SAN JACINTO RIVER AUTHORITY

# Final Budget
# FY2026

**Adopted by Board**
**August 28, 2025**

# San Jacinto River Authority

Approved Operating Budgets

For Fiscal Year September 1, 2025 to August 31, 2026

## TABLE OF CONTENTS


Introduction ........................................ 1

Vision, Mission, and Principles ........................................ 3

Organizational Structure ........................................ 4

Budget Process and Schedule ........................................ 8

Capital Improvements and Other Project Plan Development ........................................ 9

General Budgetary Assumptions ........................................ 10

Raw Water Enterprise ........................................ 11

Raw Water Supply ........................................ 13

Budget Summary and Details ........................................ 18

Highlands Division ........................................ 21

Budget Summary and Details ........................................ 27

Lake Conroe Division ........................................ 32

Budget Summary and Details ........................................ 41

Raw Water Enterprise Summary........................................ 45

Fiscal Year 2026 Risk Management ........................................ 46

Woodlands Division ........................................ 49

Budget Summary and Detail ........................................ 59

Fiscal Year 2026 Risk Management ........................................ 69

GRP Division ........................................ 71

Budget Summary and Detail ........................................ 79

Fiscal Year 2026 Risk Management ........................................ 84

Flood Management Division ........................................................................ 85
Budget Summary and Detail ........................................................................ 89
General and Administration (G&A) Division ........................................................................ 93
Budget Summary and Detail ........................................................................ 102
Bear Branch Reservoir System ........................................................................ 106
Budget Summary and Detail ........................................................................ 110
Region H Water Planning Group ........................................................................ 113
Budget Summary and Detail ........................................................................ 116
Capital Equipment List ........................................................................ 117
Total Project Budgets ........................................................................ 118

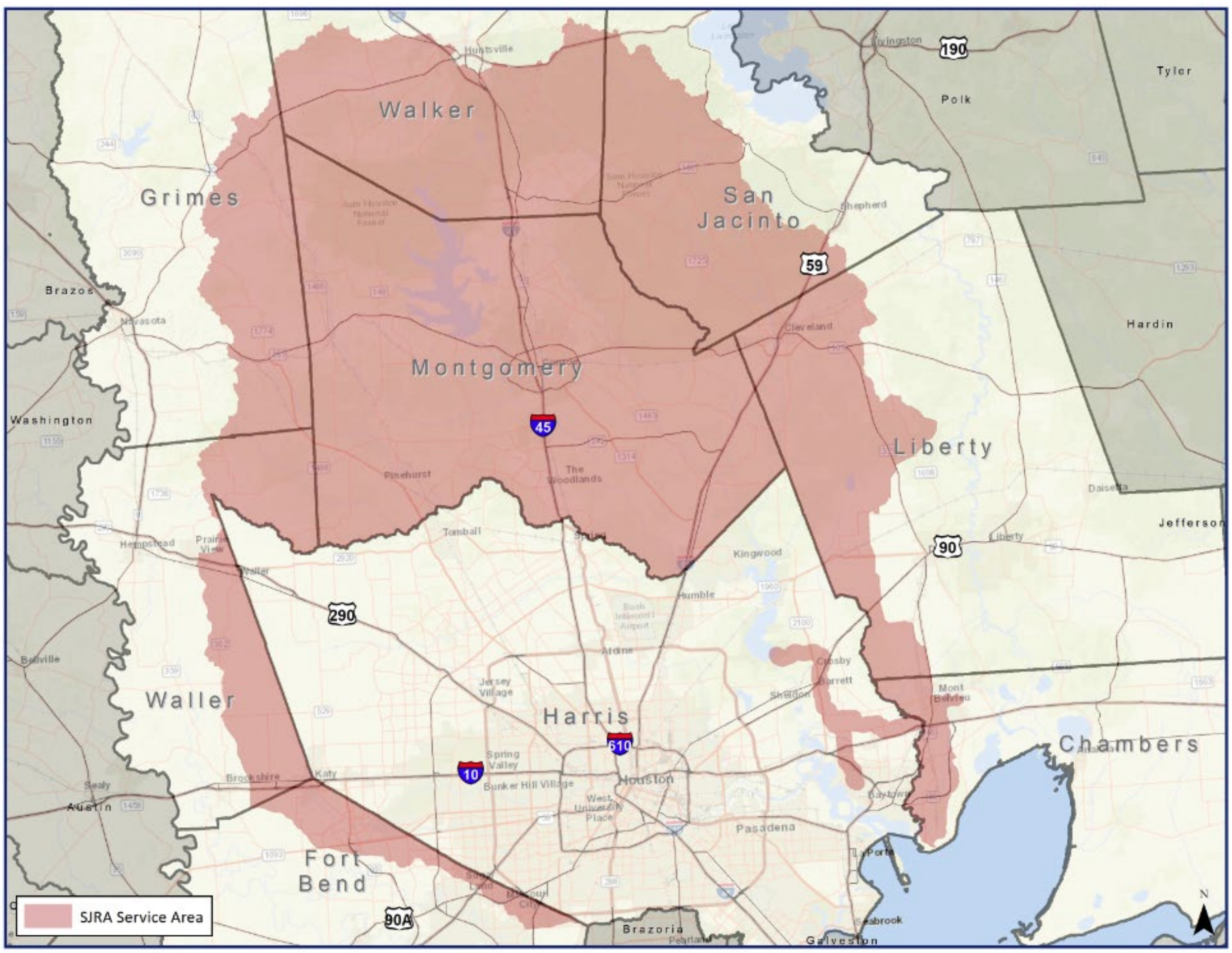
SAN JACINTO RIVER AUTHORITY

# Introduction

## INTRODUCTION TO SJRA

The 45th Texas Legislature created the San Jacinto Conservation and Reclamation District in 1937 (citation – May 12, 1937, 45th Leg., R.S., Ch. 426). The 52nd Texas Legislature later changed its name to the San Jacinto River Authority ("SJRA") in 1951 (citation – May 14, 1951, 52nd Leg., R.S., Ch. 366). The SJRA was created to develop, conserve, and protect the waters of the river basin and its tributaries, including all of Montgomery County and parts of six other counties, excluding Harris County. The SJRA is one of 10 major river authorities in the State of Texas, and like the other river authorities, its primary purpose is to implement long-term, regional projects related to water supply and wastewater treatment. The SJRA also operates in eastern Harris County by agreement with the City of Houston to supply raw water for municipal, industrial, and irrigation needs.

### MAP OF SJRA SERVICE AREA



# VISION, MISSION, AND PRINCIPLES

**VISION**
SJRA's Vision is to be a trusted leader in water resource management of the San Jacinto River Basin.

**MISSION**
SJRA's Mission is to:
- assure long-term water supplies
- provide raw water, drinking water, and wastewater services
- protect water quality
- coordinate regional flood planning
- educate the public on water resources management topics

**CORE VALUES**
Core values guide how members of the organization conduct themselves in pursuit of the mission and vision of the organization. The following guiding principles provide an ethical framework for decision making and action:

- service before self
- efficiency and fiscal responsibility
- respect for others
- valuing and empowering our people
- integrity and professionalism
- continuous improvement
- excellence in everything

## SJRA STRUCTURE

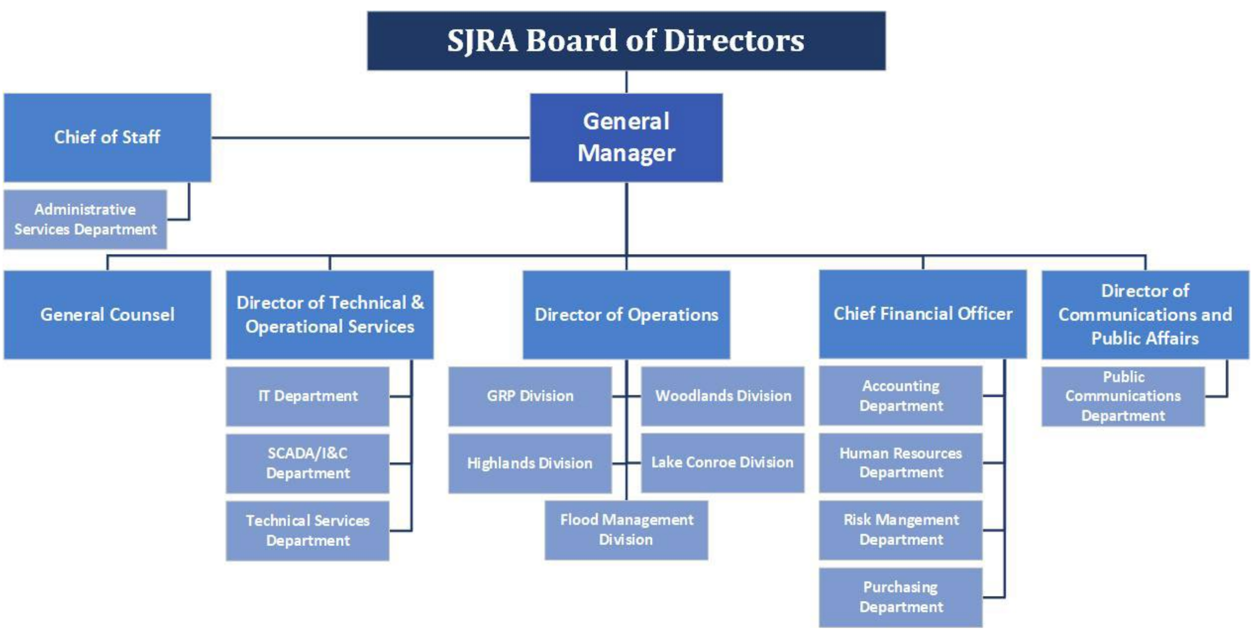
SJRA
SAN JACINTO RIVER AUTHORITY

The SJRA is governed by a seven-member Board of Directors, appointed by the Governor of Texas to six-year staggered terms. After current Directors' terms are fulfilled, Texas House Bill 1540 of the 88th Legislative Session states four-year term limits will become effective for newly appointed or re-appointed Directors. Section 49.057 (b), of the Texas Water Code requires the Board of Directors of the SJRA to adopt an annual operating budget.

The SJRA operates on a fiscal year that begins September 1st of each calendar year and ends August 31st of the next year. The SJRA utilizes nine distinct enterprises to report on and budget for the same functions as business type activities. The SJRA's major enterprise funds are as follows:

- Raw Water Supply (part of overall Raw Water Enterprise)
- Highlands Division (part of overall Raw Water Enterprise)
- Lake Conroe Division (part of overall Raw Water Enterprise)
- Woodlands Division
- Groundwater Reduction Plan (GRP) Division
- Flood Management Division
- General and Administration (G&A) Division
- Bear Branch
- Region H

**SJRA's Organizational Chart**




Revenues and expenses for the separate operating Divisions are for the sole use within their specific Division. The Raw Water Enterprise, Woodlands Division, GRP Division, Bear Branch, and Region H revenues and expenses are not shared between one another. The Raw Water Enterprise encompasses the revenues and expenses from Raw Water Supply sales with the cost centers of the distinct Highlands and Lake Conroe Divisions. Specific expenditures for the Highlands Division and Lake Conroe Division are utilized for their direct operations. Raw Water Supply revenues are utilized to cover the remaining expenses for Highlands, Lake Conroe, and Flood Management Divisions as well as any G&A Division expenses not otherwise allocated.

The SJRA has two distinct wholesale utility Divisions that comprise the Utility Enterprise, the Woodlands and GRP Divisions. These Divisions are budgeted, funded, and accounted for separately and funds of the Divisions are not intermingled.

