



**Board of Directors Meeting  
September 25, 2025**



**Agenda**  
**Regular Meeting**  
**San Jacinto River Authority Board of Directors**  
**Thursday, September 25, 2025 - 9:00 A.M.**  
**General and Administration Building - Boardroom**  
**1577 Dam Site Road, Conroe, Texas 77304**

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*A quorum of the San Jacinto River Authority Board of Directors will be physically present in the Boardroom of the General and Administration Building located at 1577 Dam Site Road, Conroe, Texas, as it is the intent of the Board of Directors to have a quorum physically present at this location. One or more members of the Board of Directors, however, may participate in the meeting by video-conference call as permitted under Section 551.127 of the Texas Government Code.*

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**1. Call to Order**

**2. Ceremonial Items**

- 2.1 Invocation - Pastor Justin Adams, The Ark Church
- 2.2 Pledges of Allegiance to the U.S. and Texas Flags
- 2.3 Receipt of Commendations, Awards, and Honoraria

**3. Public Comments (3 minutes per speaker)**

**4. Work Session**

This item consists of updates, briefings, presentations, and discussion items that may require in-depth consideration and discussion by the Board.

- 4.1 Update by the General Manager regarding meetings, projects, events, issues, and activities pertinent to the Authority.
- 4.2 Update by the Director of Communications and Public Affairs regarding various division and department projects, initiatives, tours, meetings, and social media platforms.
- 4.3 Presentation by Erich Peterson of the Woodlands Water Agency regarding Water Renewal The Woodlands Plan.

**5. Consent Agenda**

This agenda consists of ministerial or "housekeeping" items required by law, such as routine bids, contracts, purchases, resolutions, and orders; items previously approved by Board action, such as adoption of items that are part of an approved budget or capital improvement projects, interlocal agreements, or action which is required by law or delegated to the General Manager; and items of a non-controversial nature. These items will be considered by a single motion unless removed and placed on the Regular Agenda for individual consideration at the request of any Director.

### **5.1 G&A - Minutes**

Approval of Minutes - Regular Meeting of August 28, 2025.

### **5.2 G&A - Quarterly Investment Report**

Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2025.

### **5.3 G&A - Resolution - Pension Plan Investment Policy**

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Pension Plan Investment Policy dated September 25, 2025.

### **5.4 GRP - Ratification of Contract for Annual Grounds and Landscaping Services**

Consider ratifying actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Maldonado Nursery & Landscaping, Inc., for the GRP Division.

### **5.5 GRP - Ratification of Contract for Granulated Activated Carbon Services**

Consider ratifying actions by the General Manager regarding execution of the contract for granulated activated carbon services for the GRP Division with Carbon Activated Corporation.

### **5.6 GRP - Ratification of Contract for Water Treatment Chemicals (PVS DX)**

Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium hypochlorite) with PVS DX, Inc., for the GRP Division.

### **5.7 GRP - Ratification of Contract for Water Treatment Chemicals (Shannon Chemical)**

Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium permanganate) with Shannon Chemical for the GRP Division.

### **5.8 GRP - Ratification of Contract for Water Treatment Chemicals (Univar)**

Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (citric acid and sodium hydroxide) with Univar Solutions USA, Inc.

### **5.9 GRP and Woodlands - Ratification of Contract for Lab Testing Services**

Consider ratifying actions by the General Manager regarding execution of the contract for commercial laboratory testing services with North Water District Laboratory Services for the GRP and Woodlands Divisions.

### **5.10 Woodlands - Ratification of Contract for Annual Grounds and Landscaping Services**

Consider ratifying actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Tom's Lawns for the Woodlands Division.

## **6. Regular Agenda**

This agenda consists of items requiring individual consideration by the Board of Directors.

### **6.1 G&A - Change Order - Support and Enhancements for ERP Microsoft D365**

Consider authorizing the General Manager to execute a change order with Crowe, LLP, for professional services for continued support and enhancements needed for ERP Microsoft D365.

### **6.2 Bear Branch - Resolution - Fiscal Year 2026 Budget Amendment for Bear Branch\***

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the Bear Branch Division.

