



# **GRP Review Committee Meeting**

**May 22, 2023**

# Item 1

## Call to Order

# Item 2

## Public Comments

# Item 3

## Approval of Minutes

# Item 4

## GRP Division Updates

**Item 5**  
**Consider and Act on GRP Division's**  
**Fiscal Year 2024 Budget**



# FY2024 GRP Budget

GRP Review Committee

May 22, 2023

# FY2024 GRP Budget Schedule

Date	Audience	FY 2024 GRP Budget Activity
<del>January 23</del>	<del>Review Committee</del>	<del>Budget Process, Demands, and Guidelines</del>
<del>February 21</del>	<del>Review Committee</del>	<del>Receive Recommendations for FY24 Budget Considerations</del>
<del>March 20</del>	<del>Review Committee</del>	<del>10-Year Project Plan Presentation</del>
<del>March 23</del>	<del>SJRA Board</del>	<del>10-Year Project Plan Presentation</del>
<del>April 24</del>	<del>Review Committee</del>	<del>FY24 Draft Budget &amp; Rate Order Presentation</del>
<del>April 27</del>	<del>SJRA Board</del>	<del>FY24 Draft Budget &amp; Rate Order Presentation</del>
<b>May 22</b>	<b>Review Committee</b>	<b>Review Committee Vote on FY24 Budget and Rate Order</b>
May 25	SJRA Board	Vote on FY24 GRP Rate Order
August 24	SJRA Board	Vote on Proposed FY24 GRP Operating Budget

*Dates are subject to change.*



# Budget Assumptions

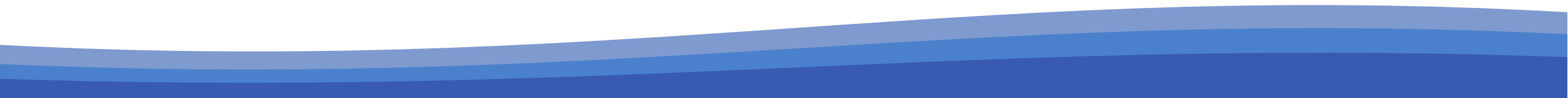
## FY2023 (Current)

- 54.54 MGD
- 13 MGD – SWTP Production
- 65% GW:35% SW
  
- \$2.99/1,000 gallons; GW Pumpage
- \$3.41/1,000 gallons; SW Delivery

## FY2024 (Proposed)

- 54.54 MGD
- 13 MGD – SWTP Production
- Woodlands 50% GW:50% SW
- All others 65% GW:35% SW
  
- \$2.99/1,000 gallons; GW Pumpage
- \$3.41/1,000 gallons; SW Delivery

# FY24 Budget Comments

- Assumes all Participants pay per contract terms.
  - Groundwater Pumpage - Remains \$2.99/1,000 gals
  - Surface Water Delivery – Remains \$3.41/1,000 gals
  - Total Demand Remained Flat at 54.54MGD with SW production at 13MGD.
  - Covers all O&M expenses
    - Increase in Professional Fees due to Rate Study in FY24.
    - Inflationary increases from Suppliers for Chemicals, GAC, and Electricity.
    - Savings on Pipeline Insurance Coverage due to full Emergency Reserve.
  - FY24 Operating & Rate Stabilization Reserve increases by \$241,310 to \$6,393,549.
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# Budget Comparison