In addition to the SJRA's five operating Divisions, SJRA maintains the Bear Branch Reservoir ("Bear Branch") and drainage system for stormwater management under contract with five Woodlands-area Municipal Utility Districts ("MUDs"). SJRA also serves as the designated administrative agent for the Region H Water Planning Group ("Region H") under contract with the Texas Water Development Board. The Bear Branch and Region H budgets are developed separately from normal business operations. All revenues and expenses associated with Bear Branch and Region H are utilized solely for those specific purposes.

**Funds of the San Jacinto River Authority:**

***Operating:*** Utilized to fund the day-to-day operations and maintenance expenses of the Divisions. Includes revenues from sales, expenditures for salaries, benefits, professional fees, purchased and contracted services, supplies, materials, utilities, maintenance, repairs, parts, capital improvements, transfers to other funds and reserves.

***Repair and Replacement:*** Utilized as a full or partial source of funds for capital improvements to the System, expansions, extension or modifications of the System or other additions to System capital assets, and planned or unplanned repairs or rehabilitation of existing System capital assets, or for any other capital assets of the SJRA.

***Project Fund:*** Utilized as a full or partial source of funds for the Flood Management and Raw Water Supply Divisions to execute projects that typically span multiple fiscal years and require careful planning or management.

***Customer Contributions:*** Proceeds received from a customer utilized as a funding source to pay for capital projects. Limited to the specified purpose listed in the customer agreement.

***Grants:*** Proceeds received from state or federal sources utilized as a funding source to pay for capital projects that do not require repayment. Limited to a specified purpose listed in the awarded grant agreements.

***Debt Service Fund:*** During each Fiscal Year while any portion of the Bonds, the Outstanding Bonds, or any Additional Bonds remain outstanding, the SJRA shall deposit or cause to be deposited into the Debt Service Fund, monthly as collected, Net Revenues in an amount not less than one-twelfth (1/12) of the scheduled amount of principal and interest to come due on the Bonds, the Outstanding Bonds, and any Additional Bonds in such Fiscal Year; provided, however, such monthly deposits may be reduced or curtailed, as appropriate, based on the amount of funds already on hand in the Debt Service Fund. The Raw Water Enterprise debt service is held under the G&A Division, but the expenses fall under the respective Divisions. All other Divisions with outstanding bonds have their own debt service fund.

***Debt Service Reserve:*** A reserve required by bond covenants that equal to the average annual sum payable in respect of the principal and interest scheduled to become due on the Bonds, the Outstanding Bonds, and any Additional Bonds remaining outstanding at the time of such computation; provided, the average annual sum shall be calculated based only upon the number of whole or partial Fiscal Years in which such principal and interest are actually scheduled to become due. The Raw Water Enterprise debt service reserve is held under the G&A Division, but the expenses fall under the respective Divisions. All other Divisions with outstanding bonds have their own debt service reserve fund.

**Woodlands Water Supply Bonds:** Capacity bonds sold on behalf of participating Woodlands MUDs to pay for capacity improvements to the Woodlands Water System and paid for monthly by the participating Woodlands MUDs. This fund is utilized to account for the payments received by the participating Woodlands MUDs and the payments made towards the principal, interest, arbitrage reporting, and other bond related fees.

***Woodlands Waste Disposal Supply Bonds:*** Capacity bonds sold on behalf of participating Woodlands MUDs to pay for capacity improvements to the Woodlands Wastewater System and paid for monthly by the participating Woodlands MUDs. This fund is utilized to account for the payments received by the participating Woodlands MUDs and the payments made towards the principal, interest, arbitrage reporting, and other bond related fees.

***Year Series Bonds (Ex. Woodlands 2017 Bond Funds):*** Bond proceeds utilized as a funding source to pay for capital projects. Typically limited to a specified purpose depending on whether the funds were sold as open market or Texas Water Development Board (TWDB) Bonds.

# BUDGET PROCESS AND SCHEDULE

Each Fall, the SJRA's management team begins the budgeting process for the next fiscal year. The process begins in October with updates to Divisional 10-year project plans, and staffing plans, adding in-depth service demand forecasting, and line-item by line-item evaluation, forecasting, and justification of expenditures.

| ***FISCAL YEAR 2026 SCHEDULE*** | |
|---|---|
| ***October – February*** | • Updates to 10-year project plans |
| ***January*** | • Development of water and wastewater demand forecasting and general budgetary assumptions<br>• Finance Committee Meeting on budget assumptions |
| ***March*** | • G&A Department budget development |
| ***March – June*** | • Operating Division budget development |
| ***April – June*** | • 10-year project plans for each Division presented to customers and Board of Directors<br>• Senior Management review and compilation of overall budgets<br>• Draft Division budget presentations to customers, participants, and GRP Review Committee<br>• Draft GRP budget and proposed GRP rates presentation to Finance Committee and GRP Review Committee<br>• Draft GRP budget and proposed GRP Rates Order to GRP Review Committee<br>• Draft Lake Conroe budget presented to the City of Houston |
| ***July*** | • Draft Divisional/Departmental budgets presentations to Finance Committee<br>• Draft GRP budget and proposed GRP Rates Order to GRP Review Committee<br>• Presentation of proposed draft budget and the proposed GRP, Woodlands, and Raw Water Rate Orders to Board of Directors |
| ***August*** | • Board of Directors budget approval and GRP, Woodlands, and Raw Water Rate Orders Approval |

# CAPITAL IMPROVEMENTS AND OTHER PROJECT PLAN DEVELOPMENT

As part of the SJRA's planning and budget process, Capital Improvement and Project Plans are developed for each Division for a 10-year period. The projects listed in these Plans may be funded from the annual Operations and Maintenance ("O&M") budgets, bonds, grants, and/or from appropriate contributions from customers. Projects anticipated to be funded from Divisional O&M budgets are subject to available funds and may be delayed if adequate funds are not available. Projects anticipated to be funded by bonds are not a direct part of the O&M budgets, with the exception of any debt service requirements, and are only included in project listings within this document to give a complete picture of planned project activity for FY2026-FY2035.




# GENERAL BUDGETARY ASSUMPTIONS

Key assumptions affecting all SJRA Divisions and Departments for FY2026 are as follows:

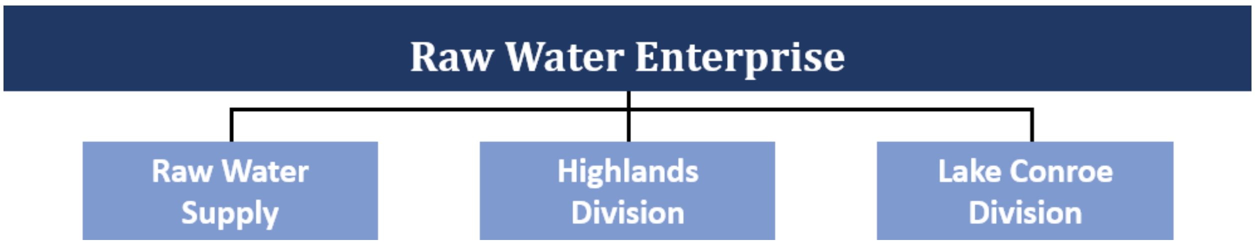
- Staffing of 182.43 Full Time Equivalent (FTE) for FY2026
- The FY2026 budget includes two intern positions, but no part-time or temporary positions
- For FY2026, total salaries and benefits have been budgeted at 100% in lieu of the 97% previously budgeted to address vacancies throughout the year
- Salary and wage increases are budgeted at a combined average of 4% for performance-based merit increases, promotions, market adjustments, and equalizations
- Salaries and wages include an estimate of 10.5% of overtime for non-exempt (hourly) employees
- Current types of benefits provided and offered to employees will continue
  - Healthcare benefit costs (medical only) are budgeted for a 9.5% increase over prior years actuals for FY2026
  - SJRA health and wellness program, including participation incentives
- Retirement benefits for FY2026 are budgeted at 12% of salaries for employees hired prior to August 1, 2016, under the defined benefit plan and 11% of salaries for employees hired on or after August 1, 2016, based on the SJRA's new defined contribution retirement plan
- Workers Compensation benefits are budgeted for a 5% increase over prior actuals for FY2026 based on a running three-year historical experience modifier
- Normal weather and operating conditions were utilized in preparation of the FY2026 budget
  - Historical average of 5 years
- Fuel prices per gallon for gasoline and diesel are forecasted for FY2026 at $4.00 and $4.25, respectively
- Utility usage, electric, and natural gas prices are forecasted to increase 5% over actual expenses for FY2026
- Specific Division rates for FY2026
  - Raw Water = $0.61 per 1,000 gallons through December 31, 2025, increasing to $0.66 beginning January 1, 2026
  - Woodlands Wholesale Water = $2.73 per 1,000 gallons
  - Woodlands Wholesale Wastewater = $5.65 per 1,000 gallons
  - Woodlands GRP Blended Fee = $2.92 per 1,000 gallons
  - GRP Groundwater Pumpage = $2.62 per 1,000 gallons
  - GRP Surface-water = $3.21 per 1,000 gallons

SAN JACINTO RIVER AUTHORITY

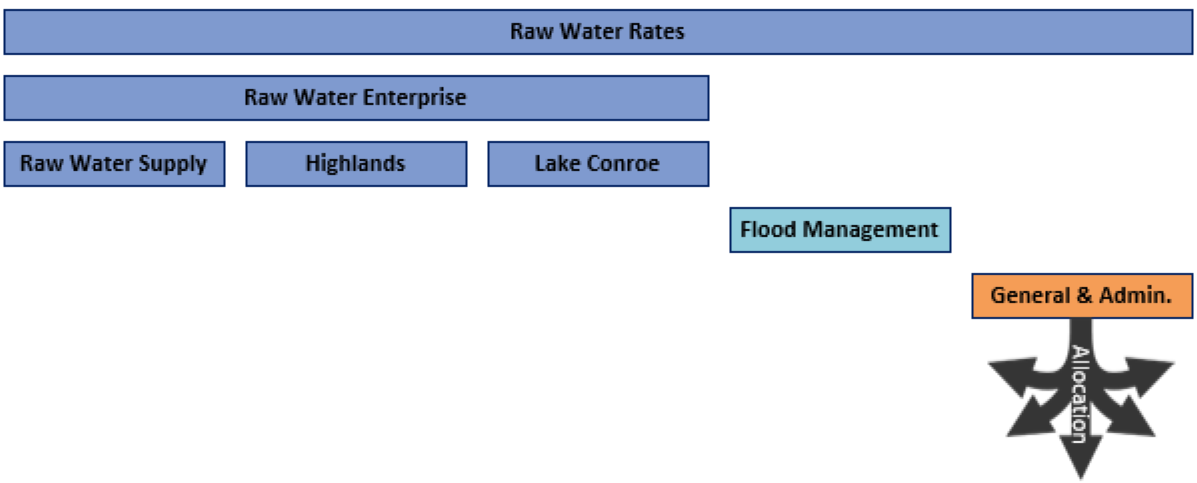
# Raw Water Enterprise

# RAW WATER ENTERPRISE

The Raw Water Enterprise of the SJRA consists of the Highlands and Lake Conroe Divisions, including the revenues and expenses associated with the SJRA's overall raw water supply system that are not otherwise divisible between the Highlands and Lake Conroe Divisions.




Additionally, expenses of the Flood Management Division and any remaining expenses of the General and Administration (G&A) Division that are not otherwise allocated, are covered by Raw Water Supply revenues.



