

# GRP Review Committee

June 23, 2025



**SJRA**   
SAN JACINTO RIVER AUTHORITY

# **1. Call to Order**

## **2.**

# **Public Comments**

# **3. Work Session**

# **3.1**

## **Items by GRP Administrator**

# **3.1.1**

## **Operations and Maintenance Updates**

# Remaining FY2025 Surface Water Delivery

Remaining Annual Surface Water Allocation					
As of May 31, 2025	FY25 Allocation	FY25 Actual	FY25 % Used	FY25 Remaining	FY25 % Remaining
City of Conroe	1,410,548,067	956,965,000	68%	453,583,067	32%
City of Oak Ridge North	51,192,700	31,146,000	61%	20,046,700	39%
MUD 99	100,471,500	61,080,000	61%	39,391,500	39%
MSEC	250,185,920	Allocation removed per MSEC request.			
Rayford Road MUD	112,335,700	78,923,000	70%	33,412,700	30%
The Woodlands	2,789,067,300	2,001,917,000	72%	787,150,300	28%
SMC MUD	119,680,100	86,945,000	73%	32,735,100	27%
<b>Total</b>	<b>4,833,481,287</b>	<b>3,216,976,000</b>	<b>67%</b>	<b>1,616,505,287</b>	<b>33%</b>

*Note: Surface Water Delivery as of 05/31/2025*

## **3.2**

# **Lone Star Groundwater Conservation District**

**3.2.1 GMA Updates**

**3.2.2 Model Update**

**3.2.3 MUD Informational Meeting Update**



# **4. Action Items**

# **4.1**

## **Approval of Minutes**

# Recommendation

Approve the Minutes of the GRP Review Committee meeting  
of May 19, 2025.

# **4.2**

## **Surface Water Allocation Request from MSEC**

# Surface Water Request & Production

Surface Water Allocations	Average Day (MGD)	Minimum Day (MGD)	Maximum Day (MGD)	Annual Allocation (Gallons)
Montgomery County MUD 99	0.59	0.35	1.50	215,350,000
Rayford Road MUD	0.56	0.35	1.40	204,400,000
Southern Montgomery County MUD	0.57	0.50	1.20	208,050,000
City of Oak Ridge North	0.19	0.15	0.50	69,350,000
City of Conroe	5.30*	4.00	6.90	1,934,500,000
SJRA - Woodlands	7.80	5.00	14.50	2,847,000,000
MSEC	1.50	1.00	2.00	547,500,000
<b>Total</b>	<b>16.50**</b>	<b>11.35</b>	<b>28.00</b>	<b>6,022,500,000</b>

*\*Assuming past due amounts are paid, and current rate is paid going forward.*

*\*\*Surface water plant production will be increased only if there are no rate increases for all GRP Participants.*

# Recommendation

Recommend approval of the surface water allocation request by MSEC for *a minimum 1 MGD / maximum 2 MGD* pending development of a Supplemental Agreement and provided there is no rate increases for all GRP Participants.

