

# GRP Review Committee

August 25, 2025



# **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 July 31, 2025	FY25 Allocation	FY25 Actual	FY25 % Used	FY25 Remaining	FY25 % Remaining
City of Conroe	1,410,548,067	1,203,238,000	85%	207,310,067	15%
City of Oak Ridge North	51,192,700	39,455,000	77%	11,737,700	23%
MUD 99	100,471,500	110,800,000	110%	(10,328,500)	-10%*
MSEC	250,185,920	FY25 Allocation removed per MSEC request.			
Rayford Road MUD	112,335,700	100,093,000	89%	12,242,700	11%
The Woodlands	2,789,067,300	2,460,669,000	88%	328,398,300	12%
SMC MUD	119,680,100	106,897,000	89%	12,783,100	11%
<b>Total</b>	<b>4,833,481,287</b>	<b>4,021,152,000</b>	<b>83%</b>	<b>812,329,287</b>	<b>17%</b>

\*The GRP Administrator authorized an additional 1,000 gallons per minute of water usage due to emergency conditions resulting from two wells being out of service. This additional allocation to come from unallocated MSEC usage in FY25



# GRP Waterline Break









# **3.1.2**

## **Summary of Settlement Agreement**

### **SJRA and City of Conroe**

# SETTLEMENT AGREEMENT

- The Settlement Agreement was executed effective August 16, 2025.
- The Settlement Agreement resolves the pending litigation between the SJRA and the City of Conroe regarding GRP and fees owed by the City to the Authority.
  - **Settlement Payment :** The City agrees to pay unpaid pumpage and surface water fees (approximately \$18 million) to the Authority on or before August 29, 2025.
  - **Use of Settlement Payment:** The Authority will apply the settlement payment to:
    - redeem GRP bonds; or
    - fund financial reserves for future maintenance.
  - **Waiver of Additional Claims:** The Authority waives claims for more than \$8 million in accrued penalties, interest, and fees, and both parties waive rights to attorney's fees and litigation costs related to the lawsuit.
  - **Future Fee Payments:** The City commits to timely payment of all future fees and charges as specified in applicable GRP Rate Order(s).

- **Additional Surface Water Supply:** The Authority and the City executed the **Third Supplemental** (Exhibit 1 to Settlement Agreement) under which the Authority will provide the City with additional surface water and the City will pay applicable surface water fees.
- **Reduce City's GRP Contract Term:** The Authority and the City executed the **First Amendment** (Exhibit 2 to Settlement Agreement) to reduce the City's GRP Contract term to end on December 31, 2045, instead of December 31, 2089.
- **Proposed Global Amendment to all GRP Contracts:** The Authority and the City will propose and seek approval of a **Global Amendment** to all GRP Contracts (Exhibit 3 to Settlement Agreement).
- **Fallback Amendment to City's GRP Contract:** If the Global Amendment is not approved by the required Participants by January 1, 2027, then the **Second Amendment** to the City's GRP Contract (Exhibit 4 to Settlement Agreement) will take effect.
- **Mutual Releases and Lawsuit Dismissal:** Within 10 business days following City's settlement payment, the Authority and the City shall nonsuit, withdraw, or otherwise seek dismissal with prejudice of their pending claims against each other in the pending lawsuit, without prejudicing future rate challenges.



# THIRD SUPPLEMENT

- **Surface Water Commitment:** The City commits to a minimum allocation of 7 million gallons per day (MGD) and maximum of 10 MGD annually from the surface water system, increasing previous commitments.
- **Pumpage Fee Guarantee:** The City commits to paying pumpage fees for at least 4 billion gallons annually, thereby ensuring that its receipt of additional surface water will not increase rates for any other Participants.
- **Delivery Parameters:** Surface water delivery will be managed on an average daily basis with seasonal adjustments, coordinated between the Authority's GRP Administrator and the City's Director of Public Works, subject to operational and legal constraints.
- **Delivery Points:** Surface water will be delivered to specified City water plants, with the City coordinating allocation among these points, subject to infrastructure and regulatory limitations.