SAN JACINTO RIVER AUTHORITY

# Raw Water Supply

## RAW WATER SUPPLY

**Raw Water Supply Revenue:** The sale of all non-treated raw water for municipal, industrial, mining, and agricultural (irrigation) purposes is included within the Raw Water Supply budget. Long-term water sale contracts account for the vast majority of raw water revenues. Most of these contracts contain annual "take or pay" provisions for set quantities of raw water, regardless of whether the water is used. Some of these contracts contain "reservations" for purchase of future water supplies. SJRA supplies raw water to municipal, industrial, mining, and agricultural (irrigation) customers in Montgomery County and eastern Harris County from Lake Conroe, Lake Houston, and water delivered from the Trinity River. Additionally, a relatively small amount of water discharged from the SJRA Woodlands Division wastewater treatment facility is sold to reuse customers downstream of the facility. The water sold by SJRA Raw Water Supply is available based on SJRA's water rights in the San Jacinto River and tributaries, Lake Conroe, Lake Houston, and the Trinity River. Annual residential water sale contracts are also available to meet landscape irrigation demands around Lake Conroe at a flat rate. With few exceptions, including the flat rate charged to Lake Conroe residential irrigation customers and a unique rate charged to the reuse customers described above, the SJRA uses one, system-wide raw water rate and reserves the right from time to time to adjust its rates for the sale or reservation of raw water. Short-term water sale contracts, another exception to the system-wide rate, are also available for entities/individuals requiring water over a short period. The rate for short-term sale contracts is higher than the system-wide rate. However, these short-term contracts are not included in the budget since they are difficult to predict, temporary, and sporadic in nature.

***Major Initiatives:*** The Raw Water Enterprise is currently engaged in, and planning in FY2026 to continue, or begin, several activities related to Raw Water Supply as outlined below:

1. ***Water Rights Protection***: The SJRA maintains significant water rights granted by the State of Texas within the San Jacinto River Basin, Trinity River Basin, and Trinity-San Jacinto Coastal Basin, and may seek from time to time to increase these supplies as opportunities to acquire additional rights, or contracts for these rights, become available. These existing water rights can potentially be negatively impacted by new applications for water rights by third parties; therefore, the SJRA must occasionally intervene with the Texas Commission on Environmental Quality (TCEQ) to address the issuance of such permits. The SJRA maintains agreements for representation by specialized legal counsel and consultants to assist with these matters on behalf of the SJRA.

2. ***Water Rights Acquisition:*** The SJRA has submitted water right permit applications for various return flows in the San Jacinto River Basin, including an application in partnership with the City of Houston for a small amount of return flows into Lake Conroe from the City of Huntsville and Montgomery County MUDs 8 and 9, based on a previously executed agreement between all five parties. Water rights acquisition activities are anticipated to extend into FY2026 and beyond.

***Capital Improvement and Other Project Plans***: The Raw Water Supply system does not currently maintain any physical assets, as facilities used to store and deliver raw water are owned, operated, and maintained by the Highlands and Lake Conroe Divisions. No maintenance or construction projects are planned for Raw Water Supply outside the Divisions for FY2026. As water sources recommended in the SJRA's Raw Water Supply Master Plan are needed, construction projects for Raw Water Supply, outside the Lake Conroe and Highlands Divisions, may be required. However, these projects are not anticipated to be necessary for several years. Non-construction efforts related to Raw Water Supply are scheduled for FY2026, as shown in the table below. These efforts are funded from the O&M budget and may extend over multiple fiscal years.

| **Raw Water Supply - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| MUDs 8&9 and Huntsville Return Flows Water Right Permit | Plan/Permitting | $ 95,000 | Project Fund |
| Regional Return Flows Feasibility Study and Permitting | Plan/Permitting | $ 357,000 | Project Fund |
| Aquifer Storage and Recovery Feasibility | Plan/Permitting | $ 98,000 | Project Fund |
| Total | | **$ 550,000** | |

***Total Indebtedness and Annual Debt Service:*** As of August 31, 2024, the Raw Water Enterprise had $1,135,000 of total indebtedness through the issuance of bonds related to actions not otherwise divisible to the Highlands and Lake Conroe Divisions, made up of the following bond issuances:

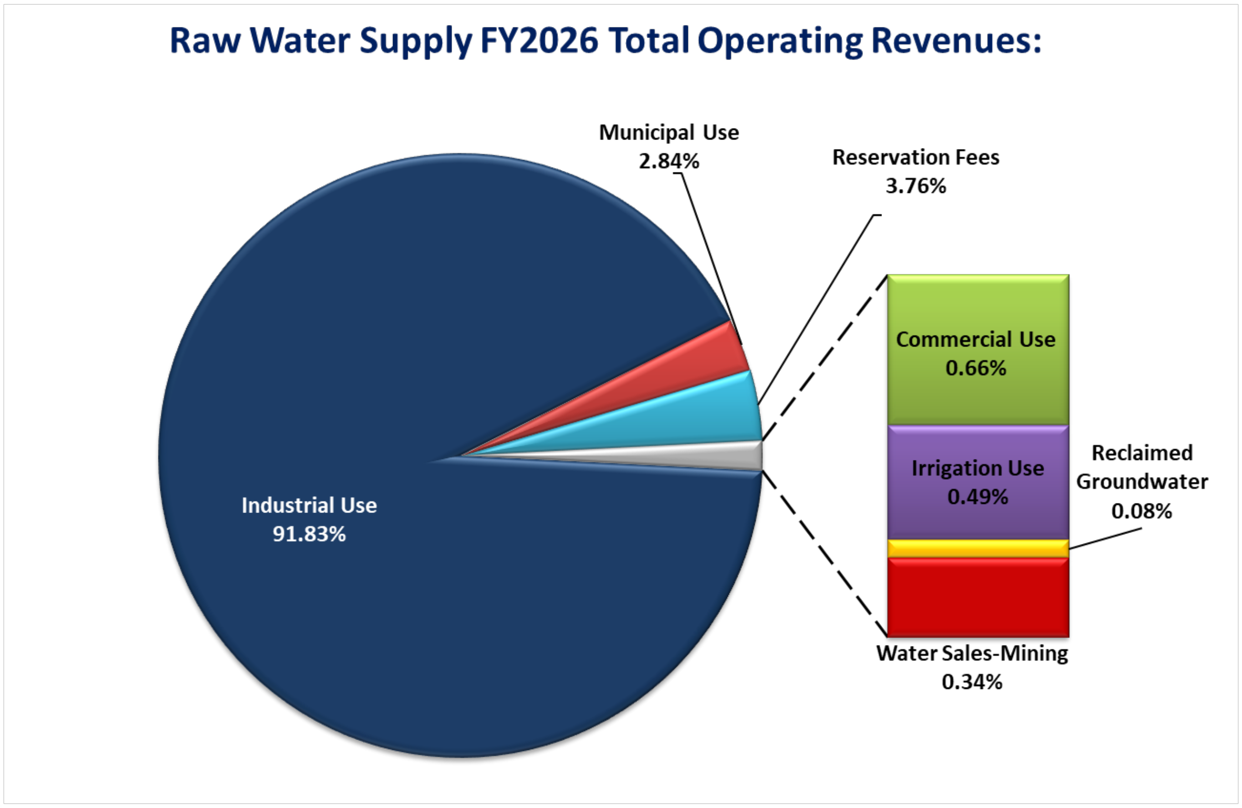
- Series 2019A Water Revenue Refunding Bonds Outstanding: $1,135,000

There is no annual debt service (principal and interest) budgeted for FY2026 for the above bond issuance as the final payment was made during FY2025.

***Staffing Plans:*** Raw Water Supply's staffing plan for FY2026 includes zero direct FTE positions, with no part-time, temporary, or intern positions. The Raw Water Supply is allocated 3.17 FTEs for FY2026 from the Lake Conroe and Flood Management Divisions and G&A Departments.

***Revenues:*** The raw water rate contained within the FY2026 budget, is within the range of rates presented in the existing 2025 Raw Water Rate Study at $0.61 per 1,000 gallons ($198.77 per acre-foot) for calendar year 2025 and $0.66 per 1,000 gallons ($215.06 per acre-foot) for calendar year 2026. Unless otherwise stipulated in a specific contract, the corresponding reservation rate is set at 25% of the raw water rate. For the months of September-December 2025 (the first four months of FY2026), the raw water rate will continue to be $0.61 per 1,000 gallons ($198.77 per acre-foot), with the corresponding reservation rates remaining in accordance with the approved Raw Water Rate Order.

Expected operating revenues for the SJRA's Raw Water Supply for FY2026 total $23,554,031.

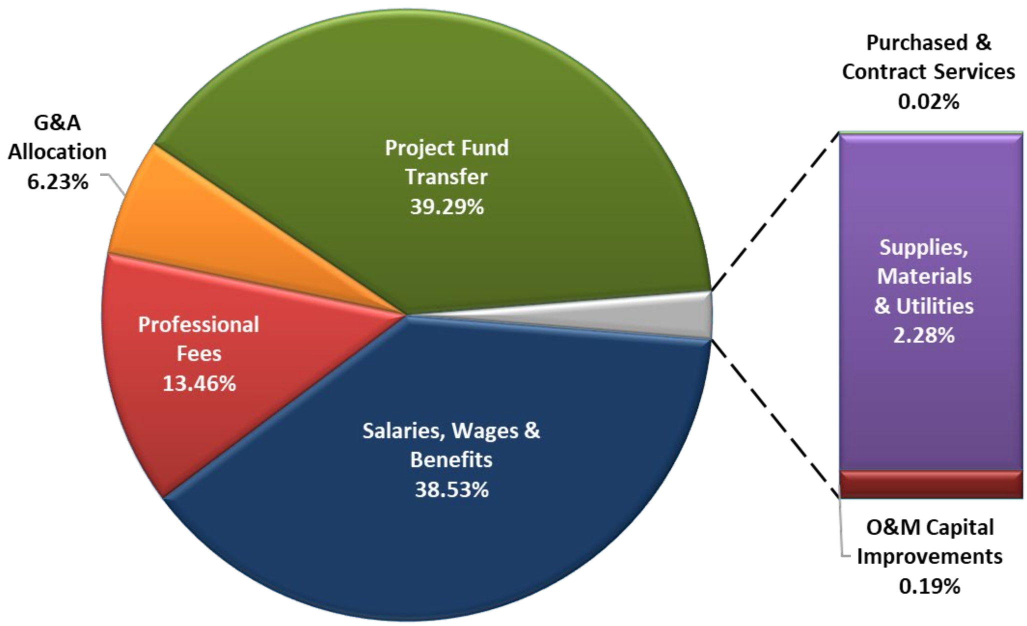



***Expenditures:*** Raw Water Supply for FY2026 contains expenses related to the development, maintenance, permitting, tracking, and reporting of water rights and supplies necessary to meet current and future water demands in SJRA's service areas. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- G&A Allocations
- O&M Capital Improvements (non-bond related)
- Project Fund Contributions

Expected total expenditures for the SJRA's Raw Water Supply for FY2026, including operating, capital improvements, and any other cash uses, totals $899,187.

# Raw Water Supply FY2026 Total Operating Expenditures:
## Operating, Capital Improvements & Reserve Contributions




***Fund Balance and Reserves:*** The SJRA's General Fund Balance combines to cover the Raw Water Enterprise, which includes Raw Water Supply and the Highlands and Lake Conroe Divisions, as well as the Flood Management Division and otherwise unallocated portions of the G&A Division. The Raw Water Supply budget does not maintain any Operating or Emergency reserves.

