

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.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY AMENDING THE BUDGET FOR FISCAL YEAR 2026.**

**WHEREAS**, on August 28, 2025, the San Jacinto River Authority Board of Directors adopted Resolution No. 2025-R-22 approving the Fiscal Year 2026 budget; and

**WHEREAS**, the San Jacinto River Authority finds it necessary to amend the Fiscal Year 2026 GRP Division Operating budget due to the increase in water supply demand (16.5MGD to 20MGD), which was not included in the Fiscal Year 2026 budget upon adoption.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY:**

Section 1. That the Fiscal Year 2026 budget, as approved under Resolution No. 2025-R-22, is further amended as detailed in Exhibit “A” attached hereto and incorporated herein for all purposes.

Section 2. That the budget amendment, attached hereto as Exhibit “A”, shall be attached to and made part of the Fiscal Year 2026 Budget for all purposes.

Section 3. That except as amended hereby, the Fiscal Year 2026 budget, as approved under Resolution No. 2025-R-22 is ratified and confirmed in all respects and shall remain in effect.

Section 4. That this Resolution shall become effective immediately after adoption.

**APPROVED AND ADOPTED** by the Board of Directors of the San Jacinto River Authority on the 25<sup>th</sup> day of September, 2025.

**ATTEST:**

**SAN JACINTO RIVER AUTHORITY**

\_\_\_\_\_  
Wil Faubel, Secretary

\_\_\_\_\_  
Ronnie Anderson, President

**San Jacinto River Authority - GRP**  
**Exhibit A - Proposed Budget Amendment**  
**FY2026**

Groundwater Pumpage Fee: \$2.62

Surface Water Fee: \$3.21

Proposed Flat Rate

Description	<b>OPTION 1</b>		
	Approved Budget FY2026	Proposed Budget Amendment*	Proposed Budget FY2026
<b>OPERATING REVENUES</b>	\$ 65,354,705	\$ 4,106,361	\$ 69,461,066
<b>OTHER REVENUES</b>	\$ 304,140	-	\$ 304,140
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFIT</b>	\$ 5,305,488	-	\$ 5,305,488
<b>TOTAL PROFESSIONAL FEES</b>	\$ 2,580,375	-	\$ 2,580,375
<b>PURCHASED &amp; CONTRACTED SERVICES</b>			
Sludge Disposal	217,260	24,990	\$ 242,250
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	\$ 355,491	24,990	\$ 380,481
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>			
Copper Sulfate	34,523	13,477	\$ 48,000
Citric Acid	118,800	2,400	121,200
Granulated Activated Carbon	4,236,900	(1,090,900)	3,146,000
Aluminum Chlorohydrate	1,142,943	256,295	1,399,238
Sodium Permanganate	262,985	(19,342)	243,643
Sodium Bisulfate	38,337	5,171	43,508
Sodium Hydroxide	40,417	(10,894)	29,523
Sodium Hypochlorite	633,295	(36,618)	596,677
Polymer	56,735	10,857	67,592
Utilities-Electric	1,626,075	344,925	1,971,000
Utilities-Sewer	299,393	63,507	362,900
Supply Use Fee-SJRA	-	39,979	39,979
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	\$ 19,019,638	(421,143)	\$ 18,598,495
<b>TOTAL RENTALS</b>	\$ 4,000	-	\$ 4,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	\$ 1,864,280	-	\$ 1,864,280
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	\$ 569,817	-	\$ 569,817
<b>TOTAL NON-OPERATING EXPENSES</b>	\$ 15,341,139	-	\$ 15,341,139
<b>TOTAL EXPENSES</b>	\$ 45,040,227	\$ (396,153)	\$ 44,644,074
<b>NET REVENUES OVER EXPENSES</b>	\$ 20,618,618	\$ 4,502,514	\$ 25,121,132
<b>CAPITAL IMPROVEMENTS*</b>			
Water Treatment Plant & Facilities	\$ 295,000	\$ 100,000	\$ 395,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>	\$ 2,008,939	\$ 100,000	\$ 2,108,939
<b>OTHER SOURCES (USES)*</b>			
Bond Principal	\$ (17,812,917)	\$ -	\$ (17,812,917)
Operating Reserve Fund	(1,135,943)	97,486	(1,038,457)
Capital Contributions	1,270,000	-	1,270,000
R&R Transfer	(930,820)	(4,500,000)	(5,430,820)
<b>TOTAL OTHER SOURCES (USES)</b>	\$ (18,609,680)	\$ (4,402,514)	\$ (23,012,194)
<b>NET CASH BASIS SOURCES (USES)</b>	\$ -	\$ -	\$ -

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**San Jacinto River Authority - GRP**  
**Exhibit A - Proposed Budget Amendment**  
**FY2026**

Groundwater Pumpage Fee: \$2.62

Surface Water Fee: \$3.21

Proposed \$0.10 reduction January - August 2026

Description	<b>OPTION 2</b>		
	Approved Budget FY2026	Proposed Budget Amendment*	Proposed Budget FY2026
<b>OPERATING REVENUES</b>	\$ 65,354,705	\$ 2,457,023	\$ 67,811,728
<b>OTHER REVENUES</b>	\$ 304,140	-	\$ 304,140
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	\$ 5,305,488	-	\$ 5,305,488
<b>TOTAL PROFESSIONAL FEES</b>	\$ 2,580,375	-	\$ 2,580,375
<b>PURCHASED &amp; CONTRACTED SERVICES</b>			
Sludge Disposal	217,260	24,990	242,250
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Polymer	56,735	10,857	67,592
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