### **6.3 GRP - Resolution - Fiscal Year 2026 Budget Amendment for the GRP Division\***

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.

### **6.4 GRP - Ratification of Emergency Declaration for the GRP Water Line Repair**

Consider ratifying actions by the General Manager regarding issuance of Purchase Orders or other contractual agreements related to the emergency response and repair of San Jacinto River Authority's GRP 12-inch water line in Conroe, Texas.

## **7. Executive Session**

If necessary, the Board of Directors will adjourn to Closed Session at this point in the meeting to consider the following items; however, the Board of Directors reserves the right to adjourn to Closed Session at any time during the course of this meeting as allowed by law.

### **7.1 Discussion regarding items identified elsewhere on the agenda pursuant to Texas Government Code Sections 551.071, Consultation with Attorney; 551.072, Real Property; 551.073, Prospective Gifts; 551.074, Personnel Matters; or 551.076, Security Devices, as applicable.**

### **7.2 Pursuant to Texas Government Code, Section 551.071, Consultation with Attorney:**

**7.2.1** Discuss litigation related to Hurricane Harvey, including additional legal services to be provided by Hunton Andrews Kurth, LLP; and

**7.2.2** Litigation involving City of Magnolia, Quadvest, L.P., Woodland Oaks Utility, L.P., related to GRP, and other potential litigation related to GRP.

### **7.3 Pursuant to Texas Government Code, Section 551.074, Personnel Matters:**

**7.3.1** Discussion regarding duties and responsibilities of the General Manager.

## **8. Reconvene In Open Session**

The Board of Directors will reconvene in Open Session at this point in the meeting and, if necessary, take action on any agenda item discussed in Closed Session and/or identified below.

## **9. Announcements / Future Agenda**

Next San Jacinto River Authority Regular Board Meeting - October 23, 2025.

## 10. Adjourn

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### *\*Note Regarding Budget Amendment(s)*

*Per House Bill 1522 of the 89<sup>th</sup> Legislative Session, and effective September 1, 2025 ("HB 1522"), any proposed budget(s) must be attached to this notice of meeting or posted on the home page of the San Jacinto River Authority's website along with a notice of taxpayer impact statement that shows the tax impact on the median-valued homestead of the (i) the proposed budget, and (ii) a tax impact statement.*

*In compliance with HB 1522, the proposed budget is located at:*

*<https://www.sjra.net/about/who-we-are/board/>*

*With regard to the tax impact statement required by HB 1522, the San Jacinto River Authority does not levy or collect property taxes.*

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*Persons with disabilities who plan to participate in the meeting and would like to request auxiliary aids or services are requested to contact Cynthia Bowman at (936) 588-3111 at least three business days prior to the meeting so that appropriate arrangements can be made.*

Item No.	Agenda Item	Date
5.1	Consider approval of minutes from the Board of Directors meeting of August 28, 2025.	09/25/2025

**BACKGROUND INFORMATION**

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Minutes

**RECOMMENDED ACTION**

Approve the minutes of the August 28, 2025, Board of Directors meeting.

Item No.	Agenda Item	Date
5.2	Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2025.	09/25/2025

**BACKGROUND INFORMATION**

The Quarterly Investment Report presents the investment balances and activity for San Jacinto River Authority funds, including investment strategy for each fund, in compliance with the provisions of the San Jacinto River Authority Investment Policy and the Public Funds Investment Act (Chapter 2256, Government Code).

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Quarterly Investment Report

**RECOMMENDED ACTION**

Approve the quarterly investment report for the quarter ended August 31, 2025.

Item No.	Agenda Item	Date
5.3	Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Pension Plan Investment Policy dated September 25, 2025.	09/25/2025

**BACKGROUND INFORMATION**

The SJRA Board of Directors most recently modified the Pension Plan Investment Policy in December 2021. The Policy guides investment strategies and targeted allocations within SJRA's employee pension plan by the Retirement Plan Investment Committee (RPIC) and its investment advisors. The pension plan was originally created in 1970 and ended participation to new employees hired on or after August 1, 2016. SJRA reviewed proposals and qualifications this past year, the Hyas Group was selected to be the investment advisors. SJRA's RPIC and the Hyas Group have reviewed the policy and has recommended the changes included in the attached Resolution.