As approved at the Board of Directors on July 24, 2025, this budget includes the creation of a Project Fund for the Raw Water Supply Division:

1. ***Project Fund:*** The Project Fund is established to fund large ongoing and planned projects to prevent significant rate fluctuations. The Project Fund is funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met for the Lake Conroe, Highlands, and General and Administration Divisions. A contribution to the Project fund of $583,667 for FY2026 is budgeted.

For FY2026, the net balance of the Raw Water Supply revenues, expenditures, and other cash uses is $22,068,361. This amount will cover the Highlands and Lake Conroe Divisions' net expenses as part of the Raw Water Enterprise, Flood Management Division expenses, and any otherwise unallocated net expenses of the G&A Division.

## San Jacinto River Authority - Raw Water Supply Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| General Industrial Water Revenue | $ 17,086,692 | $ 18,326,510 | $ 12,405,418 | $ 18,858,324 | $ 20,219,802 |
| General Industrial Water Revenue-Lake Customers | 1,362,667 | 1,452,092 | 1,045,057 | 1,532,930 | 1,408,800 |
| Water Sales-Municipal | 3,126,697 | 2,816,528 | 1,530,563 | 3,788,292 | 669,180 |
| Water Sales-Commercial | 178,286 | 156,663 | 160,594 | 147,879 | 154,363 |
| Water Sales-Reclaimed Groundwater | 19,020 | 20,244 | 10,388 | 18,330 | 18,330 |
| Water Sales-Irrigation | 117,170 | 124,246 | 120,345 | 115,650 | 116,250 |
| Industrial Reservation Fee | 401,919 | 447,481 | 695,421 | 492,728 | 528,300 |
| Municipal Reservation Fee | 503,058 | 552,762 | 510,662 | 498,489 | 357,953 |
| Water Sales-Mining-Lake Conroe | - | - | - | 57,777 | 81,054 |
| GRP Pumping Fees | - | - | 2,349,713 | - | - |
| **TOTAL OPERATING REVENUES** | **$ 22,795,509** | **$ 23,896,526** | **$ 18,828,159** | **$ 25,510,398** | **$ 23,554,031** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 302 | $ 38 | $ - | $ - | $ - |
| Miscellaneous Revenue | 13 | 5,045 | 42 | - | - |
| Fines | 319 | 130 | (90) | - | - |
| **TOTAL OTHER REVENUES** | **$ 635** | **$ 5,213** | **$ (48)** | **$ -** | **$ -** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 332,039 | $ 295,282 | $ 205,999 | $ 387,739 | $ 429,231 |
| Group Insurance | 54,357 | 54,068 | 31,150 | 71,646 | 58,177 |
| Group Retirement Expense | 33,694 | 38,721 | 25,306 | 44,398 | 48,941 |
| Workers Compensation Insurance | 2,485 | 619 | 1,246 | 2,678 | 2,146 |
| Social Security Taxes | 19,960 | 20,372 | 14,028 | 26,963 | 32,836 |
| Employee Benefits Services | 1,503 | 1,251 | 760 | 1,399 | 1,094 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 444,038** | **$ 410,313** | **$ 278,489** | **$ 534,822** | **$ 572,423** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 99,074 | $ 87,694 | $ 46,156 | $ 110,000 | $ 100,000 |
| Arbitrage Rebate Audit | - | - | 4,045 | 3,250 | - |
| Paying Agent Fees | 800 | - | - | 825 | - |
| Engineering | 307,911 | 92,505 | 39,434 | 246,000 | 100,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 407,784** | **$ 180,199** | **$ 89,634** | **$ 360,075** | **$ 200,000** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| State Fees | $ 6,701 | $ 6,701 | $ 6,701 | $ - | $ - |
| Employee Testing- New | - | - | - | 16 | 8 |
| Website Hosting & Maintenance | - | 42 | - | 165 | 290 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 6,701** | **$ 6,743** | **$ 6,701** | **$ 181** | **$ 298** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 28 | $ - | $ - | $ 150 | $ 150 |
| Travel | 864 | 381 | 1,217 | 2,050 | 1,300 |
| Automobile & Truck Expense | - | - | - | 50 | 500 |
| Postage | - | 17 | - | 100 | 100 |
| Training | 514 | 765 | 995 | 1,900 | 700 |
| Training-Employee HR | 60 | 10 | 5 | 1,234 | 464 |
| Managers Expense | 736 | 1,155 | 535 | 1,000 | 1,000 |
| Employee Relations | - | - | - | - | 1,243 |
| Fuel | - | - | - | 50 | 50 |
| Memberships & Professional Dues | 74 | 100 | 95 | 150 | 70 |
| Additional Water Fees | 237,500 | 95,000 | - | - | - |
| Health & Wellness Program | - | 69 | 27 | 132 | 133 |
| Recruiting Expenses | 138 | 92 | 55 | 1,234 | 994 |
| Computer Hardware | - | 3,043 | 456 | 1,739 | 1,756 |
| Physical Security | - | - | - | - | 583 |
| Software & Support | - | 2,336 | 5,260 | 14,090 | 21,652 |
| Network Communications | - | 549 | 430 | 1,355 | 1,417 |

**San Jacinto River Authority - Raw Water Supply Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Newspaper Ads | - | - | - | 2,500 | 1,800 |
| Phone System-Install, Maintenance, & Changes | - | - | - | 66 | - |
| Landline Telephone Services | - | 380 | 513 | 555 | - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 239,915** | **$ 103,897** | **$ 9,588** | **$ 28,355** | **$ 33,911** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 46,267 | $ 60,117 | $ 29,877 | $ 92,856 | $ 92,554 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 46,267** | **$ 60,117** | **$ 29,877** | **$ 92,856** | **$ 92,554** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 1,144,705** | **$ 761,270** | **$ 414,289** | **$ 1,016,289** | **$ 899,187** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 112,600 | $ 50,583 | $ 3,783 | $ 1,892 | $ - |
| **TOTAL NON-OPERATING EXPENSES** | **$ 112,600** | **$ 50,583** | **$ 3,783** | **$ 1,892** | **$ -** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 1,257,305** | **$ 811,853** | **$ 418,072** | **$ 1,018,181** | **$ 899,187** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 21,538,839** | **$ 23,089,886** | **$ 18,410,039** | **$ 24,492,218** | **$ 22,654,845** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | $ 230,276 | $ 156,339 | $ 55,649 | $ 445,000 | $ - |
| Software | - | - | - | 156 | - |
| Computer Equipment | - | 2,443 | 907 | 3,374 | 2,817 |
| **TOTAL CAPITAL IMPROVEMENTS** | **$ 230,276** | **$ 158,782** | **$ 56,556** | **$ 448,530** | **$ 2,817** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Bond Principal | | | | $ (189,167) | $ - |
| Project Fund Transfers | | | | - | (583,667) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (189,167)** | **$ (583,667)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 21,308,563** | **$ 22,931,103** | **$ 18,353,483** | **$ 23,854,521** | **$ 22,068,361** |

*Actuals intentionally left blank.

**San Jacinto River Authority - Raw Water Supply Project Fund**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ - | $ - | $ - | $ - | $ 98,000 |
| **TOTAL PROFESSIONAL FEES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 98,000** |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 98,000** |
| **TOTAL EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 98,000** |
| **NET REVENUES OVER EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ (98,000)** |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | $ - | $ - | $ - | $ - | $ 452,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 452,000** |
| **OTHER SOURCES (USES)*** | | | | | |
| Operating Transfers | | | | $ - | $ 550,000 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ -** | **$ 550,000** |
| **NET CASH BASIS SOURCES (USES)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

*Actuals intentionally left blank.

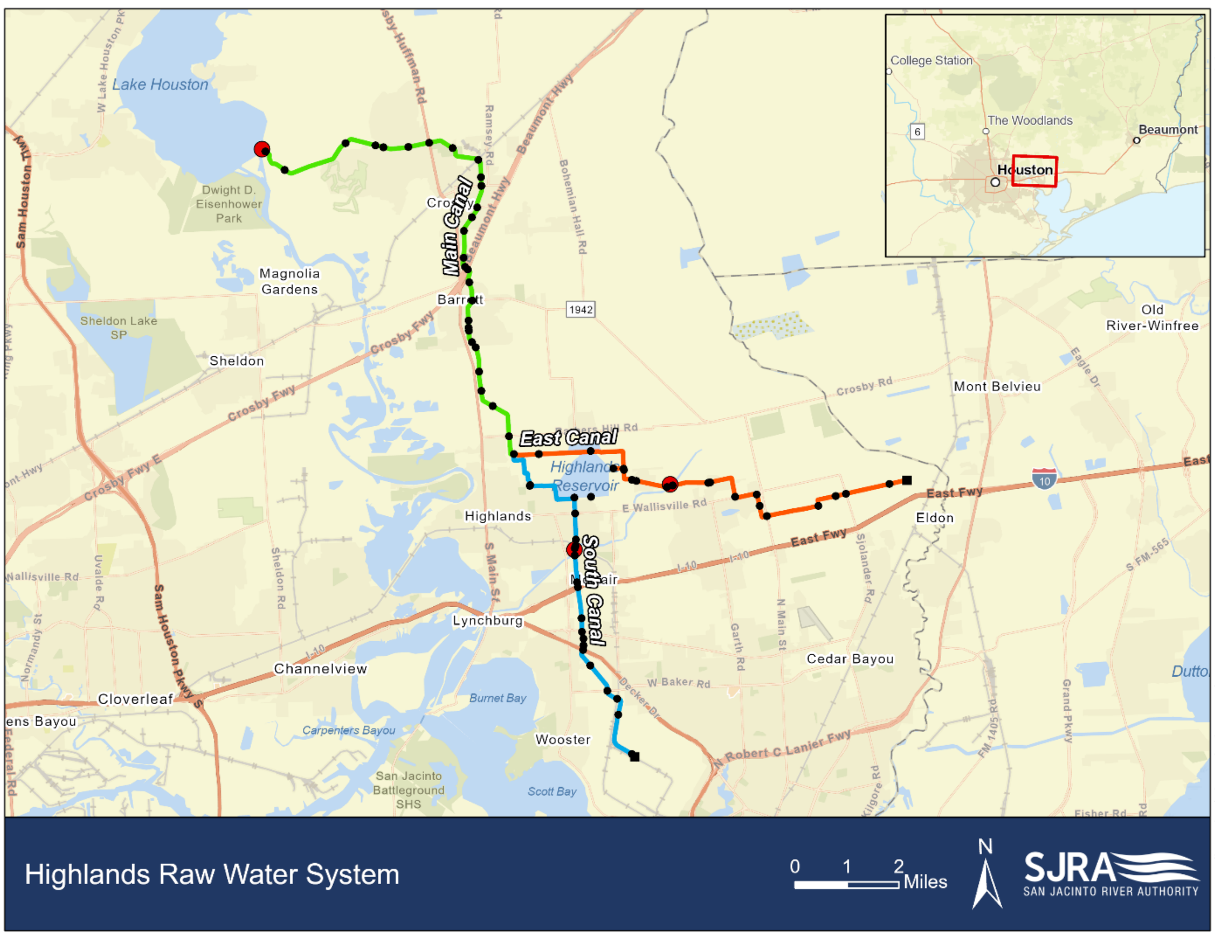
SAN JACINTO RIVER AUTHORITY

# Highlands Division

## HIGHLANDS DIVISION

The Highlands Division operates and maintains the Raw Water System to supply raw water to municipal, industrial, and irrigation customers in eastern Harris County. The original canal system was developed by the Federal Works Agency as part of the industrial build-up during World War II. The Highlands Division was created in the early 1950's when the federal government sold part of the canal system, including only the East Canal to the SJRA. Today the original East Canal is made up of SJRA's Main Canal and South Canal. The Highlands system has been the principal enterprise of the SJRA for more than 75 years. The system now consists of the Lake Houston Pump Station (LHPS), an extensive 27-mile system of canals (Main, East, and South) that includes siphons crossing numerous roads, pipelines, canals, and drainage channels, the 1,400-acre Highlands Reservoir, and two transfer pump stations on the East and South Canals to divert Trinity River water from the Coastal Water Authority's Main Canal into the Highlands canals. The Highlands Division delivers more water each day than all the other operating Divisions combined.