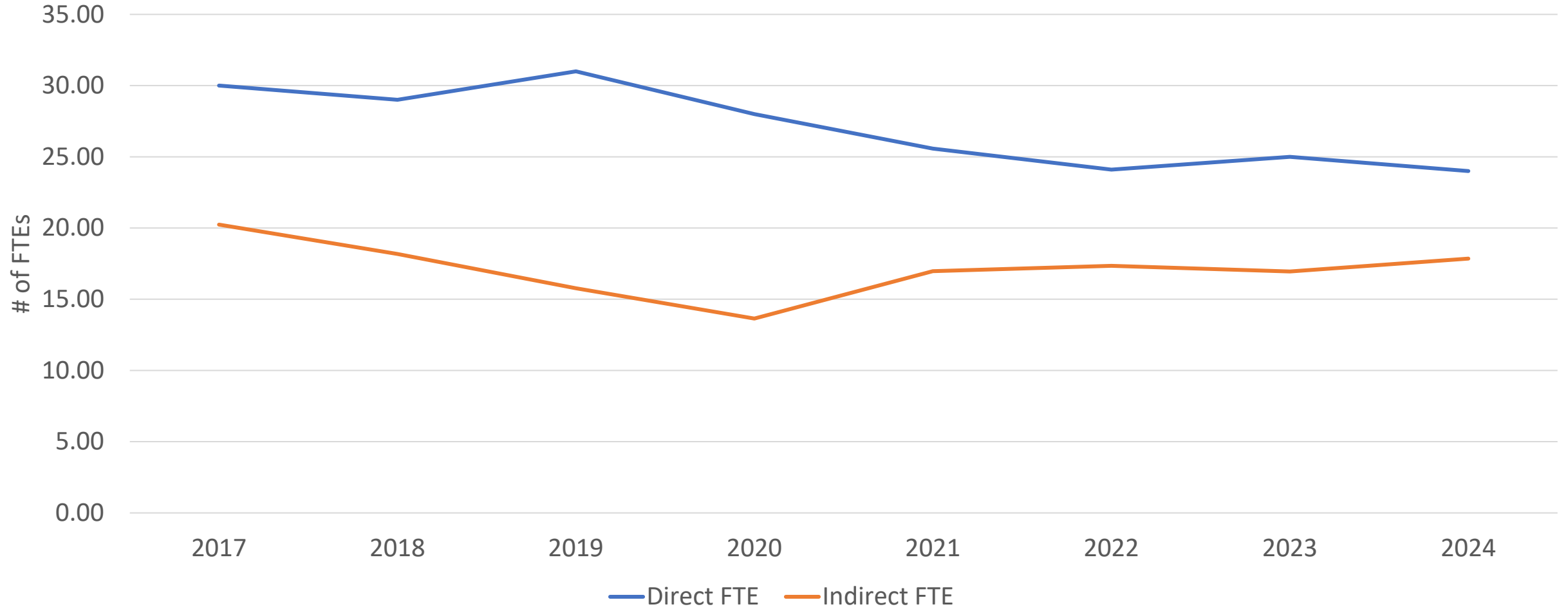
Category	FY22 Actual	FY23 Amended Budget *	FY24 Proposed
Operating Revenues	\$ 70,774,671	\$ 62,329,221	\$ 62,351,778
Other Revenues	\$ 2,539,845	\$ 5,400	\$ 125,208
<b>Revenue Totals</b>	<b><u>\$ 73,314,516</u></b>	<b><u>\$ 62,334,621</u></b>	<b><u>\$ 62,476,986</u></b>
O&M Expenses	\$ (18,238,294)	\$ (24,608,956)	\$ (25,574,196)
Debt Service	\$ (34,123,418)	\$ (34,638,668)	\$ (34,670,894)
Capital Items	\$ (115,130)	\$ (2,772,741)	\$ (2,164,781)
Other Cash Sources/(Uses)	\$ (8,565,439)	\$ (6,000,000)	\$ (67,115)
<b>Expense Totals</b>	<b><u>\$ (61,042,281)</u></b>	<b><u>\$ (68,020,365)</u></b>	<b><u>\$ (62,476,986)</u></b>
<b>Change to Fund Balance</b>	<b><u>\$ 12,272,235</u></b>	<b><u>\$ (5,685,744)</u></b>	<b><u>\$ -</u></b>

\*Amended February 23, 2023

# GRP O&M Expenses

<b>Category</b>	<b>FY22 Actual</b>	<b>FY23 Amended Budget</b>	<b>FY24 Proposed</b>
Salaries, Wages, & Employee Benefits	\$ 4,619,316	\$ 5,123,011	\$ 5,005,281
Professional Fees	\$ 1,553,725	\$ 2,365,450	\$ 2,583,700
Purchased & Contracted Services	\$ 232,275	\$ 298,015	\$ 356,369
Supplies, Materials, & Utilities	\$ 10,584,016	\$ 14,235,158	\$ 15,065,026
Maintenance, Repairs, Parts, & Rentals	\$ 1,310,172	\$ 2,093,960	\$ 2,024,020
Bad Debt Expense	\$ (205,486)	\$ -	\$ -
General & Administrative	<u>\$ 144,276</u>	<u>\$ 493,362</u>	<u>\$ 539,801</u>
<b>Total O&amp;M Expenses</b>	<b>\$ 18,238,294</b>	<b>\$ 24,608,956</b>	<b>\$ 25,574,197</b>