## **4.3 Redemption and Defeasance of Certain Outstanding Bonds**

**&**

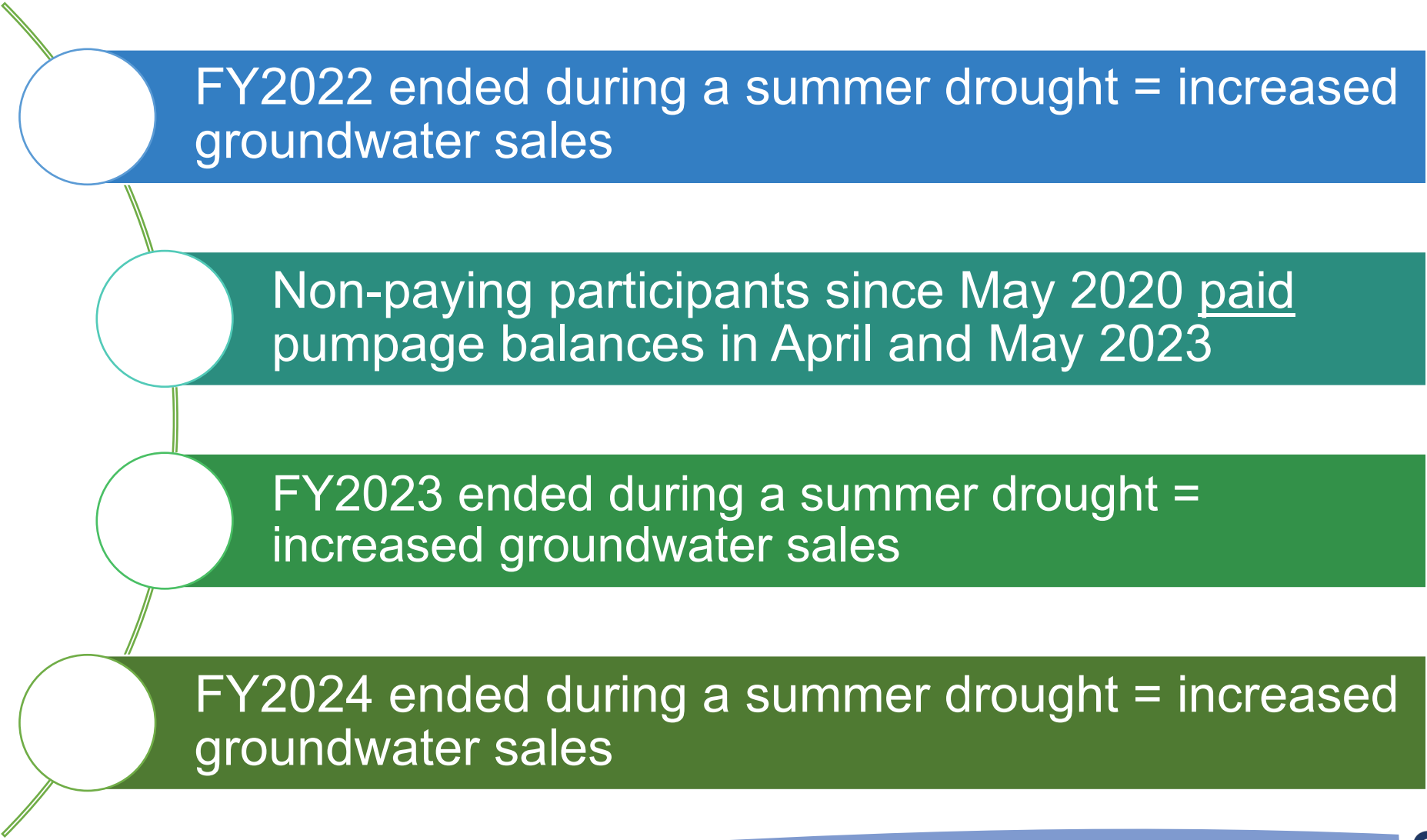
## **4.4 Amended Fiscal Year 2025 Operating Budget (*Defeasance & CoH*)**

# Proposed FY25 GRP Budget Amendment

- GRP Bond Defeasance – effective August 15, 2025
- Raw Water Supply, effect of City of Houston 2009 contract



# GRP Factors Creating Cash Balance



FY2022 ended during a summer drought = increased groundwater sales

Non-paying participants since May 2020 paid pumpage balances in April and May 2023

FY2023 ended during a summer drought = increased groundwater sales

FY2024 ended during a summer drought = increased groundwater sales

# GRP Cash Balances

<b>GRP General Fund Cash Balance*</b>	<b>\$ 30,834,794</b>
<b>Less: 3 month Operating Reserve</b>	<b><u>( 6,360,537)</u></b>
<b>Net GRP General Fund</b>	<b>\$ 24,474,257</b>

<b>Emergency Reserve</b>	<b>\$ 2,242,931</b>
<b>Capital/R&amp;R Reserve</b>	<b>\$ 6,837,004</b>
<b>Debt Service Reserve</b>	<b>\$ 39,239,705</b>

<b>Budgeted Revenues for FY2025</b>	<b>\$ 60,299,118</b>
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**\* As of 05/13/25**

# City of Houston Effect

San Jacinto River Authority	
GRP Cash	
As of May 13, 2025	
GRP General Fund	\$ 24,474,257
GRP Oper & Maint Reserve	6,360,537
<b>Cash on hand</b>	<b>\$ 30,834,794</b>
CoH - 2025 Take or Pay	\$ (7,097,793)
Refund from Raw Water	985,620
Cash Use for FY26	(157,842)
Possible \$20M Defeasance-General Fund por	(10,000,000)
<b>Outgoing cash</b>	<b>\$ (16,270,015)</b>
Cash on hand less Outgoing cash	\$ 14,564,779
GRP Oper & Maint Reserve	(6,360,537)
<b>Projected Remaining Cash on Hand</b>	<b>\$ 8,204,242</b>

# Proposed Usage of GRP Cash Balance

## Debt Defeasance

**\$19,936,617.94**

Reduce GRP General Fund

**\$10,000,000.00**

Reduce GRP DSR - debt service reduction and interest earnings

**\$ 9,936,617.94**

# Proposed GRP Debt Defeasance

SOURCES AND USES OF FUNDS

San Jacinto River Authority (GRP Project)  
Proposed 2025 Cash Redemption - General Fund \$10MM  
\*\*\*Preliminary - Subject to Change\*\*\*