### MAP OF HIGHLANDS RAW WATER SYSTEM – SIPHONS/CROSSINGS AND PUMP STATIONS



***Major Initiatives:*** Several major initiatives to improve the operations of the Highlands system occurred in FY2025 or are planned for FY2026.

1. ***Maintenance Activities:*** The maintenance of the Raw Water System in the Highlands encompasses a comprehensive set of responsibilities designed to ensure system reliability, safety, and operational efficiency. Key activities include:

- **Compliance with Safety Regulations** – Implementing dam and levee safety regulations in accordance with established federal, state, and local standards.
- **Levee and Canal Integrity** – Ensuring canal and reservoir levees remain in optimal operational condition through regular inspection, maintenance, and repairs.
- **Flow Capacity Maintenance** – Preserving the flow capacity of siphons, culverts, and associated structures within the system to support uninterrupted water delivery.
- **Pump Station Equipment Maintenance** – Repairing and replacing equipment at pump stations to ensure continuous and efficient operation.
- **Equipment and Fleet Maintenance** – Maintaining all operational and construction equipment, including fleet and heavy machinery, in reliable and functional condition.
- **Asset Management** – Utilizing the Computerized Maintenance Management System (CMMS) to document, schedule, and track both preventative and corrective maintenance activities across all Division assets.
- **Security Enhancements** – Installing and maintaining gates and fencing throughout the system to enhance security and control access.

2. ***Operational Activities:*** The operation of the Highlands Raw Water System is a continuous, year-round responsibility that requires constant monitoring and timely equipment adjustments to ensure reliable delivery of raw water to customers. This includes overseeing pumping stations, water control gates, and measurement devices, with staff actively using the SCADA system to monitor system performance and make real-time flow and gate control adjustments as needed. Operations also involve close coordination with a wide range of external stakeholders—including customers, vendors, consultants, contractors, utilities, regulatory agencies, law enforcement, and the local community. During emergencies, operations may require activation of on-site power generation and the support of external contractors, particularly during severe weather events. To meet these around-the-clock demands, an on-call schedule is maintained for operations personnel.
3. ***Asset Management:*** The Highlands Division is actively enhancing its asset management practices by revising and expanding its existing program. A key part of this effort is the adoption of the SJRA's Enterprise Asset Management and Computerized Maintenance Management System (EAM/CMMS), which enables comprehensive tracking of assets throughout their lifecycle, supports both preventive and corrective maintenance planning, and helps determine optimal asset replacement timing.

***Capital Improvement and Other Project Plans:*** Each year the Highlands Division conducts risk and condition assessments of their infrastructure. The Highlands Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within the Highlands Project Plan may be funded from the Operations and Maintenance Budget, R&R funds, Interlocal Agreements, and/or in some limited instances from direct customer contributions. Funding for projects typically extends over multiple fiscal years. For FY2026, the following projects are slated for design and/or construction:

| Highlands - Projects | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Siphon 22 Culvert Improvements | Construction | $ 543,000 | R&R |
| Main Canal Imp. - Lake Houston Pump Station to Siphon 6 | Construction | $ 7,526,000 | R&R/Bond/O&M |
| South Canal Levee Imp. Between Siphon 37 and Customer | Construction | $ 2,092,719 | R&R/Bond/Cust. |
| Siphon 39 Improvements | Construction | $ 6,190,324 | R&R |
| East Canal Transfer Pump Station Campus Improvements | Design/Construction | $ 174,000 | R&R |
| Structure 2 Improvements | Design/Construction | $ 1,401,620 | R&R |
| Levee Improvements Between Siphon 7 and Siphon 9 | Design | $ 268,000 | R&R |
| Lake Houston Pump Station Pump & Motor Replacement | Design/Construction | $ 5,259,000 | R&R/Bonds |
| Garth Road Siphon Improvements | Plan/Permit/Design | $ 688,000 | Bonds |
| South Canal Levee Improv. between Structure 3 & Siphon 24 | Design | $ 49,809 | R&R/Bond/O&M |
| South Canal Transfer Pump Station Capacity Improvements | Plan/Permit/Design | $ 2,005,000 | Bonds/Customer |
| Siphon 21 Improvements | Plan/Permitting | $ 161,000 | R&R/Grant |
| Total | | **$ 26,358,472** | |

***Total Indebtedness and Annual Debt Service:*** At August 31, 2024, the Highlands Division currently had $39,375,000 of total indebtedness from bonds related to Highlands projects, made up of the following bond issuances:

- Series 2014 Water Revenue Bonds (Outstanding: $4,005,000; Matures 10/1/39)
- Series 2015 Water Revenue Bonds (Outstanding: $21,835,000; Matures 10/1/39)
- Series 2019A Water Revenue Refunding Bonds (Outstanding: $13,535,000; Matures 10/1/35)

Annual debt service (principal and interest) for FY2026 for the above bond issuances is $3,662,123. Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. The Debt Service Reserve is fully funded for the above bond issuances.

***Staffing Plans:*** The Highlands Division's staffing plan for FY2026 includes 14 direct FTE positions, with no part-time, temporary, or intern positions. In addition to these 14 FTEs, the Highlands Division is allocated 16.84 FTEs for FY2026 from the Lake Conroe and Flood Management Divisions and G&A Departments. Total staff in FY2026 associated with the Highlands Division, direct and allocated, is 30.84 FTEs.

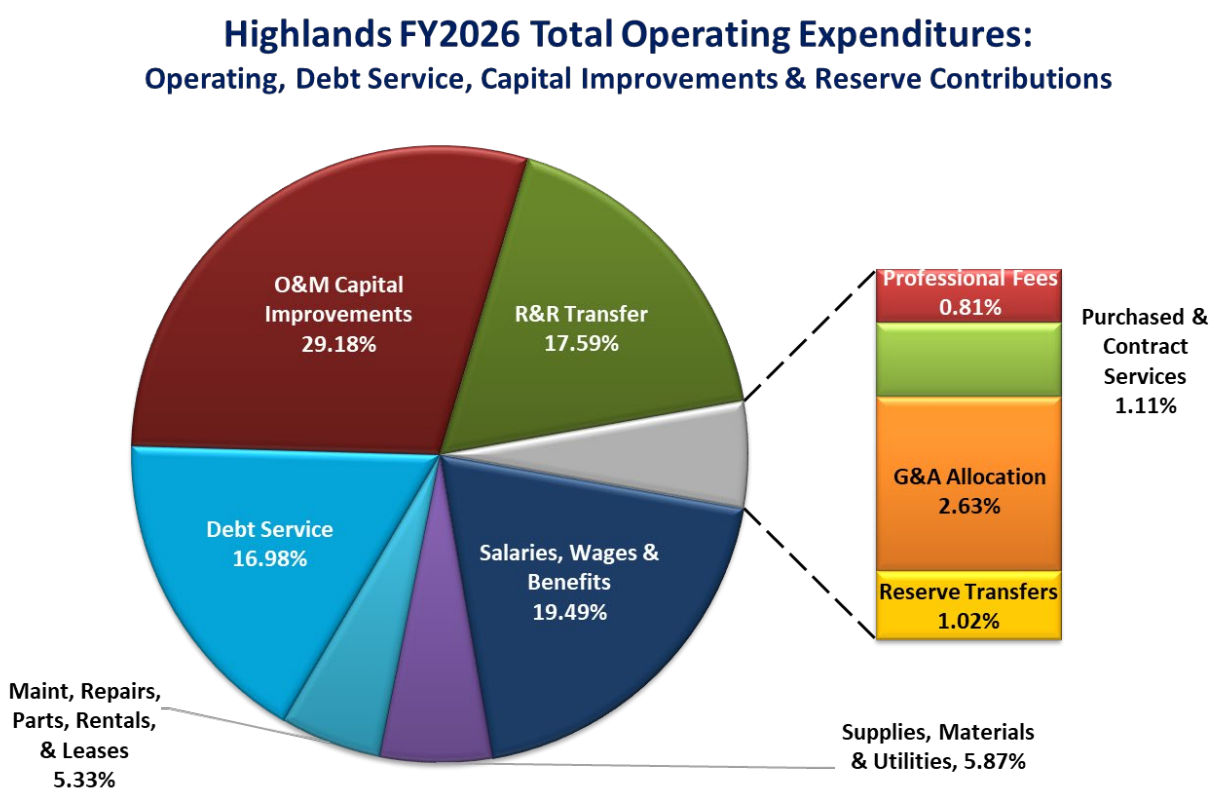
***Revenues:*** The Highlands Division operating budget includes $25,000 for Crossing and Encroachment fees during FY2026. Additionally, Customer Contributions in the amount of $3,005,275 are budgeted to offset portions of Siphon 39 Improvements, South Canal Levee Improvements between Siphon 37 and Customer, and South Canal Transfer Pump Station Capacity Improvements.

***Expenditures:*** The Highlands Division for FY2026 contains regular and customary expenses related to the on-going operation and maintenance of Highland's wholesale Raw Water System. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees

- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (principal and interest)
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (if needed)
- R&R Fund Contributions

Expected total O&M expenditures for the Highlands Division for FY2026, including operating, non-operating, debt service, capital improvements, and any other cash uses, totals $21,573,372. Highlands Division expected R&R Fund operating expenses and capital improvements, totals $15,910,154.




***Fund Balance and Reserves:*** The SJRA's General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division and Flood Management Division.

As approved by the Board of Directors on July 24, 2025, the reserve policy for the Highlands Division utilizes two reserves and an R&R Fund:

1. ***Operating & Rate Stabilization Reserve****:* The Highlands Division Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow and stabilize rates and revenues. The Operating Reserve target for FY2025 for the Highlands Division is set to be an

amount equal to six months of operating expenditures. For FY2025, the Highlands Operating Reserve is at $3,332,708. For FY2026, the Operating Reserve is projected to be under the targeted balance and a contribution of $154,989 of additional funds are budgeted.

2. ***Emergency Reserve**:* The Highlands Division Emergency Reserve was established to provide a full or partial source of funds for unplanned or emergency repair or replacement of SJRA capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance for the General Fund was established to be a total of $11 million, which is based on estimated amounts of $5 million for Lake Conroe, $5 million for the Highlands, and $1 million for the G&A Division with contributions taking place over the next five years to reach the proposed targets. A contribution of $65,000 to the Emergency Reserve is budgeted for FY2026.

3. ***Repair & Replacement (R&R Fund):*** The Highlands Division Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations. The R&R is funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met. A contribution of $3,793,914 to the R&R Fund is budgeted for FY2026.

For FY2026, the net balance between O&M revenues and expenditures for the Highlands Division, including annual debt service and scheduled contributions to the two reserves and R&R Fund, is ($15,601,372). This amount will be covered by the Raw Water Supply revenues, as provided by the Raw Water Enterprise.