Change: Plan Administrator from Director of Financial and Administrative Services to Chief Financial Officer  
 Change: Agent for Service of Legal Process from General Manager to General Counsel  
 Change: Targeted Investment Allocations from 65% equity investments to 55% equity investments  
 Change: Targeted Investment Allocations from 35% fixed income investments to 45% fixed income investments

RPIC along with Hyas Group met March 21, 2025 and recommend the proposed changes.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Proposed Resolution adopting an amended Pension Plan Investment Policy

**RECOMMENDED ACTION**

Adopt a resolution of the San Jacinto River Authority Board of Directors adopting an amended Pension Plan Investment Policy dated September 25, 2025.



Item No.	Agenda Item	Date
5.4	Consider ratifying actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Maldonado Nursery & Landscaping, Inc., for the GRP Division.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: Maldonado Nursery & Landscaping, Inc.

Type of Agreement: General Services Agreement

Service: Lawn Care Maintenance

Contract Number: 20-0022-A

Anticipated Expenditures: GRP - \$76,000.00

The GRP Division has over 60 acres of SJRA owned property at the Surface Water Treatment Plant. This property required weekly and bi-weekly lawn care maintenance to maintain aesthetics, rodent control, and maintain compliance with TCEQ regulations related to brush and access.

This contract allows mowing turf grass areas, weed eating, weed control, weed removal, edging, litter & trash removal, and application of mulch, plants, and chemicals as requested.

**FUNDING SOURCE:** FY26 GRP Operating Budget

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Maldonado Nursey & Landscaping, Inc., in the anticipated amount of \$76,000.00, for the GRP Division.

Item No.	Agenda Item	Date
5.5	Consider ratifying actions by the General Manager regarding execution of the contract for granulated activated carbon services for the GRP with Carbon Activated Corporation.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: Carbon Activated Corporation

Type of Agreement: General Services Agreement

Service: Granulated Activated Carbon Renewal

Contract Number: 25-0039

Anticipated Expenditures: \$3,146,000.00

The GRP Division's Surface Water Treatment Facility utilizes Granulated Activated Carbon (GAC) to filter and absorb dissolved organic contaminants, which improves taste, odor, and color.

A Request for Proposals was issued in May 2025 requesting proposals for GAC to be used at the GRP Division. After reviewing the proposals, one vendor was selected based on best value to SJRA in regards to pricing, response time, and meeting SJRA and TCEQ specifications.

**FUNDING SOURCE:** FY26 GRP Operating Budget

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for granulated activated carbon services for the GRP Division with Carbon Activated Corporation in the anticipated amount of \$3,146,000.00.

Item No.	Agenda Item	Date
5.6	Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium hypochlorite) with PVS DX, Inc., for the GRP Division.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: PVS DX Incorporated

Type of Agreement: General Services Agreement

Service: Liquid Sodium Hypochlorite 12.5%

Contract Number: 25-0046-D

Anticipated Expenditures: GRP - \$596,676.92

The GRP Division Surface Water Treatment Facility utilizes Sodium Hypochlorite for post treatment disinfection of potable surface water per TCEQ regulations prior to delivery to the end-users. Sodium Hypochlorite is also utilized in the membrane cleaning process.

A Request for Proposals was issued in July 2025 requesting proposals for multiple chemicals to be used at the GRP Division. After reviewing the proposals, multiple vendors were selected to provide chemicals to the GRP Division based on best value to SJRA regarding pricing, response time, and meeting SJRA and TCEQ specifications.

**FUNDING SOURCE:** FY26 GRP Operating Budgets

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium hypochlorite) with PVS DX, Inc., in the anticipated amount of \$596,676.92, for the GRP Division.

Item No.	Agenda Item	Date
5.7	Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium permanganate) with Shannon Chemical Corporation for the GRP Division.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: Shannon Chemical Corporation

Type of Agreement: General Services Agreement

Service: Sodium Permanganate 20%

Contract Number: 25-0046-B

Anticipated Expenditures: GRP - \$243,643.08

The GRP Division Surface Water Treatment Facility utilizes Sodium Permanganate for oxidizing manganese and iron. The use of sodium permanganate can also help with coagulation and lower Disinfection By Products formation.