# Spotlight: FTEs



# Expenses, Capital, & Debt Service

Category	FY22 Actual	FY23 Amended Budget	FY24 Proposed
Salaries, Wages & Employee Benefits	\$ 4,619,316	\$ 5,123,011	\$ 5,005,281
Professional Fees	\$ 1,553,725	\$ 2,365,450	\$ 2,583,700
Purchased and Contracted Services	\$ 232,275	\$ 298,015	\$ 356,369
Supplies, Materials and Utilities	\$ 10,584,016	\$ 14,235,158	\$ 15,065,026
Maintenance Repairs, Parts and Rentals	\$ 1,310,172	\$ 2,093,960	\$ 2,024,020
Bad Debt Expense	\$ (205,486)	\$ -	\$ -
General and Administrative	\$ 144,276	\$ 493,362	\$ 539,801
<b>Total O&amp;M Expenses</b>	<b>\$ 18,238,294</b>	<b>\$ 24,608,956</b>	<b>\$ 25,574,197</b>
Capital Items	\$ 115,129	\$ 2,772,741	\$ 2,164,781
Debt Service	\$ 34,123,418	\$ 34,638,668	\$ 34,670,894
<b>O&amp;M Expenses, Capital Items and Debt Service</b>	<b>\$ 52,476,841</b>	<b>\$ 62,020,365</b>	<b>\$ 62,409,872</b>

# Reserve/Fund Structure & Criteria

Reserve/Fund	Basis of Target Reserve/Fund Level	Minimum Target Balance FY23	Current Balance (As of 3.31.23)	FY24 Proposed Balance
<b>Operating &amp; Rate Stabilization</b>	3 Months of annual O&M budget.	\$6,152,239	\$6,152,239	\$6,393,549
<b>Emergency</b>	Approximate cost of major water line break.	\$2,000,000	\$2,019,510	\$2,020,000
<b>Repair &amp; Replacement</b>	Based on a 10-Year R&R Plan.	\$4,600,000	\$4,641,518	\$4,650,000
<b>Total</b>		<b>\$11,552,239</b>	<b>\$12,813,267</b>	<b>\$13,063,549</b>

*FY24 Operating & Rate Stabilization Target will increase to \$6,393,549*

*Reserve/Fund structure and flow of funds as recommended by the GRP Review Committee February 25, 2019 and adopted by SJRA Board of Directors on February 28, 2019.*

# Past Due Accounts Receivable

## September 1, 2016 thru April 19, 2023

Category	Amounts
Past Due Amounts	\$ 23,918,817
Penalties	\$ 1,172,439
Finance Fees	\$ <u>5,266,562</u>
<b>Total as of April 19, 2023</b>	<b>\$ 30,357,818</b>



## **Amended Rate Order – GRP Participants**

Consider Adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective September 1, 2023.

# Budget Comparison

Category	FY22 Actual	FY23 Amended Budget *	FY24 Proposed
Operating Revenues	\$ 70,774,671	\$ 62,329,221	\$ 62,351,778
Other Revenues	\$ 2,539,845	\$ 5,400	\$ 125,208
<b>Revenue Totals</b>	<b><u>\$ 73,314,516</u></b>	<b><u>\$ 62,334,621</u></b>	<b><u>\$ 62,476,986</u></b>
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Capital Items	\$ (115,130)	\$ (2,772,741)	\$ (2,164,781)
Other Cash Sources/(Uses)	\$ (8,565,439)	\$ (6,000,000)	\$ (67,115)
<b>Expense Totals</b>	<b><u>\$ (61,042,281)</u></b>	<b><u>\$ (68,020,365)</u></b>	<b><u>\$ (62,476,986)</u></b>
<b>Change to Fund Balance</b>	<b><u>\$ 12,272,235</u></b>	<b><u>\$ (5,685,744)</u></b>	<b><u>\$ -</u></b>