**San Jacinto River Authority - Highlands Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | | Actuals FY2023 | | Actuals FY2024 | | Actuals Sept-May FY2025 | | Budget FY2025 | | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Crossing & Encroachment Fees | $ | - | $ | - | $ | - | $ | - | $ | 25,000 |
| Capital Contributions | | 764,228 | | - | | - | | - | | - |
| **TOTAL OPERATING REVENUES** | **$** | **764,228** | **$** | **-** | **$** | **-** | **$** | **-** | **$** | **25,000** |
| | | | | | | | | | | |
| **OTHER REVENUES** | | | | | | | | | | |
| Interest Income | $ | 232,364 | $ | 209,609 | $ | - | $ | - | $ | - |
| Miscellaneous Revenue | | 75,812 | | 1,877 | | 1,754 | | - | | - |
| Other Gains & Losses | | 125,946 | | 40,000 | | - | | - | | - |
| **TOTAL OTHER REVENUES** | **$** | **434,122** | **$** | **251,486** | **$** | **1,754** | **$** | **-** | **$** | **-** |
| | | | | | | | | | | |
| **OPERATING EXPENSES** | | | | | | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | | | | | | |
| Salaries & Wages | $ | 2,592,832 | $ | 2,365,557 | $ | 1,687,606 | $ | 2,930,874 | $ | 2,985,456 |
| Compensated Absences | | 15,694 | | 6,940 | | - | | - | | - |
| Group Insurance | | 435,707 | | 416,951 | | 297,261 | | 675,235 | | 538,807 |
| Group Insurance - Retirees | | (34,771) | | (161,928) | | - | | 50,000 | | 50,000 |
| Group Insurance - Retiree OPEB | | 12,554 | | 13,153 | | 10,332 | | 15,121 | | 15,482 |
| Group Retirement Expense | | 253,521 | | 290,261 | | 200,832 | | 329,190 | | 340,201 |
| Workers Compensation Insurance | | 36,026 | | 27,001 | | 26,626 | | 52,465 | | 35,529 |
| Social Security Taxes | | 182,199 | | 173,722 | | 130,549 | | 218,761 | | 228,387 |
| Employee Benefits Services | | 13,441 | | 12,452 | | 8,856 | | 14,814 | | 11,232 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$** | **3,507,203** | **$** | **3,144,109** | **$** | **2,362,062** | **$** | **4,286,460** | **$** | **4,205,094** |
| | | | | | | | | | | |
| **PROFESSIONAL FEES** | | | | | | | | | | |
| Legal Fees | $ | 13,388 | $ | 9,825 | $ | 5,881 | $ | 17,500 | $ | 5,000 |
| Disclosure Filing | | 500 | | - | | - | | 500 | | 500 |
| Annual Financial Audit | | 11,034 | | 10,499 | | 10,619 | | 14,000 | | 16,800 |
| Arbitrage Rebate Audit | | 3,250 | | - | | 7,295 | | 6,500 | | 3,250 |
| Management Audit | | - | | - | | - | | - | | 11,200 |
| Paying Agent Fees | | 1,500 | | 3,150 | | 1,650 | | 2,475 | | 2,475 |
| Engineering | | 31,893 | | 1,158 | | 13,070 | | 107,500 | | 95,000 |
| Inspections | | 408 | | - | | - | | 2,000 | | 2,200 |
| Staffing Services | | 17,305 | | 661 | | - | | 20,000 | | - |
| Safety Inspections & Testing | | 587 | | 857 | | 1,898 | | 2,000 | | 2,500 |
| Siphon & Pipe Inspections | | 13,276 | | 14,460 | | 22,263 | | 50,000 | | 30,000 |
| Public Relations Consultant | | - | | 10,000 | | - | | - | | - |
| Graphic Design | | 1,250 | | 3,450 | | 2,588 | | 6,000 | | 6,000 |
| **TOTAL PROFESSIONAL FEES** | **$** | **94,390** | **$** | **54,060** | **$** | **65,263** | **$** | **228,475** | **$** | **174,925** |
| | | | | | | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | | | | | | |
| Waste Disposal Services | $ | 21,801 | $ | 8,683 | $ | 7,475 | $ | 18,000 | $ | 18,000 |
| State Fees | | 125 | | 125 | | 128 | | 210 | | 210 |
| Employee Testing- New | | 333 | | 151 | | 310 | | 2,674 | | 1,085 |
| Janitorial Services | | 6,420 | | 6,420 | | 6,888 | | 16,000 | | 16,000 |
| Stream Gauging & Water Quality-USGS | | 16,758 | | 16,800 | | 12,600 | | 16,800 | | 16,800 |
| CWA Water Conveyance | | 113,203 | | 129,678 | | 114,879 | | 120,000 | | 120,000 |
| Trucking | | 2,000 | | 435 | | 450 | | 3,000 | | 3,200 |
| Water Conservation & Public Education | | 11,725 | | 31,220 | | 2,152 | | 55,694 | | 55,694 |
| Website Hosting & Maintenance | | - | | 526 | | - | | 1,743 | | 2,978 |
| Meeting Expenses | | 5,346 | | 4,163 | | 2,895 | | 5,000 | | 5,000 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$** | **177,711** | **$** | **198,201** | **$** | **147,777** | **$** | **239,121** | **$** | **238,967** |
| | | | | | | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | | | | | | |
| Office Supplies & Printing | $ | 2,108 | $ | 2,569 | $ | 2,392 | $ | 5,000 | $ | 5,000 |
| Other Office Expense | | 3,946 | | 2,886 | | 2,875 | | 5,000 | | 5,000 |
| Travel | | 1,078 | | 3,465 | | 1,272 | | 5,000 | | 8,000 |
| Automobile & Truck Expense | | 14,593 | | 24,804 | | 24,723 | | 30,000 | | 30,000 |
| Storm Preparedness & Response | | 66 | | 675 | | 511 | | 2,500 | | 2,500 |
| Postage | | 564 | | 452 | | 480 | | 750 | | 750 |

## San Jacinto River Authority - Highlands Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Property Insurance | 23,871 | 27,558 | 29,820 | 28,947 | 54,379 |
| Auto Insurance | 21,939 | 20,522 | 16,797 | 20,653 | 24,569 |
| Liability Insurance | 10,491 | 10,442 | 7,544 | 12,780 | 14,918 |
| Small Tools Purchases | 4,931 | 3,947 | 490 | 12,500 | 6,000 |
| Training | 9,640 | 5,004 | 6,098 | 35,000 | 35,000 |
| Training-Employee HR | 1,409 | 669 | 1,730 | 13,071 | 4,765 |
| Safety Training | - | - | - | - | 3,015 |
| Managers Expense | 1,580 | 575 | 563 | 2,500 | 2,500 |
| Employee Relations | 4,105 | 5,731 | 2,743 | 6,000 | 18,763 |
| Fuel | 61,184 | 35,591 | 28,891 | 60,000 | 60,000 |
| Uniform Services | 5,648 | 5,636 | 5,244 | 12,000 | 7,000 |
| Supplies | 9,088 | 10,913 | 4,232 | 37,000 | 30,000 |
| Other Operating Expenses | - | 125 | - | - | - |
| Memberships & Professional Dues | 1,269 | 821 | - | 1,000 | 1,000 |
| Signage | 6,610 | 2,805 | - | 15,000 | 15,000 |
| Janitorial Supplies | 181 | 133 | 423 | 2,500 | 2,500 |
| Copier, Scanner & Fax | 7,223 | 3,003 | 1,743 | 3,000 | 3,000 |
| Utilities-Electric | 150,788 | 133,366 | 114,947 | 175,250 | 175,250 |
| Utilities-Natural Gas | 3,552 | 6,559 | 6,467 | 4,000 | 4,000 |
| Utilities-Water | 1,129 | 918 | 617 | 1,500 | 1,500 |
| Utilities-Raw Water | 21,556 | 16,273 | 15,493 | 25,000 | 25,000 |
| Personal Protective Equipment | 5,666 | 3,802 | 4,441 | 9,000 | 9,000 |
| Safety Equipment & Meetings | 4,740 | 2,383 | 6,369 | 22,000 | 14,200 |
| Health & Wellness Program | - | 850 | 121 | 1,394 | 1,361 |
| Recruiting Expenses | 1,433 | 968 | 935 | 13,071 | 10,211 |
| Computer Hardware | 12,639 | 63,564 | 20,235 | 42,712 | 71,739 |
| Physical Security | 12,795 | 15,458 | 11,464 | 17,000 | 55,984 |
| Software & Support | 107,972 | 126,680 | 113,594 | 240,663 | 330,070 |
| Software Maintenance | 29,188 | 32,320 | 26,912 | 52,590 | 54,965 |
| Network Communications | 17,912 | 12,272 | 9,191 | 18,637 | 40,800 |
| Publications & Subscriptions | - | 242 | - | 500 | 500 |
| Newspaper Ads | 2,564 | 3,644 | 1,332 | 6,500 | 6,500 |
| Wireless Devices & Services | 19,385 | 21,152 | 16,807 | 40,200 | 21,825 |
| Phone System-Install, Maintenance, & Changes | 4,149 | 151 | 265 | 2,647 | 2,250 |
| Emergency Operations Communications | 2,770 | 1,723 | 1,034 | 4,800 | 6,000 |
| Landline Telephone Services | 5,740 | 6,179 | 1,062 | 1,380 | 903 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 595,503** | **$ 616,830** | **$ 489,858** | **$ 989,045** | **$ 1,165,717** |
| | | | | | |
| **RENTALS** | | | | | |
| Equipment Rentals | $ 106,868 | $ 66,050 | $ 15,979 | $ 140,000 | $ 100,000 |
| **TOTAL RENTALS** | **$ 106,868** | **$ 66,050** | **$ 15,979** | **$ 140,000** | **$ 100,000** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ 26,786 | $ 63,978 | $ 1,829 | $ 85,000 | $ 66,500 |
| Office, Furniture, & Fixtures | 1,157 | 1,127 | 1,008 | 16,000 | 3,000 |
| Buildings | - | - | 54 | - | - |
| Buildings & Grounds | 18,764 | 68,358 | 47,887 | 76,000 | 36,000 |
| Security System Monitoring | 585 | 360 | 360 | 1,600 | 1,000 |
| Generators | 17,031 | 11,618 | 27,579 | 40,000 | 40,000 |
| Pumps & Motors | - | 825 | - | - | - |
| Machinery, Tools, & Implements | 84,496 | 91,444 | 33,487 | 75,000 | 80,000 |
| Bridges, Culverts, & Siphons | 229,190 | 92,121 | 19,031 | 100,000 | 100,000 |
| Networking and Communications - SCADA | 31,280 | 65,562 | 51,207 | 35,700 | 35,700 |
| Canals, Levees, & Dam Maintenance | 19,145 | 41,796 | 92,485 | 110,000 | 110,000 |
| Invasive Species Management | 5,309 | 7,720 | 19,669 | 60,000 | 80,000 |
| Streets & Roads | 25,000 | 20,000 | 25,000 | 50,000 | 70,000 |
| Lake Houston Pump Station Maintenance & Repairs | 167,390 | 110,331 | 20,483 | 130,000 | 476,000 |
| Bad Debt Expense | - | 173,578 | - | - | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 626,132** | **$ 748,818** | **$ 340,079** | **$ 779,300** | **$ 1,098,200** |

