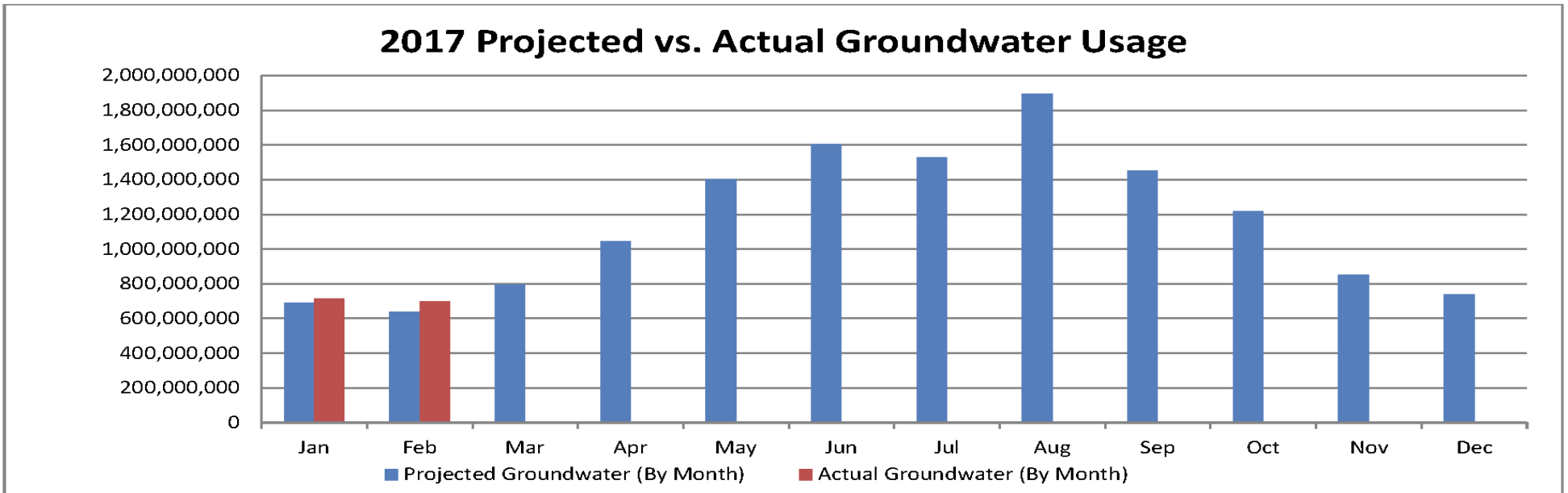
### 2.2 PARTICIPANTS

Following are recently received, new Joint GRP Contracts and/or amendments to existing Joint GRP Contract's exhibits for consideration:

- None at this time.