A Request for Proposals was issued in July 2025 requesting proposals for multiple chemicals to be used at the GRP Division. After reviewing the proposals, multiple vendors were selected to provide chemicals to the GRP Division based on best value to SJRA regarding pricing, response time, and meeting SJRA and TCEQ specifications.

**FUNDING SOURCE:** FY26 GRP Operating Budgets

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for water treatment chemicals (sodium permanganate) with Shannon Chemical Corporation in the anticipated amount of \$243,643.08, for the GRP Division.

Item No.	Agenda Item	Date
5.8	Consider ratifying actions by the General Manager regarding execution of the contract for water treatment chemicals (citric acid and sodium hydroxide) with Univar Solutions USA, Inc., for the GRP Division.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: Univar Solutions USA, Inc.

Type of Agreement: General Services Agreement

Service: Citric Acid 50% and Liquid Sodium Hydroxide 25%

Contract Number: 25-0046-A

Anticipated Expenditures: GRP Citric Acid - \$121,200.00  
GRP Liquid Sodium Hydroxide - \$29,523.08

Membrane filtration systems utilize distinct chemical cleaning procedures to remove fouling and restore performance. The GRP Division Surface Water Treatment Facility utilizes two methods: enhanced flux maintenance (EFM) and Clean-in-Place (CIP). EFM is a more frequent, less intensive cleaning, while CIP is a more aggressive, comprehensive process performed less often. During these cleanings, Citric Acid and Liquid Sodium Hydroxide are used to remove inorganic scaling on the membrane modules and provide neutralization of water.

A Request for Proposals was issued in July 2025 requesting proposals for multiple chemicals to be used at the GRP Division. After reviewing the proposals, multiple vendors were selected to provide chemicals to the GRP Division based on best value to SJRA in regards to pricing, response time, and meeting SJRA and TCEQ specifications.

**FUNDING SOURCE:** FY26 GRP Operating Budgets

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for water treatment chemicals (citric acid and sodium hydroxide) with Univar Solutions USA, Inc., in the anticipated amounts of \$121,200.00 and \$29,523.08, for the GRP Division.

Item No.	Agenda Item	Date
5.9	Consider ratifying actions by the General Manager regarding execution of the contract for commercial laboratory testing services with North Water District Laboratory Services for the GRP and Woodlands Divisions.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: North Water District Laboratory Services (NWDLS)

Type of Agreement: General Services Agreement

Service: Commercial Laboratory Services

Contract Number: 25-0041

Anticipated Expenditures: WO - \$187,865.00, GRP - \$15,000.00

The Woodlands and GRP Divisions are required by State and Federal regulations to collect and analyze potable water and wastewater samples to ensure compliance with appropriate State and Federal regulations and permits. In accordance with 40 CFR 136 and Standard Methods for the Examination of Water and Wastewater, analysis of these samples must meet certain performance standards in addition to the testing laboratory be NELAP certified.

The Woodlands and GRP Division are not NELAP certified and are only capable and equipped to do limited process control testing that are not required for compliance testing. In order to maintain compliance with State and Federal regulations, a NELAP certified commercial laboratory is needed and has been utilized for over 25 years.

**FUNDING SOURCE:** FY26 GRP and Woodlands Operating Budgets

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for commercial laboratory testing services with North Water District Laboratory Services in the anticipated amounts of \$187,865.00 for the Woodlands Division, and \$15,000.00 for the GRP Division.

Item No.	Agenda Item	Date
5.10	Consider ratifying actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Tom's Lawns for the Woodlands Division.	09/25/2025

**BACKGROUND INFORMATION**

Firm Name: Tom's Lawns

Type of Agreement: General Services Agreement

Service: Lawn Care Maintenance

Contract Number: 20-0022-C

Anticipated Expenditures: WO - \$193,000.00

The Woodlands Division has almost 60 SJRA owned properties across the Woodlands where the various lift stations, water wells, elevated storage tanks, water plants and wastewater plants are sited. These properties required weekly and bi-weekly lawn care maintenance to maintain aesthetics, rodent control, and maintain compliance with TCEQ regulations related to brush and access.