**San Jacinto River Authority - Highlands Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 432,734 | $ 329,226 | $ 174,487 | $ 593,643 | $ 567,431 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 432,734** | **$ 329,226** | **$ 174,487** | **$ 593,643** | **$ 567,431** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 5,540,542** | **$ 5,157,295** | **$ 3,595,505** | **$ 7,256,044** | **$ 7,550,334** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 1,655,366 | $ 1,586,692 | $ 1,137,402 | $ 1,514,523 | $ 1,429,206 |
| Interest Expense - Lease | 5,431 | 4,492 | 2,402 | 3,014 | 1,492 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 1,660,797** | **$ 1,591,184** | **$ 1,139,804** | **$ 1,517,538** | **$ 1,430,699** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 7,201,339** | **$ 6,748,479** | **$ 4,735,309** | **$ 8,773,582** | **$ 8,981,032** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (6,002,988)** | **$ (6,496,993)** | **$ (4,733,555)** | **$ (8,773,582)** | **$ (8,956,032)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Reservoir Improvements | | | | $ 35,000 | $ 35,000 |
| Siphons | | | | 190,000 | 688,000 |
| Pump Station | | | | 4,922,000 | 5,259,000 |
| Other Machinery & Equipment | | | | 120,000 | 140,000 |
| Transportation Equipment | | | | 170,000 | - |
| Security System | | | | - | 120,000 |
| Software | | | | 1,656 | - |
| Computer Equipment | | | | 110,727 | 52,930 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 5,549,383** | **$ 6,294,930** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 5,085,000 | $ 5,947,000 |
| Bond Principal | | | | (2,147,917) | (2,232,917) |
| Lease Principal | | | | (53,642) | (50,590) |
| Operating Reserve | | | | (24,921) | (154,989) |
| Emergency Reserve Transfers | | | | (897,337) | (65,000) |
| Repair and Replacement Transfers | | | | (5,481,063) | (3,793,914) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (3,519,880)** | **$ (350,410)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (6,002,988)** | **$ (6,496,993)** | **$ (4,733,555)** | **$ (17,842,844)** | **$ (15,601,372)** |

*Actuals intentionally left blank.

**San Jacinto River Authority - Highlands Repair and Replacement**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 616,356 | $ 839,533 | $ 494,830 | $ 180,000 | $ 185,000 |
| **TOTAL OTHER REVENUES** | **$ 616,356** | **$ 839,533** | **$ 494,830** | **$ 180,000** | **$ 185,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 895 | $ 10,245 | $ - | $ 70,000 | $ - |
| **TOTAL PROFESSIONAL FEES** | **$ 895** | **$ 10,245** | **$ -** | **$ 70,000** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Canals, Levees, & Dam Maintenance | $ 496,993 | $ 25,244 | $ - | $ - | $ - |
| Lake Houston Pump Station Maintenance & Repairs | - | - | - | 205,000 | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 496,993** | **$ 25,244** | **$ -** | **$ 205,000** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 497,889** | **$ 35,489** | **$ -** | **$ 275,000** | **$ -** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 497,889** | **$ 35,489** | **$ -** | **$ 275,000** | **$ -** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 118,468** | **$ 804,044** | **$ 494,830** | **$ (95,000)** | **$ 185,000** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Land | | | | $ 6,914,199 | $ 8,165,534 |
| Building | | | | 8,111 | - |
| Siphons | | | | 5,763,000 | 7,570,620 |
| Pump Station | | | | 51,890 | 174,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 12,737,199** | **$ 15,910,154** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 13,512,371 | $ 14,744,884 |
| Repair and Replacement Transfers | | | | 5,468,063 | 3,752,994 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 18,980,434** | **$ 18,497,878** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 118,468** | **$ 804,044** | **$ 494,830** | **$ 6,148,235** | **$ 2,772,724** |

*Actuals intentionally left blank.

## San Jacinto River Authority - Highlands Customer Contributions
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capital Contributions | $ - | $ 547,207 | $ - | $ 2,026,801 | $ 3,005,275 |
| **TOTAL OPERATING REVENUES** | **$ -** | **$ 547,207** | **$ -** | **$ 2,026,801** | **$ 3,005,275** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 10,162 | $ 8,367 | $ 13,521 | $ - | $ - |
| **TOTAL OTHER REVENUES** | **$ 10,162** | **$ 8,367** | **$ 13,521** | **$ -** | **$ -** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 10,162** | **$ 555,575** | **$ 13,521** | **$ 2,026,801** | **$ 3,005,275** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Land | | | | $ 1,042,801 | $ 1,000,275 |
| Pump Station | | | | 984,000 | 2,005,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 2,026,801** | **$ 3,005,275** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 10,162** | **$ 555,575** | **$ 13,521** | **$ -** | **$ -** |

*Actuals intentionally left blank.

SAN JACINTO RIVER AUTHORITY

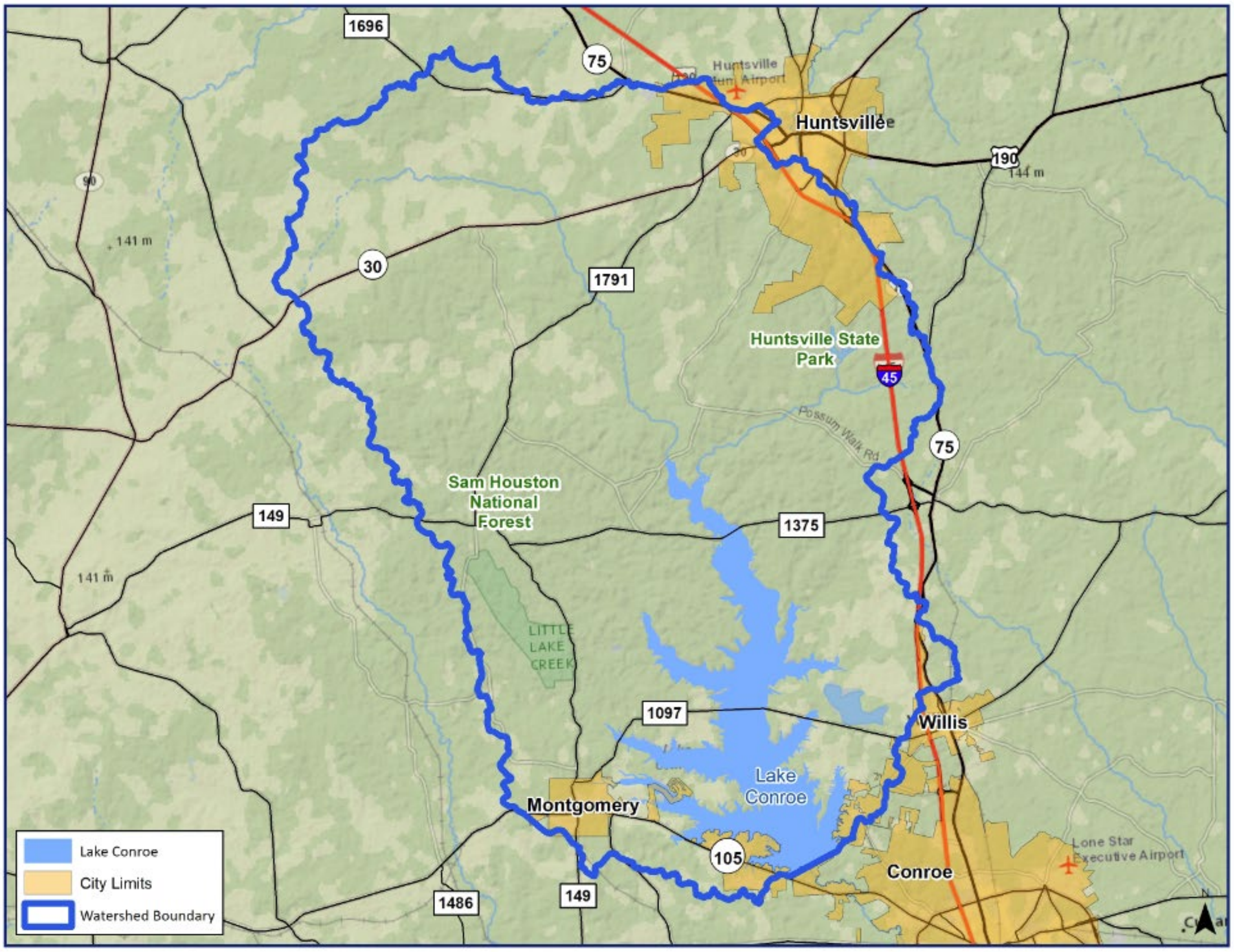
# Lake Conroe Division

# LAKE CONROE DIVISION

The Lake Conroe Division is responsible for managing the resources of the Lake Conroe dam and reservoir. Completed in 1973, Lake Conroe was constructed through a joint venture partnership between the SJRA and the City of Houston and was constructed as a long-term water supply reservoir. The SJRA holds water rights for one-third of the annual permitted yield of Lake Conroe, while the City of Houston holds the other two-thirds of the water rights. As a two-thirds owner in Lake Conroe, the City of Houston reimburses roughly two-thirds of the Lake Conroe Division expenses. The Lake Conroe Division's primary responsibilities are:

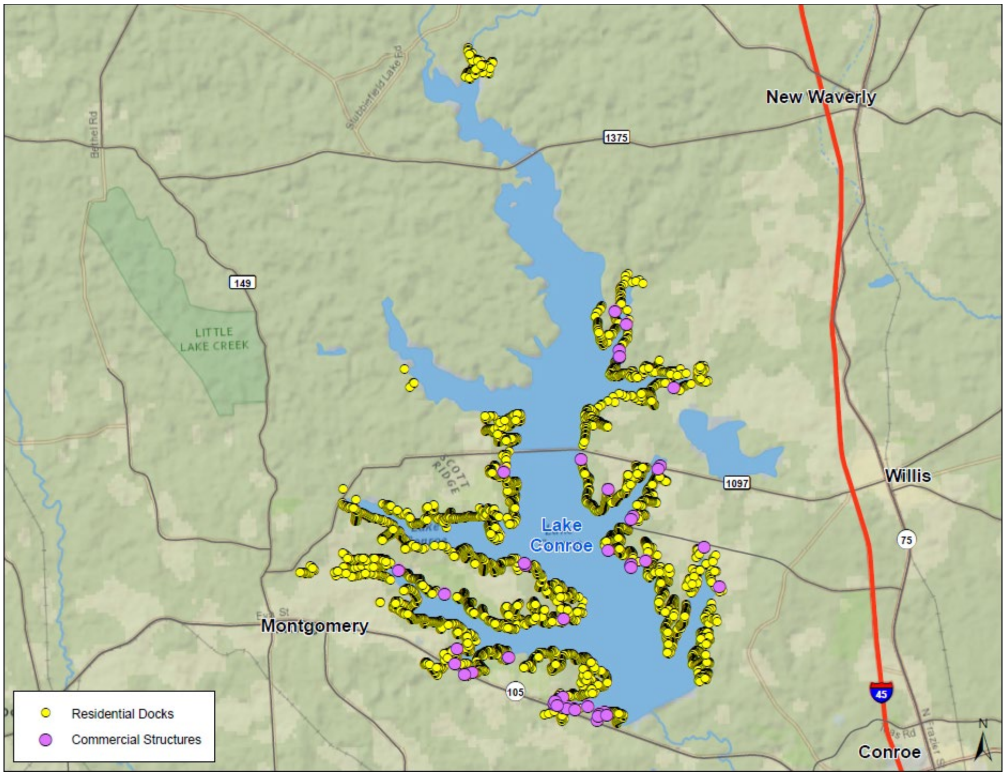
- Operate and maintain the Lake Conroe dam, spillway structure, and service outlet;
- perform water quality initiatives as identified in the Lake Conroe Watershed Protection Plan, including permitting and inspection of on-site sewage systems around Lake Conroe;
- administer licensing programs for residential docks, piers, marinas, commercial operations, all for the purpose of ensuring safe navigation and recreation;
- manage native-vegetation restoration and invasive-vegetation control program;
- construct and deploy artificial fish habitat;
- facilitate zebra mussel monitoring and inspection program;
- monitor the construction of permanent structures and other encroachments onto SJRA lands including the reservoir;
- administer the permanent easement and SJRA owned land encroachment policy; and
- enforce the rules and regulations for the Lake Conroe reservoir.