\*Amended February 23, 2023

# **Staff Recommendation: Approve FY24 Budget for GRP**

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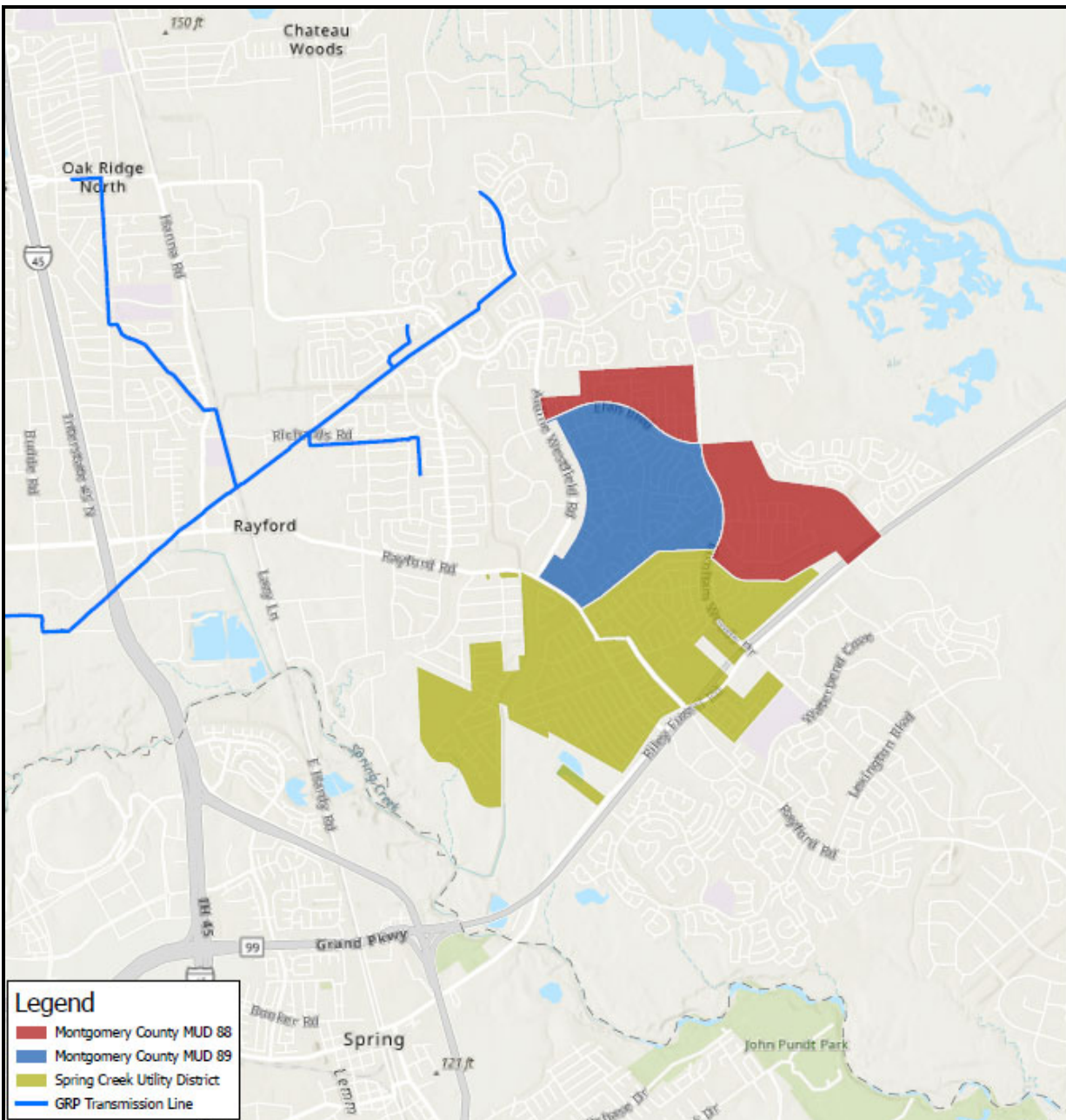
**Item 6**  
**Consider and Act on GRP Division's**  
**Fiscal Year 2024 Rate Order**