This contract allows for mowing turf grass areas, weed eating, weed control, weed removal, edging, litter & trash removal, and application of mulch and chemicals as requested.

**FUNDING SOURCE:** FY26 GRP Operating Budget

**ATTACHMENTS:** Contract

**RECOMMENDED ACTION**

Ratify actions by the General Manager regarding execution of the contract for annual grounds and landscaping services with Tom's Lawns in the anticipated amount of \$193,000.00, for the Woodlands Division.

Item No.	Agenda Item	Date
6.1	Consider authorizing the General Manager to execute a change order with Crowe, LLP, for professional services for continued support and enhancements needed for ERP Microsoft D365.	09/25/2025
<b>BACKGROUND INFORMATION</b>		
<p>Traditional, on-premises software systems are increasingly being phased out to be replaced with cloud-based systems. In 2021 the SJRA learned that the multiple existing accounting, procurement, and administrative software systems would no longer be supported and were at great risk of non-functionality within a couple of years. SJRA prepared a plan for addressing the challenge. The need for a comprehensive Enterprise Resource Planning system (ERP) to replace the collection of independently connected systems was identified as the desired path forward. SJRA hired a consulting firm to help identify SJRA's needs, develop a request for proposals, identify potential proposers, and help evaluate proposals.</p> <p>An official request for proposals was sent out with multiple respondents. A comprehensive evaluation narrowed the list to three, with Crowe, LLP (Crowe) scoring the highest among the final three proposers. In February 2023, the Board approved the contract with Crowe to replace numerous elements of the existing system with Dynamics 365 (D365) for a total cost of Phase 1 of the ERP implementation in the amount of \$2,198,282. A change order was approved by the Board in September 2023 in the amount of \$197,300 to incorporate a TrueBill Accounts Receivable system in the Phase 1 implementation to increase the total amount to \$2,395,582. An additional change order in the amount of \$198,800 for support hours and needed enhancements was approved in April 2025 which increased the total amount to \$2,594,382.</p> <p>The go-live date for the ERP was in May 2024 and SJRA and Crowe have been diligently working through challenges and workflow adjustments with the ERP implementation. SJRA staff continue to be educated on the D365 programming and continue to assume more responsibility for the daily adjustments needed but acknowledges that we require continued support and more detailed technical expertise to streamline workflows and increase efficiency in the new processes. At this time, SJRA has identified a need for additional support hours (through the end of FY 26) and additional enhancements needed in order to increase efficiency of the new system and reduce staff overtime hours, and potential required additional staff to effectively execute the workflow of the new system.</p> <p>The cost of this change order would be an increase of \$330,000 as highlighted in the attached Scope of Work and was budgeted as part of the approved FY 26 budget.</p> <p>After thorough review by SJRA's implementation team, it is the unanimous recommendation of staff to approve Crowe's proposed ERP change order for additional support hours through the end of FY 26 and additional enhancements needed to streamline the daily processes.</p>		
<b>FUNDING SOURCE:</b> G&A R&R and General Fund		
<b>ATTACHMENTS:</b> Crowe LLP Statement of Work		
<b>RECOMMENDED ACTION</b>		
<p>Authorize the General Manager to execute a change order in the amount of \$330,000.00 with Crowe, LLP, for professional services for continued support and enhancements needed for ERP Microsoft D365.</p>		



Item No.	Agenda Item	Date
6.2	Consider adoption of a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the Bear Branch Division.	09/25/2025

**BACKGROUND INFORMATION**

The preliminary engineering report for the Bear Branch Dam Modification Project has been completed and based on the Engineer's recommendation of an expanded scope of work, staff anticipates increased expenditures for engineering of Phase I and Phase II of the recommended spillway rehabilitation during FY2026 not previously included in the approved budget. An increase of \$500,000 to Construction in Progress is being proposed. Additionally, inclusion of capital contributions from five of the Woodlands Municipal Utility Districts (MUDs) of \$500,000 and an increase to the Grant Revenue budget from the U.S. Army Corps of Engineers (USACE) for the Environmental Infrastructure Funding share of this project of \$253,600 is proposed to be added to the FY2026 budget.