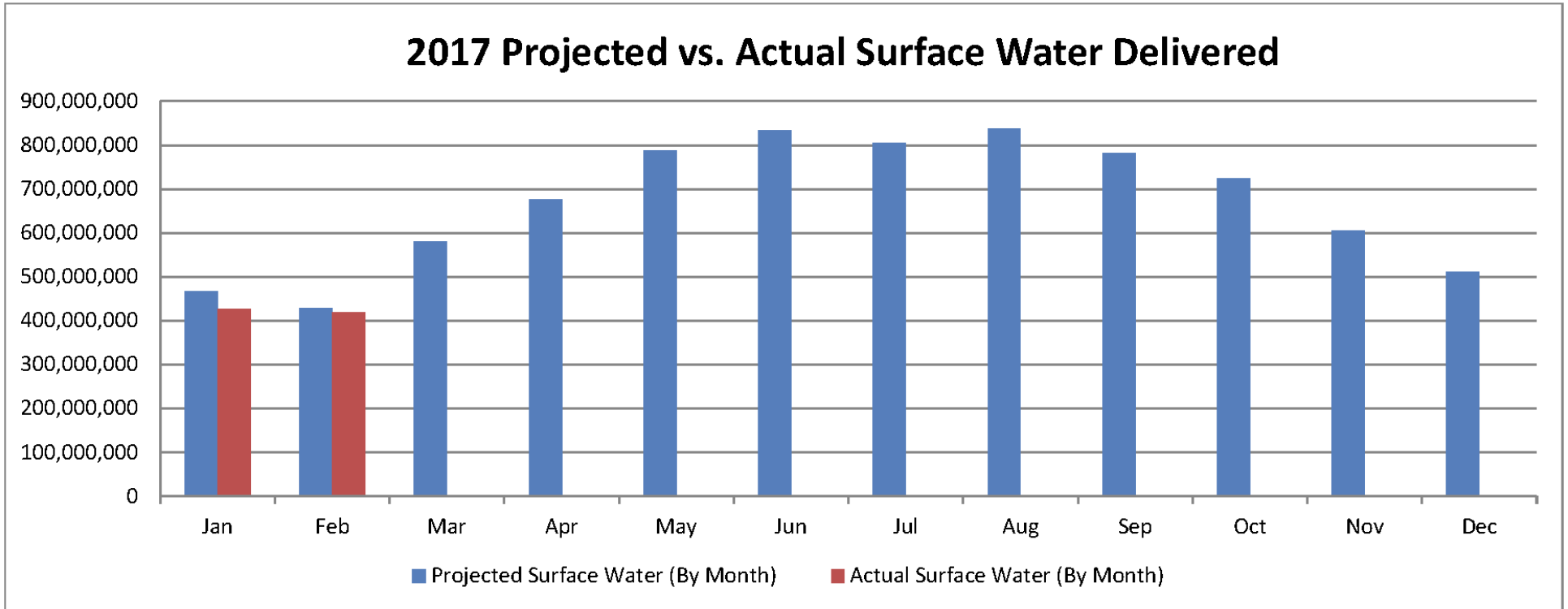
### 2.3 PROJECTED DATA VERSUS ACTUAL DATA FOR GROUNDWATER USAGE

In an effort to comply with LSGCD's rules for groundwater reduction, GRP Division staff tracks groundwater pumpage monthly. Conversion status will be evaluated monthly by comparing projected demands with actual groundwater pumpage and surface water delivery. Projected groundwater demands come from the 2017 Production Schedule.



## 2.4 PROJECTED VERSUS ACTUAL DATA FOR SURFACE WATER DELIVERY

The GRP projects to deliver **8,041,191,000** gallons of surface water in calendar year 2017. The surface water delivery estimate is based the GRP's 2017 Production Schedule. The surface water delivery data for this report comes from SJRA's SCADA system, while groundwater data is self-reported by the GRP Participants through the ORS.





## 3.0 FINANCIAL

### 3.1 SCHEDULE OF REVENUES AND EXPENSES

#### Schedule of Revenues and Expenses—Actual and Budget

#### For Six Months Ending February 28, 2017 (Unaudited)

	Feb	Fiscal Year To Date				Fiscal Budget	
	Actual	Actual	Budget	Variance	% Variance	Total Year Budget	Actual YTD % of Total Year Budget
<b>OPERATING REVENUES</b>							
GRP pumping fees	\$ 1,729,222	\$ 13,692,852	\$ 15,546,929	\$ (1,854,077)	(12%)	\$ 36,527,375	37%
GRP Surface Water Sales	1,100,891	8,284,006	7,869,940	414,066	5%	18,704,243	44%
LSGCD revenue	256,983	575,453	511,384	64,069	13%	1,022,767	56%
Compliance fee revenue	250	500	-	500	100%	-	0%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 3,087,346</b>	<b>\$ 22,552,810</b>	<b>\$ 23,928,253</b>	<b>\$ (1,375,443)</b>	<b>(6%)</b>	<b>\$ 56,254,385</b>	<b>40%</b>
<b>OPERATING EXPENSES</b>							
Payroll & employee benefit expenses	\$ 407,586	\$ 2,527,379	\$ 2,490,173	\$ (37,206)	(1%)	\$ 4,980,346	51%
Professional fees	396,164	1,173,144	1,336,210	163,066	12%	1,931,170	61%
Purchased & contracted services	293,229	698,215	787,942	89,726	11%	1,577,668	44%
Supplies, materials & utilities	424,751	5,312,442	6,405,184	1,092,742	17%	12,205,469	44%
Maintenance repairs, parts & rentals	276,173	1,069,686	1,039,700	(29,986)	(3%)	2,069,400	52%
General & administration	39,519	234,155	355,884	121,729	34%	711,855	33%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,837,422</b>	<b>\$ 11,015,022</b>	<b>\$ 12,415,092</b>	<b>\$ 1,400,070</b>	<b>11%</b>	<b>\$ 23,475,908</b>	<b>47%</b>
<b>NON-OPERATING REVENUES &amp; EXPENSES</b>							
Interest on investments	\$ 38,186	\$ 144,843	\$ 9,006	\$ 135,837	1,508%	\$ 18,000	805%
Other revenues	1,474	8,844	8,844	-	0%	17,688	50%
Interest expense	(1,766,718)	(10,625,763)	(10,627,566)	1,803	(0%)	(21,230,477)	50%
Capital contributions	-	-	-	-	0%	-	0%
<b>TOTAL NON-OPERATING (EXCLUDING ITEMS NOT BUDGETED)</b>	<b>\$ (1,727,058)</b>	<b>\$ (10,472,076)</b>	<b>\$ (10,609,716)</b>	<b>\$ 137,640</b>	<b>(1%)</b>	<b>\$ (21,194,789)</b>	<b>49%</b>
<b>NET INCOME (LOSS) (EXCLUDING ITEMS NOT BUDGETED)</b>	<b>\$ (477,135)</b>	<b>\$ 1,065,713</b>	<b>\$ 903,445</b>	<b>\$ 162,267</b>	<b>18%</b>	<b>\$ 11,583,688</b>	<b>9%</b>
<b>NON-OPERATING REVENUES &amp; EXPENSES (NOT BUDGETED)</b>							
Depreciation	\$ (1,238,737)	\$ (7,425,429)	\$ -	\$ (7,425,429)	100%	\$ -	0%
Amortized debt issuance expense	584	2,683	-	2,683	100%	-	0%
<b>TOTAL NON-OPERATING (NOT BUDGETED)</b>	<b>\$ (1,238,152)</b>	<b>\$ (7,422,746)</b>	<b>\$ -</b>	<b>\$ (7,422,746)</b>	<b>100%</b>	<b>\$ -</b>	<b>0%</b>
<b>NET INCOME (LOSS) (BUDGETED AND NOT BUDGETED)</b>	<b>\$ (1,715,287)</b>	<b>\$ (6,357,034)</b>	<b>\$ 903,445</b>	<b>\$ (7,260,479)</b>	<b>(804%)</b>	<b>\$ 11,583,688</b>	<b>(55%)</b>