**Item 7**  
**Receive Subsidence Study Information  
from a GRP Review Committee Member**

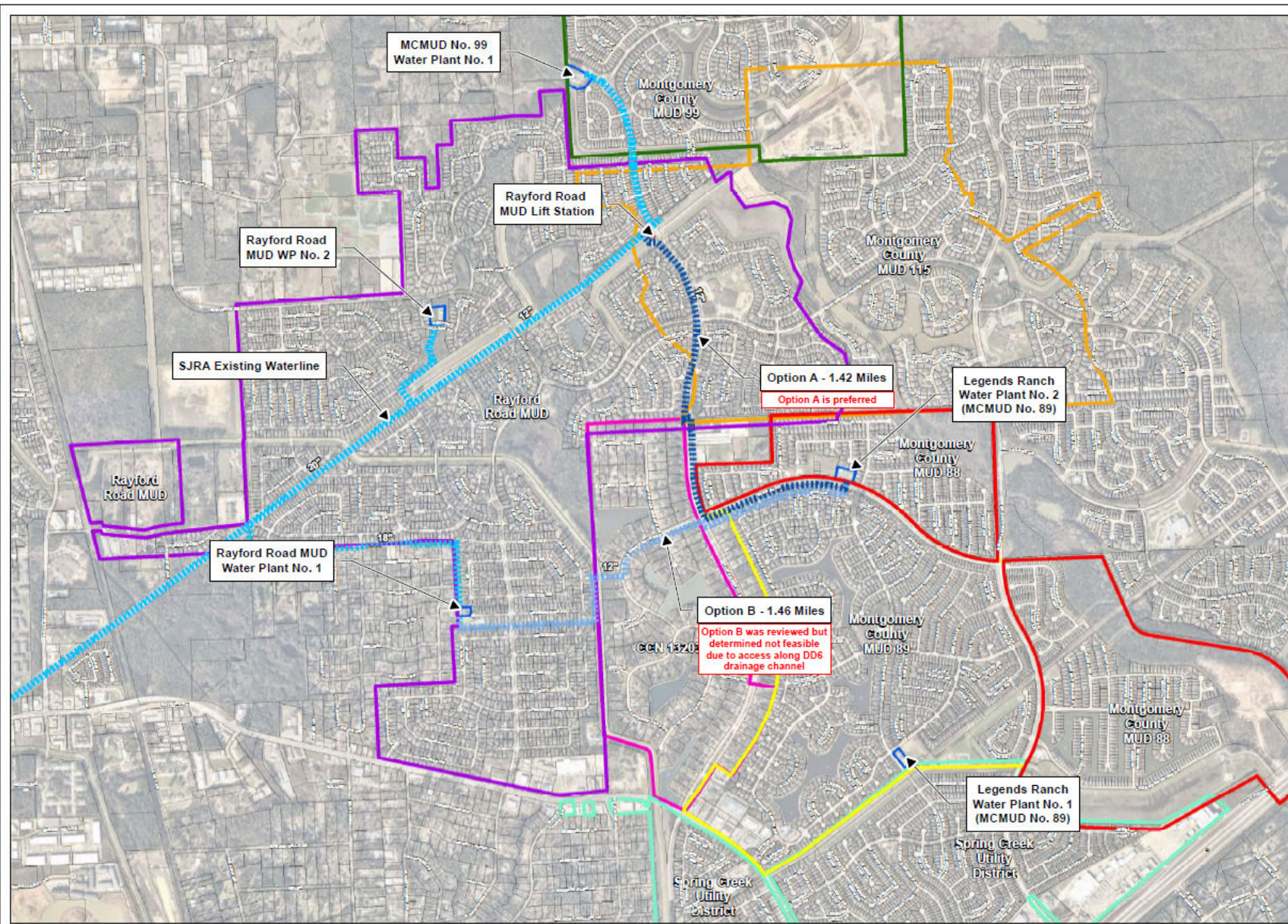
## **Item 8**

**Discuss and Act on Request for Surface  
Water from Montgomery County MUD 88,  
Montgomery County MUD 89, and Spring  
Creek Utility District**

# Map of MUDs East of Rayford Road and GRP Pipeline







**LEGEND**

**Feas Utility**

- Proposed Water A
- Proposed Water B
- Existing Water
- CCN 13203 Boundary
- Montgomery County MUD 115
- Montgomery County MUD 88
- Montgomery County MUD 89
- Montgomery County MUD 99
- Rayford Road MUD
- Spring Creek Utility District
- Lift Station Boundary
- WP Boundary
- MCAD Parcels

EXHIBIT No. 1  
 SJRA  
 SURFACE WATERLINE  
 EXTENSION  
 OVERALL EXHIBIT

MONTGOMERY MUD No. 89  
 MONTGOMERY COUNTY, TEXAS



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**Item 9**  
**Lone Star Groundwater Conservation**  
**District Update**

**Item 10**  
**GRP items for consideration by the**  
**SJRA Board of Directors on August 24, 2023**

# Item 11

## Attorney's Update

**Item 12**  
**Future GRP Review Committee Meeting**  
**Agenda Items**

**Item 13**  
**Future Meeting Schedule**

**Monday, June 19, 2023**

# Item 14 Adjourn