In addition to the annual spending increases it is proposed that the total project budget of \$6,850,000 is increased to \$14,000,000. Previous funding includes \$3,250,000 in awarded Environmental Infrastructure Funds through the USACE and \$1,177,922 in capital contributions received from the five Woodlands MUDs. Alternative funding sources for the unfunded portions of the total project are being pursued by the five Woodlands MUDs, the Woodlands Water Agency, and SJRA staff.

**FUNDING SOURCE:** Bear Branch Repair and Replacement Fund

**ATTACHMENTS:** Resolution; Exhibit "A"; Exhibit "B"

**RECOMMENDED ACTION**

Approve a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the Bear Branch Division.

Item No.	Agenda Item	Date
6.3	Consider adoption of a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.	09/25/2025

#### BACKGROUND INFORMATION

Since the adoption of the San Jacinto River Authority Fiscal Year 2026 Operating Budgets, it has become necessary to increase water supply demands for certain GRP participants within the GRP Division, therefore necessitating a budget amendment for the Fiscal Year 2026 GRP Division Operating budget. The proposed amendment increases production at the water treatment facility from 16.5 million gallons per day (“MGD”) to 20.0 MGD, for Fiscal Year 2026.

This increase in supply has effects on the GRP operating budget relative to revenues, expenses, and capital improvements which must be recognized and accounted for in the GRP Division Fiscal Year 2026 budget. SJRA staff has identified two options for consideration by the GRP Review Committee and the SJRA Board of Directors regarding the proposed budget amendment.

**Option 1** for increased water supply/production from 16.5MGD to 20.0MGD provides for:

- No increase in rates (Groundwater Pumpage Fee: \$2.62/1,000 gallons; Surface Water Fee: \$3.21/1,000 gallons).
- An increase of \$4.5M to the Repair and Replacement Fund.

**Option 2** for increased water supply/production from 16.5MGD to 20.0MGD provides for:

- A \$0.10 reduction in the rates (Groundwater Pumpage Fee: \$2.52/1,000 gallons; Surface Water Fee: \$3.11/1,000 gallons).
- An increase of \$2.9M to the Repair and Replacement Fund.

The presented budgets reflect Option 1 - ‘Proposed Flat Rate’ and Option 2 - ‘Proposed Rate Decrease of \$0.10/1,000 gallons to be effective January 1, 2026.

On September 22, 2025, the GRP Review Committee will review the two proposals below and make a recommendation to the Board of Directors for their consideration at the September 25, 2025, Board of Directors meeting.

#### Option 1:

##### General Fund:

Pumpage Fee: \$2.62

Surface Water Fee: \$3.21

Proposed Flat Rate

Description	Approved Budget FY2026	Proposed Budget Amendment*	Proposed Budget FY2026
OPERATING REVENUES	\$ 65,354,705	\$ 4,106,361	\$ 69,461,066
TOTAL PURCHASED & Groundwater CONTRACTED SERVICES	\$ 355,491	24,990	\$ 380,481
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 19,019,638	(421,143)	\$ 18,598,495
TOTAL EXPENSES	\$ 45,040,227	(396,153)	\$ 44,644,074
NET REVENUES OVER EXPENSES	\$ 20,618,618	4,502,514	\$ 25,121,132
TOTAL CAPITAL IMPROVEMENTS	\$ 2,008,939	100,000	\$ 2,108,939

**OTHER SOURCES (USES)\***

Operating Reserve Fund	(1,135,943)	97,486	(1,038,457)
R&R Transfer	(930,820)	(4,500,000)	(5,430,820)
<b>TOTAL OTHER SOURCES (USES)</b>	<b>\$ (18,609,680)</b>	<b>\$ (4,402,514)</b>	<b>\$ (23,012,194)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Only amended budget lines are reflected in the Exhibit

