

FOR IMMEDIATE RELEASE

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SJRA Board Approves Option Contract for Trinity River Water

On Thursday, March 28, 2013, the Board of Directors of the San Jacinto River Authority voted to enter into an option agreement with the Trinity River Authority for the purchase of up to 50,000 acre-feet per year of water from Lake Livingston. This is half of Lake Conroe's annual yield of 100,000 acre-feet per year.

SJRA Board President Lloyd Tisdale noted the significance of this project for Montgomery County. "There are still a number of steps remaining to complete this agreement, including approval by TRA's Board of Directors in April, but this is an important milestone for our County. This agreement secures additional water for the future of Montgomery County and ensures that our water supplies can keep up with the extraordinary economic and population growth that we're experiencing."

The agreement gives SJRA a 15-year option period in which to finalize a water supply contract and complete other steps necessary to move the water from Lake Livingston into Lake Conroe. One of the major steps is obtaining the necessary approvals for an interbasin transfer of water from the Trinity River basin to the San Jacinto River basin. In addition, the parties will have to work out the timing of when the TRA water will be delivered given the fact that the existing water rights in Lake Conroe will not be fully utilized for several decades.

"There are still a lot of decisions to be made," said Jace Houston, SJRA's General Manager, "but this enables us to look 50 to 100 years into the future and have confidence that we're maximizing Montgomery County's water supply options."

The agreement requires the payment of an annual option fee equal to five percent of TRA's approved raw water rate. For 50,000 acre-feet of water, the option fee is \$237,500 per year.

As required in the contract between SJRA and its GRP Participants, SJRA staff first presented the agreement for consideration by the GRP Review Committee, which represents the 86 customers in SJRA's Groundwater Reduction Plan (GRP). The GRP Review Committee voted to approve the agreement and reserve the entire option quantity for the GRP program. Consequently, the annual option fee will be paid by the utilities participating in SJRA's GRP program.