



GRP Review Committee Meeting

January 24, 2022

Item 1

Call to Order

Item 2

Public Comments

Item 3

Approval of Minutes

Item 4
Presentation and Review of the GRP
Division's Fiscal Year Budget Consideration
and Process



Fiscal Year 2023 GRP Budget Considerations

GRP Review Committee Meeting: January 24, 2022

Fiscal Year 2023 Budget Development

Establish Budget Goals W/ GRP Review Committee and SJRA Board
★

Review O&M Historical Data, Project Water Demands and Identify Needs

Develop O & M Budget

10-Year Project Plan Development

Evaluation of Assets and Development of 10-Year Project Plan
★

Present 10-Year Project Plan to GRP Review Committee

Present 10-Year Project Plan to SJRA Board

Combine O & M Budget with Project Expenditures and Debt Service

Develop Draft Rates

Presentations and Notifications

45 Day Notice to All Participants (prior to consideration of budget by GRP Review Committee)

Present Draft Division Budget and Rates to GRP Review Committee

Present Draft Division Budget and Rates to SJRA Board

Receive, Consider and Incorporate Input

GRP Review Committee Vote to Recommend Budget and Rate Order

SJRA Board Vote on Budget and Rate Order

Note:

- Effective Rate Order Notice sent to Participants after budget and rates are approved.

Public Meetings for FY23 GRP Budget

Date	Audience	FY 2023 GRP Budget Activity
January 24	Review Committee	Budget Process, Demands, and Guidelines
February 22	Review Committee	Receive Recommendations for FY23 Budget Considerations
March 21	Review Committee	10-Year Project Plan Presentation
March 24	SJRA Board	10-Year Project Plan Presentation
April 25	Review Committee	FY22 Draft Budget & Rate Presentation
April 28	SJRA Board	FY22 Draft Budget & Rate Presentation
May 23	Review Committee	Review Committee Vote on FY22 Budget and Rate
May 26	SJRA Board	Vote on FY22 GRP Rate Order
August 25	SJRA Board	Vote on Proposed FY22 GRP Operating Budget

Dates are subject to change.

GRP Budgeting Basics

Revenues

- Groundwater Pumpage Fees
- Surface Water Fees
- Industrial Reservation Fee
 - Entergy
- Industrial Use Fee
 - Entergy

Expenses

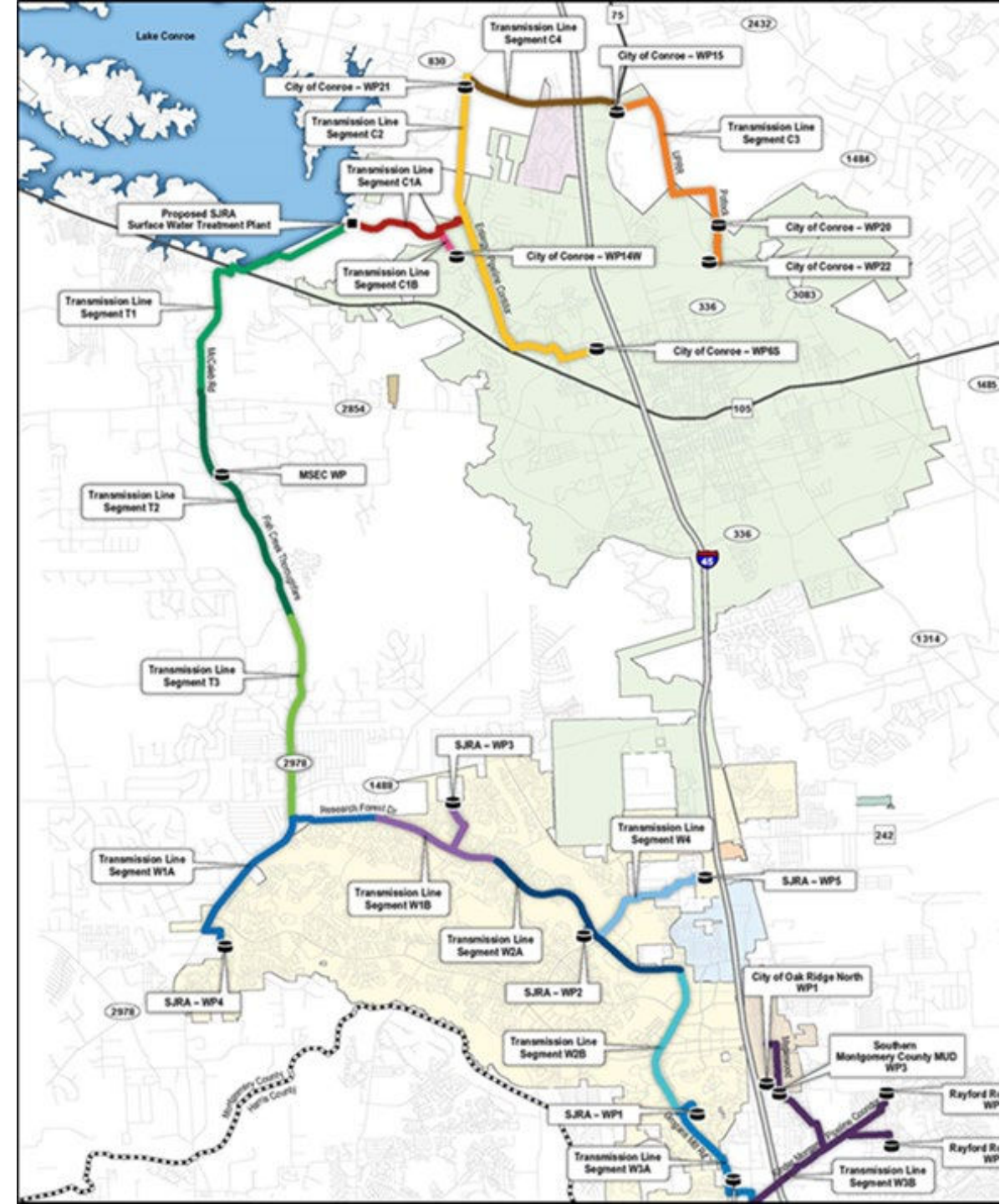
- O&M Expenses
 - Payroll and Benefits
 - Professional Fees
 - Purchased & Contracted Services
 - Supplies, Materials, and Utilities
 - Maintenance Repair, Parts, and Rentals
 - General and Administrative
- Other Expenses (Capital Improvements)
- Debt Service
 - Principal & Interest