**Option 2:**

Proposed \$0.10 reduction January - August 2026

Description	Approved Budget FY2026	Proposed Budget Amendment*	Proposed Budget FY2026
<b>OPERATING REVENUES</b>	\$ 65,354,705	\$ 2,457,023	\$ 67,811,728
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	\$ 355,491	24,990	\$ 380,481
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	\$ 19,019,638	(421,143)	\$ 18,598,495
<b>TOTAL EXPENSES</b>	\$ 45,040,227	\$ (396,153)	\$ 44,644,074
<b>NET REVENUES OVER EXPENSES</b>	\$ 20,618,618	\$ 2,853,176	\$ 23,471,794
<b>TOTAL CAPITAL IMPROVEMENTS</b>	\$ 2,008,939	\$ 100,000	\$ 2,108,939
<b>OTHER SOURCES (USES)*</b>			
Operating Reserve Fund	(1,135,943)	146,824	(989,119)
R&R Transfer	(930,820)	(2,900,000)	(3,830,820)
<b>TOTAL OTHER SOURCES (USES)</b>	<b>\$ (18,609,680)</b>	<b>\$ (2,753,176)</b>	<b>\$ (21,362,856)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**FUNDING SOURCE:** GRP General Fund

**ATTACHMENTS:** Resolution and Exhibit "A"

**RECOMMENDED ACTION**

Approve a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.

Item No.	Agenda Item	Date
6.4	Consider ratifying actions by the General Manager regarding issuance of Purchase Orders or other contractual agreements related to the emergency response and repair of San Jacinto River Authority's GRP 12-inch water line in Conroe, Texas.	09/25/2025

#### BACKGROUND INFORMATION

On August 6th, the GRP Division discovered a leak on a 12-inch HDPE surface water line on the bank of White Oak Creek near Hwy 105 in Conroe, TX. The 12" water line provides surface water to the City of Conroe Water Plant No. 6, was installed at a depth of almost 40' and was originally installed through a trenchless construction method under White Oak Creek. Due to an average water loss of 2.5 million gallons a day for 3 days, the leak resulted in significant erosion, creating a hole approximately 40 feet in diameter and 16 feet deep. This erosion led to the collapse of several trees, which subsequently damaged a City of Conroe sanitary sewer line and a sanitary sewer manhole. After the leak was isolated and excavation occurred to determine the cause of the water line leak, the excavation grew to a depth of nearly 40 feet and a diameter of approximately 60 feet.

Repair efforts lasting three weeks, with repair crews working up to 12+ hours per day to excavate material to locate the water line, remove the excavated material from the site, install well points to control groundwater at the site, and install safety precautions such as pilings and trench boxes. The repair efforts were also delayed due to almost daily isolated rain events that continued to fill the excavation with debris and water that caused further excavation and debris removal. Additionally, the leak was in a semi-remote area that was not easily accessible for equipment staging and material drop-off and removal.

Prior to repairs on the water line, temporary repairs to the City of Conroe's sanitary sewer line were completed. After excavation of the water line and removal of the damaged section of water line, it was identified that the water line was in a bind causing the nearby section of the water line to be offset by 1' downwards and 1' to the left. This misalignment did not allow for a new piece of water line to be installed without removing portions of the remaining water line. An additional 200' of water line had to be removed to realign the water line and allow for proper installation without a deflection. The misalignment and binding of the water line is believed to be the reason for the break.

Once repaired, the water line was flushed, pressure tested and disinfected per TCEQ requirements to restore water service to the City of Conroe Water Plant No. 6. Following the repair, a substantial amount of restoration was required in the area including trucking in large amounts of dirt from the GRP Surface Water Treatment Facility, replacing trees on private property, conducting permanent repairs to the City of Conroe sewer line and manhole, and removing dirt from White Oak Creek to restore natural flow lines. Restoration efforts took an additional two weeks to complete.

The estimated expense to repair the water line is \$800,000.00.

**FUNDING SOURCE:** GRP Division O&M Budget FY25 & FY26

**ATTACHMENTS:** Declaration of Emergency, Map, Picture

#### RECOMMENDED ACTION

Ratify actions by the General Manager regarding issuance of Purchase Orders or other contractual agreements related to the emergency response and repair of San Jacinto River Authority's GRP 12-inch water line in Conroe, Texas.