Dated Date                    08/15/2025  
Delivery Date                08/15/2025

Sources:

Other Sources of Funds:	
General Operating Fund Transfer	19,936,617.94
	19,936,617.94

Uses:

Refunding Escrow Deposits:	
Cash Deposit	19,931,967.94
Delivery Date Expenses:	
Cost of Issuance	4,650.00
	19,936,617.94

# Proposed GRP Debt Defeasance

## SUMMARY OF BONDS REFUNDED

San Jacinto River Authority (GRP Project)  
Proposed 2025 Cash Redemption - General Fund \$10MM  
\*\*\*Preliminary - Subject to Change\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Spec Proj Rev Bds (GRP Proj) Ser 2012A, SERIAL:					
	10/01/2039	4.610%	20,000	08/15/2025	100.000
	10/01/2040	4.620%	19,575,000	08/15/2025	100.000
			19,595,000		

# Proposed GRP Debt Defeasance Recap

## Based on:

- **Payoff \$19,936,618**
- **FY2025 GRP expenses**
  - One penny = \$214,000 in expense

GRP Division				
Comparison of Defeasance of GRP Bonds				
FY2025				
Payoff			FY25 expense to penny ratio	
\$ 19,936,618				\$ 214,000
		Overall Savings	Average Annual Savings	Estimated Rate Reduction
Maximum Savings	\$	13,689,409	\$ 855,588	\$ 0.04
			\$ 855,588	\$ 0.04
			\$ 855,588	\$ 0.04
			\$ 855,588	\$ 0.04
			\$ 855,588	\$ 0.04
			\$ 855,588	\$ 0.04

		Rate reduction %	
		Current rates	\$ 0.04
	GW	\$2.67	1.50%
	SW	\$3.26	1.23%

# Proposed FY2025 GRP Budget Amendment

- **Supply Use Fee – SJRA** from \$3,109,423 to \$908,912
- **Reservation Fees – SJRA** from \$413,685 to \$163,359
- **Supply Use Fee - CoH** (calendar year 2025) from \$0 to \$7,097,793
- **Reservation Fee – CoH** (calendar year 2025) from \$3,513,789 to \$2,343,697

San Jacinto River Authority			
GRP Proposed Budget Amendment			
June 26, 2025			
Item	Approved FY25 Budget	Proposed Amendment	Proposed Revised FY25 Budget
Supply Use Fee - SJRA	\$ 3,109,423	\$ (2,200,511)	\$ 908,912
Reservation Fee - SJRA	\$ 413,685	\$ (250,326)	\$ 163,359
Supply Use Fee - CoH	\$ -	\$ 7,097,793	\$ 7,097,793
Reservation Fee - CoH	\$ 3,513,789	\$ (1,170,092)	\$ 2,343,697
	<u>\$ 7,036,897</u>	<u>\$ 3,476,864</u>	<u>\$ 10,513,761</u>



# FY2026 GRP Rates

- **Rates**

- GRP groundwater **\$2.63 (Decrease from \$2.67)**
- GRP Surface water **\$3.22 (Decrease from \$3.26)**

# Recommendation

1. Recommendation of approval to the SJRA Board for the redemption and defeasance of certain outstanding bonds (Special Project Revenue Bonds (GRP Project), Series 2012A)
2. Recommendation of approval to the SJRA Board to amend the Fiscal Year 2025 Operating Budget for the GRP Division for the Bond Defeasance and City of Houston water.

# **4.5**

## **FY26 GRP Operating Budget**

# Public Meetings for FY2026 GRP Budget & Rates

Date	Audience	FY 2026 GRP Budget Activity
February 24	Review Committee	Budget Process, Demands, and Surface Water Production
March 24	Review Committee	Receive Recommendations for FY26 Demands and Surface Water Production
April 21	Review Committee	10-Year Project Plan Presentation
April 24	SJRA Board	10-Year Project Plan Presentation
May 19	Review Committee	FY26 Budget and Rate Presentation
June 23	Review Committee	Review Committee Vote on FY26 Budget & Rate Order
July 24	SJRA Board	Presentation of all SJRA Operating Budgets & Rate Orders
August 28	SJRA Board	Vote on Proposed FY26 GRP Operating Budget & Rate Orders