# GLOBAL AMENDMENT

- **Termination of GRP Enforcement:** The Authority no longer has the right or obligation to implement or enforce a GRP or require mandatory connections to the surface water system. The Review Committee's related roles are also terminated. Charges related to these terminated tasks cannot be included in GRP rates.
- **End of Regulatory Compliance Role:** The Authority will no longer have the obligation to ensure Participant compliance with any future Conservation District regulations, including groundwater reduction or well permitting requirements, and cannot charge for these terminated responsibilities.
- **Future Groundwater Regulation Contracts:** Should new groundwater regulations arise, the Authority may choose whether to contract with regulated entities, determine participants, and set contract terms, but current contracts do not obligate current Participants to enter future agreements. These future contracts must not impair the Authority's surface water delivery obligations.
- **No Expansion as GRP Expense:** The Authority will not construct new facilities to expand the existing surface water system as a GRP expense. Normal maintenance and upgrades are allowed, and expansions funded outside the GRP contracts may proceed only with requesting Participant consent and without increasing costs to existing Participants.

- **Continued Operation and Water Delivery:** The Authority will continue to own, operate, and maintain the existing surface water system infrastructure and maintain water delivery to current Participants, except as modified by specific provisions regarding increases or new connections.
- **Optional Increased Water Delivery:** Upon Participant request, the Authority may increase water production and delivery if it reduces or maintains GRP fees, with contracts securing assurances such as minimum fees or special rates for additional water.
- **New Connection Requests:** The Authority may approve new Participant connections to the project if such connections reduce or maintain fees for all Participants. Construction costs for connections are the requesting Participant's responsibility.
- **Waiver of Import Fees:** The GRP Administrator will develop and implement a process, in consultation with the GRP Review Committee, to waive import fees when a Participant imports water from a non-Participant to meet additional water demands, provided certain conditions are met.
- **Rate Review Procedures:** The amendment mandates independent rate reviews at least every three years to ensure consistency with contract provisions.
- **Mediation Procedures:** The amendment updates mediation procedures for disputes, specifically providing that disputes are subject to mediation. If a Participant fails to pay the contested rates during mediation, the Authority reserves the right to initiate litigation for the payment default. The amendment allows all Participants to join mediation and makes the results binding upon all Participants.

***To be effective, the Global Amendment  
must be approved by Participants  
representing at least 85% of annual water  
demand in the GRP by January 1, 2027***



# SECOND AMENDMENT

**Fallback Agreement:** The Second Amendment would become effective if the Global Amendment does not receive the requisite Participant approvals by January 1, 2027.

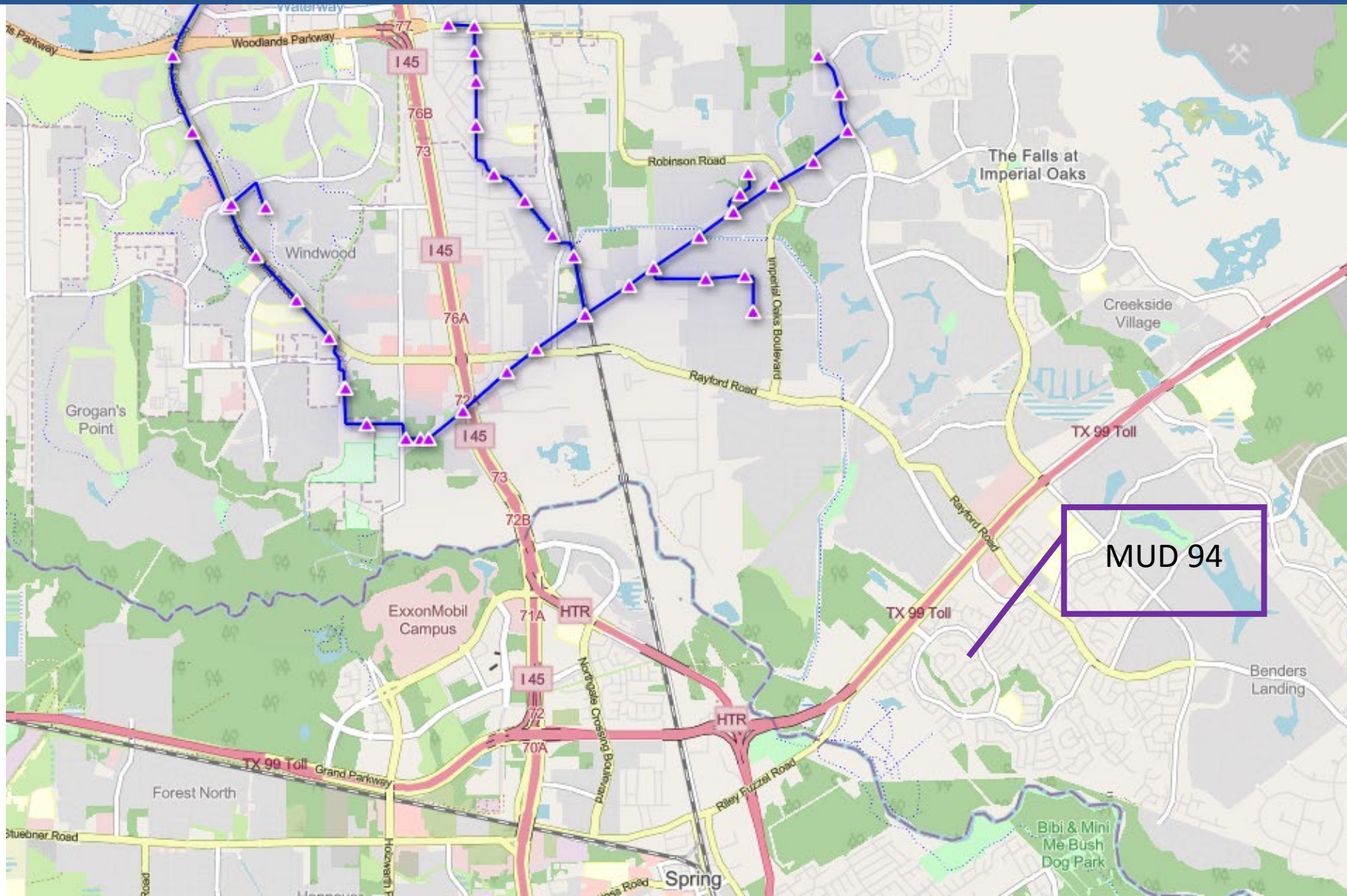
**Substance of Global Amendment Incorporated:** With two notable exceptions, the Second Amendment makes the provisions of the Global Amendment effective but only as between the Authority and the City. Those two exceptions are as follows:

- Rate Review Procedures under GRP Contract remain unchanged.
- Mediation procedures under GRP Contract remain unchanged.

### **3.1.3**

## **Allocation Request – MUD 94**

# MUD 94 Surface Water Allocation Request



# Surface Water Requests

Entity	Request Made	Approval Date	Readiness After Approval	Minimum Requested (Gallons)	Maximum Requested (Gallons)	Annual Allocation* (Gallons)	Approved?	Notes
MUD 88, 89, and Spring Creek UD	03/22/24	02/24/25	2-3 years	200,000	500,000	109,500,000	Y	Modeling being finalized for design.
City of Conroe	-	8/15/25	Immediate	7,000,000	10,000,000	3,102,500,000	Y	Average Day estimated at 8.5 MGD
City of Oak Ridge North	06/24/24	07/22/24	Immediate	N/A	N/A	69,350,000	Y	Operational
WC&ID No. 1	10/14/24		Immediate	N/A	N/A	145,000,000	N	Preliminary engineering underway by WC&ID #1 prior to seeking approval.
MSEC	05/29/25	07/21/25	60-90 days	1,000,000	2,000,000	547,500,000	Y	Construction efforts underway by MSEC
MUD 94	08/06/25		3-4 years	200,000	500,000	182,500,000	N	New request

*\*Annual Allocations based on 50% of a 5-year average of total demand or estimated average day contractual min and max amounts.*