\*FY 2017 budget was amended by Board approval 12/08/16.

### 3.2 CLARIFICATION OF ACTUAL AND BUDGET VARIANCES

Following is a schedule with an explanation of budget variances related to the SJRA GRP Division's Fiscal Year 2017 operating budget (revenue and expenditures) for the month of February.

#### For Six Months Ending February 28, 2017 (Unaudited) (in thousands)

Category	YTD - Driver	February 2017	FYTD 2017
GRP Pumping Fees	Groundwater pumpage significantly less than forecasted.	(138)	(1,854)
GRP Surface Water Sales	Surface water delivery more than anticipated.	176	414
LSGCD Revenue	Budgeted at rate of .07; Rate increased to .075	1	64
Payroll and related expenses	Group Insurance increase of 25% vs 10% budgeted. This affects both direct and allocated personnel.	(17)	(37)
Professional Fees	Professional fees showing below budgeted due to timing of Legal and Engineering/Consultant fees.	(271)	163
Purchased & Contracted Services	Purchased and contracted services below budgeted spending levels.	7	90
Supplies, Materials, Utilities, Maintenance, Repairs, Parts & Rentals	Fuel, office supplies, phones, recruiting and misc. expenses less than budgeted.	18	147
	Chemicals-Aggregate usage of Chemicals lower than expected.	89	327
	GAC Replacement budgeted in February to happen in March	620	620
	Utilities-Electricity & Sewer costs more than expected due to weather and increased surface water treatment.	(33)	(16)
	COH Reservation Fee below expected	-	56
	SJRA Reservation Fee below expected	1	36
	SJRA Supply Use Fee more than budgeted	(31)	(90)
	TRA-Reservation Fee less than budgeted	-	13
	Maintenance repairs, parts & rentals expense more than budgeted due to timing of receipt of invoices for Line Break Response and Restoration.	145	(30)
	General & Administration	Allocation portion of G&A expenses less than budgeted.	26
Non-Operating	Interest/Investment Income	37	136
	Other Revenues	-	-
	Bond interest expense	1	2
	Depreciation expense	(1,239)	(7,426)
	Bond Issuance Cost Amort expense	1	3
		<b>(607)</b>	<b>(7,260)</b>



## 4.0 DIVISION UPDATES

### 4.1 DROUGHT CONTINGENCY PLAN TRIGGERS/STATUS

The GRP has not implemented any stages of its Drought Contingency Plan.

### 4.2 PUBLIC RELATIONS ACTIVITIES

Event	Type	Location	Date	Participants
Leadership SJRA	Tour	GRP Surface Water Treatment Facility	02/21/2017	SJRA Staff

### 4.3 UPCOMING ACTIVITIES.

There are no upcoming activities planned at this time.

## 5.0 SURFACE WATER WITHDRAWAL

### 5.1 SURFACE WATER WITHDRAWAL

Surface water withdrawal is the amount of surface water that is metered through the Raw Water Intake. For the purpose of the GRP, the amount of surface water withdrawal for the month of February was **421,630,000** gallons.

For further detail on lake level impacts, please refer to the Lake Conroe Division Monthly Update.