# Surface Water Production & Allocations

Surface Water Allocations	FY25 Budgeted (MGD)	FY2026		Blend Ratio	Notes
		Recommended March 2025	Revised** Recommendation		
Montgomery County MUD 99	0.28	<b>0.47</b>	<b>0.59</b>	50%	
Rayford Road MUD	0.31	<b>0.45</b>	<b>0.56</b>	50%	
Southern Montgomery County MUD	0.33	<b>0.46</b>	<b>0.57</b>	50%	
City of Oak Ridge North	0.10	<b>0.16</b>	<b>0.19</b>	50%	Requested up to 50%
City of Conroe	3.86	<b>3.86</b>	<b>5.30*</b>	40%	Requested 5.30 MGD
SJRA - Woodlands	7.64	<b>7.80</b>	<b>7.80</b>	50%	Requested 50%
MSEC	0.69	-	-	-	Removed per MSEC
<b>Total</b>	<b>13.20</b>	<b>13.20</b>	<b>15.00</b>	-	

*\*Assuming past due amounts are paid, and current rate is paid going forward.*

*\*\*Surface water plant production will be increased only if there are no rate increases for all GRP Participants.*

# Budget Assumptions

## **Rates: \$.04 decrease from FY2025**

Surface Water Fee – \$3.22 per 1,000 gallons

Groundwater Fee – \$2.63 per 1,000 gallons

## **Salaries and Benefits:**

Merit and Promotions – 4% increase on actual

Health Insurance – 9% increase on actual

Worker's Comp – 5% increase on actual

**Electricity:** 5% increase on actual

**Raw Water Supply:** Source Change to City of Houston

**Production:** Change from 13.2 MGD to 15 MGD

**Demand:** Change from 58.62 MGD to 62.96 MGD

# Budget Comparison - Operating

Category	FY24 Actual	FY25 Budget	FY26 Proposed
Operating Revenues	\$ 61,254,097	\$ 60,299,118	\$ 63,827,358
Other Revenues	4,004,495	128,460	304,140
<b>Revenue Totals</b>	<b>\$ 65,258,592</b>	<b>\$ 60,427,578</b>	<b>\$ 64,131,498</b>
O&M Expenses	(22,288,591)	(24,392,147)	(28,670,895)
Debt Service	(48,156,846)	(34,054,670)	(33,154,055)
Capital Items*		(199,261)	(2,008,939)
Other Cash Sources/(Uses)*		(1,781,500)	(297,609)
<b>Expense Totals</b>	<b>\$ (70,445,437)</b>	<b>\$ (60,427,578)</b>	<b>\$ (64,131,498)</b>
<b>Change to Fund Balance</b>	<b>\$ (5,186,845)</b>	<b>\$ -</b>	<b>\$ -</b>

*FY24 and FY25 are based on a surface water production rate of 13.2 MGD.*

# Budget Expense - Operating

Category	FY24 Actual	FY25 Budget	FY26 Proposed
Salaries, Wages, & Employee Benefits	\$ 4,311,524	\$ 5,099,605	\$ 5,305,488
Professional Fees	3,599,335	2,558,225	2,580,375
Purchased & Contracted Services	290,129	310,336	335,231
Supplies, Materials, & Utilities	12,105,131	13,918,705	18,011,704
Maintenance, Repairs, Parts, & Rentals	1,651,583	1,959,030	1,868,280
Bad Debt Expense	22,341	-	-
General & Administrative	308,253	546,246	569,817
<b>Total O&amp;M Expenses</b>	<b>\$ 22,288,296</b>	<b>\$ 24,392,147</b>	<b>\$ 28,670,895</b>

*FY24 and FY25 are based on a surface water production rate of 13.2 MGD.*



# GRP Capital Improvements - Operating

Category	FY25 Budget	FY26 Proposed
Water Treatment Plant & Facilities	\$ 130,000	\$ 359,000
Transmission Lines & Facilities	-	1,270,000
Other Machinery & Equipment	23,000	15,000
Transportation Equipment	-	185,000
Software	2,049	-
Computer Equipment	44,212	179,939
<b>Total Capital Improvements</b>	<b>\$ 199,261</b>	<b>\$ 2,008,939</b>

# Budget Comparison – Repair & Replacement

Category	FY24 Actual	FY25 Budget	FY26 Proposed
<b>Fund Balance:</b>	\$ 5,000,482	\$ -	\$ 6,762,000
Expense Items	-	(1,050,000)	-
Capital Items	(32,394)	(465,000)	(1,013,000)
Other Cash Sources/(Uses)	-	1,759,000	860,000
<b>Expense Totals</b>	\$ (32,394)	\$ 244,000	\$ (153,000)
<b>Change to Fund Balance</b>	\$ 4,968,088	\$ -	\$ 6,609,000

# Recommendation

Recommendation of approval to the SJRA Board to adopt the  
FY2026 GRP Operating Budget

# **4.6**

## **GRP FY2026 Rate Order**

# Recommendation

Recommendation of approval to the SJRA Board to adopt a  
Rate Order amendment for GRP Participants effective  
September 1, 2025.

**5.**  
**Future GRP Review Committee**  
**Meeting Agenda Items**

# **6. Adjourn**