# FY2026 Allocation & Budget Amendments

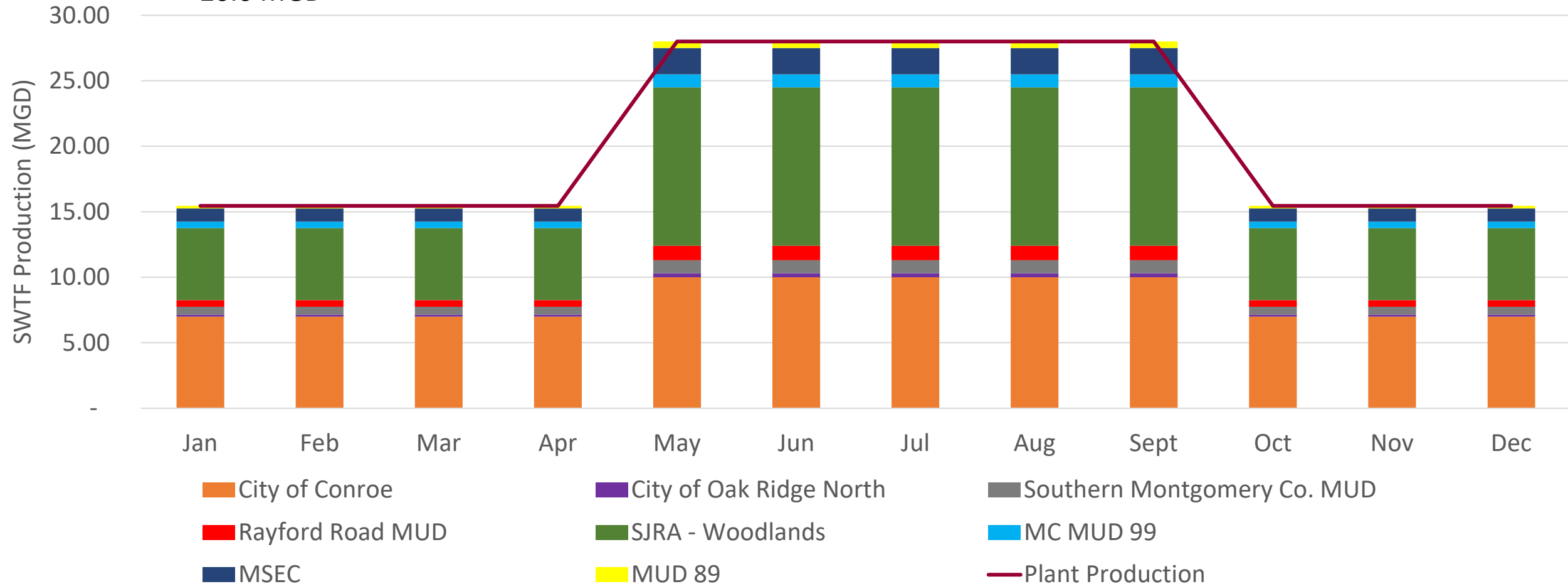
	Average Day* (MGD)		Minimum Day (MGD)		Maximum Day (MGD)		Annual Allocation (Gallons)	
	FY26	Amended	FY26	Amended	FY26	Amended	FY26	Amended
City of Conroe**	5.30	8.50	4.00	7.00	6.90	10.00	1,934,500,000	3,102,500,000
City of Oak Ridge North**	0.19	0.19	0.15	0.15	0.50	0.30	69,350,000	69,350,000
MUD 99	0.59	0.59	0.35	0.50	1.50	1.00	215,350,000	215,350,000
MSEC**	1.50	1.50	1.00	1.00	2.00	2.00	547,500,000	547,500,000
Rayford Road MUD	0.56	0.56	0.35	0.50	1.40	1.10	204,400,000	204,400,000
The Woodlands	7.80	7.80	5.00	5.50	14.50	12.10	2,847,000,000	2,847,000,000
Southern Montgomery County MUD	0.57	0.57	0.50	0.60	1.20	1.00	208,050,000	208,050,000
MUD 89**	0.00	0.30	0.20	0.20	0.50	0.50	0	109,500,000
<b>Total</b>	16.51	20.01	11.55	15.05	28.50	28.00	6,026,150,000	7,303,650,000

\*Average Day based on 50% of a 5-year average or estimated average day contractual amounts.

\*\*GRP Review Committee approval for blend ratio or contract for minimum and maximum

# Estimated Production with Min & Max

Annual Average  
20.0 MGD



**3.2**

# **Lone Star Groundwater Conservation District**

# **4. Action Items**



# **4.1**

## **Approval of Minutes**

# Recommendation

Approve the Minutes of the GRP Review Committee meeting of July 21, 2025.

