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FOR IMMEDIATE RELEASE

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City of Conroe and San Jacinto River Authority Reach Settlement Agreement

Conroe, Texas—Today the San Jacinto River Authority (SJRA) Board of Directors unanimously approved the execution of a Mutual Release and Settlement Agreement with the City of Conroe to end current litigation related to the SJRA Groundwater Reduction Plan (GRP). The City of Conroe considered and approved the Mutual Release and Settlement Agreement at a City Council meeting on Thursday.

SJRA General Manager, Aubrey Spear, said “We appreciate the City of Conroe’s efforts in working with SJRA in reaching this settlement agreement. Putting this litigation behind us is best for all GRP participants and their rate payers. With Conroe’s payment and savings on legal fees, the wholesale water rates will go down. Ending the litigation also strengthens our partnership with Conroe to continue supplying water to its growing population.”

Conroe City Administrator, Gary Scott, said “After months of negotiations, I am pleased with an outcome that is truly beneficial to both parties. Securing additional water is critical to Conroe’s economic growth and long-term vitality. We recognize and appreciate the efforts of the San Jacinto River Authority in working with us. This agreement represents a shared commitment to the betterment of us all. This is a historic decision that sets Conroe on the path to the future.”

The agreement settles legal disputes between the parties dating back to 2016 when the City of Conroe disputed increases in wholesale water rates related to SJRA’s 2010 Groundwater Reduction Plan contract.

In the settlement, the City of Conroe agrees to pay the full amount that it has short-paid SJRA since 2017 to the present that it has been holding in escrow. Conroe also agrees to begin paying the current rate for treated surface water from Lake Conroe and the groundwater pumpage fee going forward.

On the other hand, SJRA agrees to provide Conroe with additional surface water, reduce the term of Conroe’s GRP contract from 80 years to 40 years, forgive penalties and fees on past due amounts, and clarify in the contract that there is no obligation by the City of Conroe to participate in future GRP phases or expansion of the GRP water treatment plant.

Agreement documents are in the process of being fully executed.

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