GRP 10-Year Project Plan

Appropriately maintain and manage the GRP's assets

Identifies potential projects

Identifies associated funding requirements





GRP Reserve Targets

Reserve	Basis of Target Reserve Level	Minimum Target Balance
Operating & Rate Stabilization	3 Months of annual O&M budget.	\$4,600,000
Emergency	Approximate cost of water line break repair costs.	\$2,000,000
Repair & Replacement	Based on a 10-Year R&R Plan.	\$3,400,000
Total		\$10,000,000

Note: On July 22, 2019, the GRP Review Committee recommend approval of a Resolution confirming and creating reserve funds for GRP Division; establishing policies and procedures related to the use of such reserve funds; and establishing policy related to the sufficiency of fees, rates, and charges.

Fiscal Year 2022 Budget

• Total demand	52.70 MGD
• Annual average SWTP Production	12 MGD
• Groundwater Pumpage Rate	\$2.88 / 1,000 gallons
• Surface Water Rate	\$3.30 / 1,000 gallons

Surface Water Recipients

City of Conroe

City of Oak Ridge North

MSEC

MUD 99

SJRA Woodlands

SMCMUD

Rayford Road MUD

Fiscal Year 2023 Projected Demand

Fiscal Year (Sept – Aug)		
Calculation	Gallons	MGD
2-Year Average	20,359,556,920	55.78
3-Year Average	19,953,054,162	54.67
4-Year Average	19,655,599,386	53.85
5-Year Average	19,574,119,556	53.63

GRP's recommendation

**4-Year Average
53.85 MGD**

Projected demands represent the aggregate historical groundwater and surface water demands for all 149 GRP Participants.

February 2022 GRP Review Committee Meeting

Recommend
projected demand
for FY2023

Staff recommends
using 4-year
average of 53.85
MGD

Confirm annual
average SWTP
production for
FY2023

Staff recommends
13 MGD annual
average

Questions



Item 5

Division Updates

Item 6
Lone Star Groundwater Conservation
District Update

Item 7
Groundwater Management Area
(GMA) 14 Update

Item 8

**GRP items for consideration by the
SJRA Board of Directors on January 27, 2022**

Item 9

Attorney's Update

Item 10
Future GRP Review Committee Meeting
Agenda Items

Item 11
Future Meeting Schedule and Agenda Items:

Tuesday, February 22, 2022

Item 12 Adjourn