## 4.2

# Hydraulic Modeling for Water Receiving Facility Capacity Evaluation

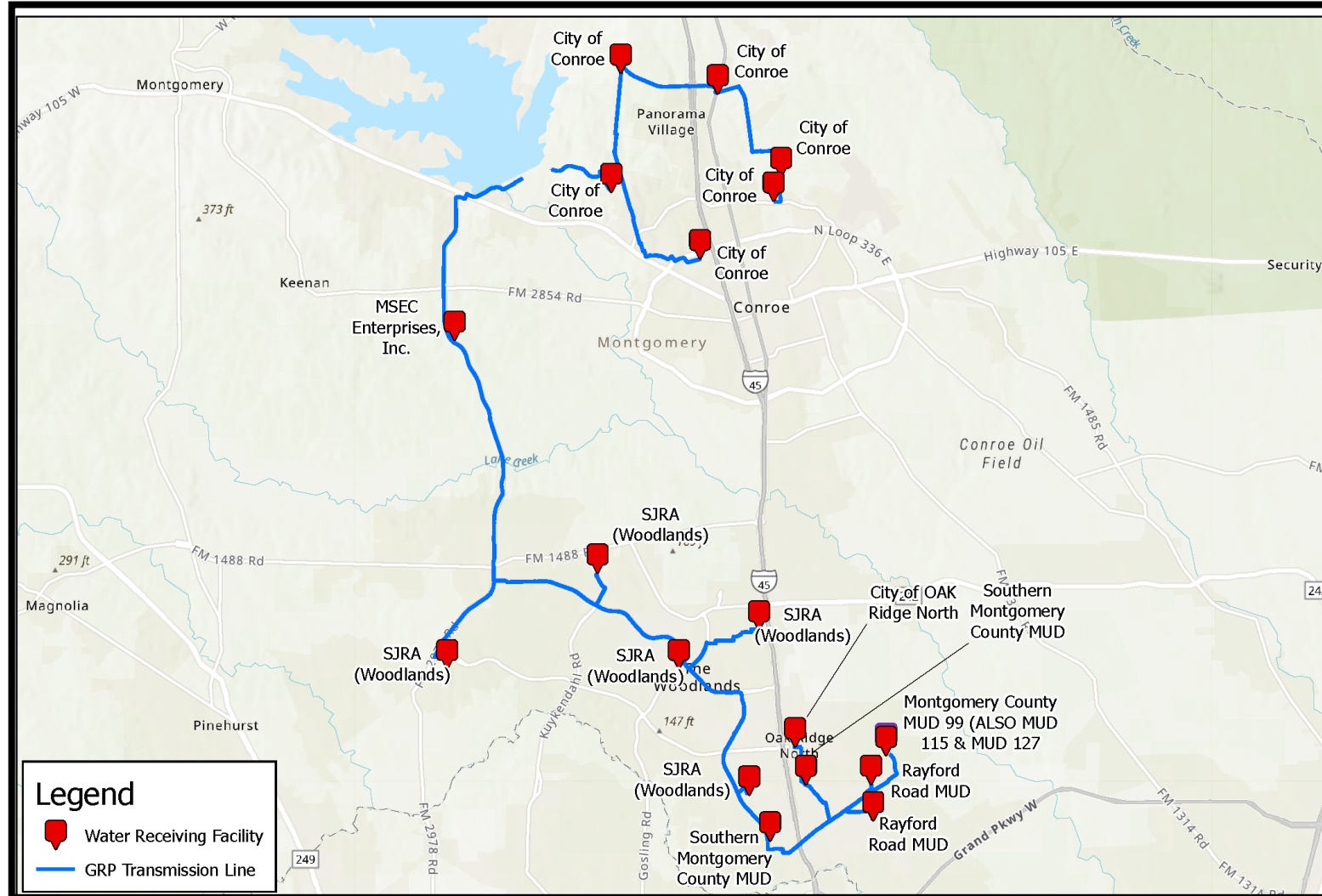
# Hydraulic Modeling for WRFs

## Work Order No. 3 Scope:

All labor and materials required to perform the hydraulic modeling evaluation at each of the eighteen (18) *GRP Surface Water Receiving Facilities* to determine the potential for increased delivery flow and any required modifications.

## Contract:

Lockwood, Andrews & Newnam, Inc. \$71,708



# Recommendation

Recommend approval to the SJRA Board of Directors authorizing the General Manger to execute Work Order No. 3 in the amount of \$71,708.00 with Lockwood, Andrews & Newnam, Inc., for the Hydraulic Modeling for Water Receiving Facility Capacity Evaluation for the GRP Division.

**4.3**

# **FY2025 Budget Amendment Correction**



# FY25 GRP Budget Amendment

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

# 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>

**San Jacinto River Authority - GRP**  
**Exhibit A - Proposed Budget Amendment**  
**FY2025**

Groundwater Pumpage Fee: \$2.67 (\$0.32 Decrease)

Surface Water Fee: \$3.26 (\$0.15 Decrease)

Description	Approved Budget FY2025	Proposed Budget Amendment	Proposed Budget FY2025
TOTAL OPERATING REVENUES	\$ 60,299,118		\$ 60,299,118
TOTAL OTHER REVENUES	\$ 128,460		\$ 128,460
OPERATING EXPENSES			
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 5,109,605		\$ 5,109,605
TOTAL PROFESSIONAL FEES	\$ 2,598,225		\$ 2,598,225
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 310,336		\$ 310,336
SUPPLIES, MATERIALS & UTILITIES			
Reservation Fees-City of Houston	3,513,789	(1,170,092)	\$ 2,343,697
Reservation Fees-SJRA	413,685	(250,326)	\$ 163,359
Supply Use Fee-City of Houston	-	7,097,793	\$ 7,097,793
Supply Use Fee-SJRA	3,109,423	(2,200,511)	\$ 908,912
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 13,918,705		\$ 13,918,705
TOTAL RENTALS	\$ 4,000		\$ 4,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,955,030		\$ 2,955,030
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 546,246		\$ 546,246
TOTAL NON-OPERATING EXPENSES	\$ 16,925,086		\$ 16,925,086
TOTAL EXPENSES	\$ 42,367,234	\$ -	\$ 42,367,234
NET REVENUES OVER EXPENSES	\$ 18,060,344		\$ 18,060,344
TOTAL CAPITAL IMPROVEMENTS	\$ 664,261		\$ 664,261
OTHER SOURCES (USES)*			
Bond Principal	\$ (17,129,583)	\$ (19,936,618)	\$ (37,066,201)
Debt Service Reserve	-	9,936,618	\$ 9,936,618
Operating Reserve Fund	-	10,000,000	\$ 10,000,000
Capital Repair/Replacement Reserve Fund	(266,500)		\$ (266,500)
TOTAL OTHER SOURCES (USES)	\$ (17,396,083)	\$ -	\$ (17,396,083)
NET CASH BASIS SOURCES (USES)	\$ -	\$ -	\$ -

**San Jacinto River Authority - GRP**  
**Exhibit A - Proposed Budget Amendment**  
**FY2025**

Groundwater Pumpage Fee: \$2.67 (\$0.32 Decrease)

Surface Water Fee: \$3.26 (\$0.15 Decrease)

Description	Approved Budget FY2025	Proposed Budget Amendment	Proposed Budget FY2025
TOTAL OPERATING REVENUES	\$ 60,299,118		\$ 60,299,118
TOTAL OTHER REVENUES	\$ 128,460		\$ 128,460
OPERATING EXPENSES			
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 5,109,605		\$ 5,109,605
TOTAL PROFESSIONAL FEES	\$ 2,598,225		\$ 2,598,225
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 310,336		\$ 310,336
SUPPLIES, MATERIALS & UTILITIES			
Reservation Fees-City of Houston	3,513,789	(1,170,092)	\$ 2,343,697
Reservation Fees-SJRA	413,685	(250,326)	\$ 163,359
Supply Use Fee-City of Houston	-	7,097,793	\$ 7,097,793
Supply Use Fee-SJRA	3,109,423	(2,200,511)	\$ 908,912
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 13,918,705		\$ 13,918,705
TOTAL RENTALS	\$ 4,000		\$ 4,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,955,030		\$ 2,955,030
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 546,246		\$ 546,246
TOTAL NON-OPERATING EXPENSES	\$ 16,925,086		\$ 16,925,086
TOTAL EXPENSES	\$ 42,367,234	\$ 3,476,864	\$ 45,844,098
NET REVENUES OVER EXPENSES	\$ 18,060,344	\$ (3,476,864)	\$ 14,583,480
TOTAL CAPITAL IMPROVEMENTS	\$ 664,261		\$ 664,261
OTHER SOURCES (USES)*			
Bond Principal	\$ (17,129,583)	\$ (19,936,618)	\$ (37,066,201)
Debt Service Reserve	-	9,936,618	\$ 9,936,618
Operating Reserve Fund	-	10,000,000	\$ 10,000,000
Capital Repair/Replacement Reserve Fund	(266,500)		\$ (266,500)
TOTAL OTHER SOURCES (USES)	\$ (17,396,083)	\$ -	\$ (17,396,083)
NET CASH BASIS SOURCES (USES)	\$ -	\$ (3,476,864)	\$ (3,476,864)

Approved budget amendment @ 06/26/25 Board meeting  
Corrected totals to budget amendment

# Recommendation

Recommend approval to the SJRA Board of Directors amending Resolution No. 2025-R-17 by replacing *Exhibit "A" Proposed Budget Amendment for Fiscal Year 2025*, with corrected totals to the budget amendment for the GRP Division.

# 5.

## Future GRP Review Committee Meeting Agenda Items

September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1		1	2	3	4	5	6
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
														30													

No GRP RC Meeting in November

	GRP Review Committee Meeting
	Holiday - SJRA Closed

# **6. Adjourn**