**MAP OF LAKE CONROE WATERSHED**

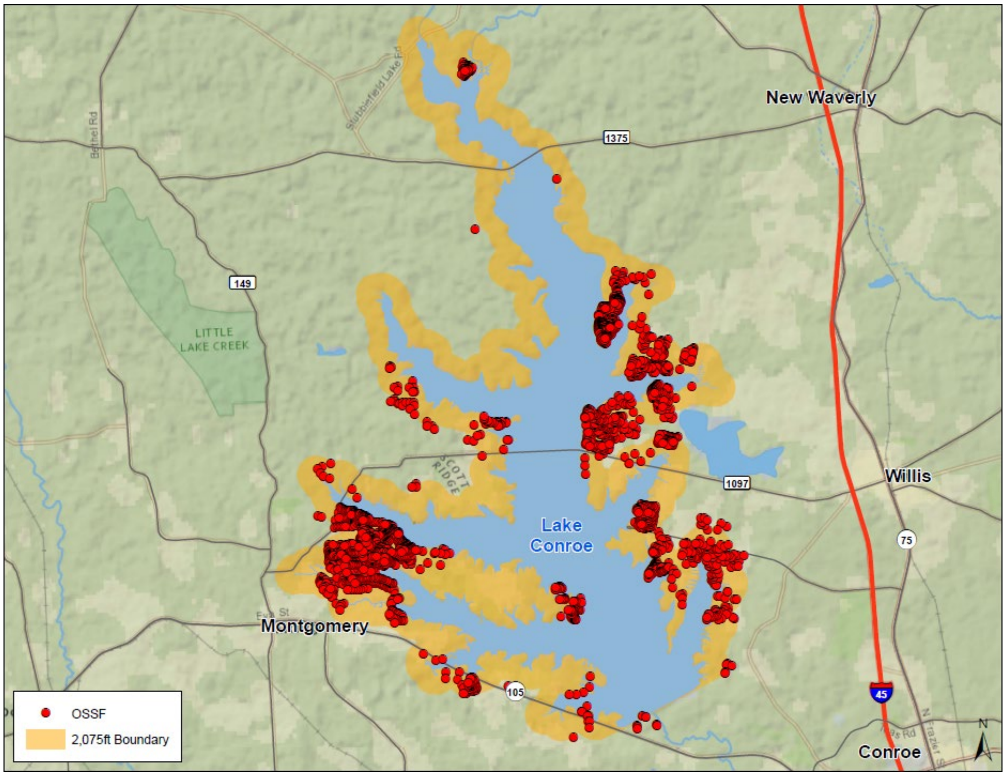



As permitted by the State of Texas, the annual yield of Lake Conroe is 100,000 acre-feet (ac-ft) per year, with the SJRA's portion being 33,333 ac-ft per year and the City of Houston's portion being 66,667 ac-ft per year. Lake Conroe was formed by the creation of a 2.2-mile-long earthen dam and gated spillway on the West Fork of the San Jacinto River. The reservoir covers an area of approximately 20,000 surface acres within Montgomery and Walker Counties. When full (water level at 201 feet above mean sea-level) the reservoir impounds approximately 400,000 ac-ft of water. There are approximately 4,500 commercial and residential dock structures currently permitted on Lake Conroe and 2,500 on-site sewage systems (OSSFs) permitted within a 2,075 feet perimeter around the shoreline of the reservoir.

## MAP OF RESIDENTIAL AND COMMERCIAL DOCKS ON LAKE CONROE



## MAP OF ON-SITE SEWAGE FACILITIES (OSSFS) ON LAKE CONROE




***Major Initiatives:*** Several major initiatives to improve the operations and maintenance of the Lake Conroe Dam occurred in FY2025 or are planned for FY2026.

1. ***Maintenance:*** There is no other task more critical to the Lake Conroe Division than maintenance of the dam, and its associated appurtenances. Major components include the earthen embankment, dam crest roadway, primary spillway, service outlet, sub-surface drainage systems, and numerous other components comprising the dam system. A well maintained and properly functioning dam system is critical to preserving SJRA's portfolio of raw water rights in the San Jacinto River Basin. The team practices asset best practices, including the use of a computerized maintenance management system, to complete and document its preventative and corrective maintenance activities on all Division assets.

2. ***Spillway Gate Operations:*** Safe operation of the Lake Conroe dam spillway system is vital to maximizing SJRA's water rights in Lake Conroe, as well as transporting water via the bed and banks of the San Jacinto River to Lake Houston. Safe operations also help protect against loss of life and severe economic loss that could accompany dam failure. Staff continuously monitor weather conditions, various hydrologic parameters of tributaries to Lake Conroe, and stand ready to initiate operations any time the water surface elevation in Lake Conroe rises above 201' mean sea-level.

3. ***Licensing and Permitting:*** The Division administers numerous licensing and permitting programs in, on, and around Lake Conroe. Programs include residential boat docks/slips/piers, residential irrigation, on-site sewage facilities, marinas, retail enterprises, construction, shoreline bulkheads, and dredging activities.

4. ***Water Quality and Aquatic Plant Management:*** Lake Conroe is not only a primary drinking water source for the region, but it also serves as a popular recreational destination for the greater Houston area. Residents and visitors enjoy the lake for angling, motorized water sports, swimming, and many other recreational activities. For these reasons, staff endeavor to preserve the water quality in the lake by executing the initiatives outlined in the Lake Conroe Watershed Protection Plan. Staff also manage a robust aquatic plant management program aimed at controlling non-native and invasive species while encouraging an abundance of native plants that support the overall health of the fishery and ecosystem.

5. ***Land Management:*** SJRA owns the land beneath Lake Conroe below water surface elevation 201' mean sea-level. In addition, SJRA holds various types of easements associated with lands above 201' mean sea-level. It is the Division's responsibility to ensure that private use of these public lands/easements complies with state law, encroachment policy, and Board policy.

***Capital Improvement and Other Project Plans:*** Each year the Lake Conroe Division conducts risk assessments and evaluations of their infrastructure. The Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within Lake Conroe's Project Plan for FY2026 are to be funded from R&R funds and may extend over multiple fiscal years. The Lake Conroe Division included the following projects in the FY2026 budget for design and/or construction:

| **Lake Conroe - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Maintenance Facilities Improvements | Construction | $ 229,492 | R&R |
| Lake Conroe Campus Pavement Improvements | Construction | $ 228,160 | R&R |
| Lake Conroe Diversion Rate Amendment | Plan/Permitting | $ 101,000 | R&R |
| Total | | **$ 558,652** | |

**Total Indebtedness and Annual Debt Service:** The Lake Conroe Division does not have any indebtedness as of FY2025 and has no plans for future indebtedness in FY2026 or beyond.

***Staffing Plans:*** The Lake Conroe Division's staffing plan for FY2026 includes 13 direct FTE positions, with no part-time, temporary, or intern positions. Of these 13 direct FTE positions, Lake Conroe allocates 1.35 FTEs to other Divisions, leaving 11.65 FTEs allocated directly to Lake Conroe. In addition to these 11.65 FTEs, the Division is allocated 13.22 FTEs for FY2026 from G&A Departments. The net total FY2026 FTEs associated with the Lake Conroe Division, direct and allocated, is 24.87 FTEs.

***Revenues:*** Since the City of Houston is a two-thirds partner with the SJRA in the annual operation and maintenance of Lake Conroe, the City of Houston's two-thirds reimbursement of normal and customary

O&M expenses for FY2026 is $5,067,313. In addition to the customary O&M expenses, the City of Houston's two-thirds reimbursement of Repair and Replacement fund projects is $123,199.

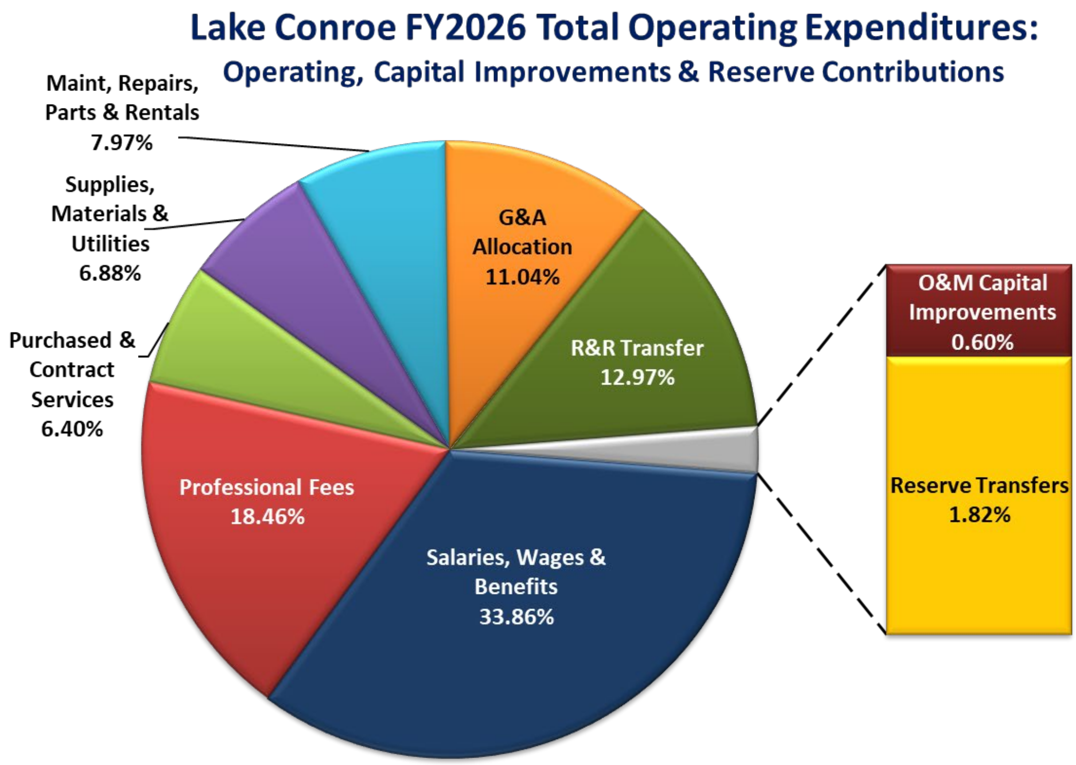
Additionally, the Lake Conroe Division issues licenses for commercial businesses operating on the lake, permits for commercial and residential docks, and permits for the installation of OSSFs. Annual permits are required for all boat docks on Lake Conroe. The Division forecasts the number and size of commercial and residential docks each year based on historical permits. Dock fees are expected to remain the same for FY2026 at $0.188 per square-foot. Revenue from dock fees and other residential and commercial licensing and permitting activities on the lake is projected to be $1,191,870. In accordance with TCEQ rules, any installation of an OSSF within 2,075 feet of the reservoir shoreline requires a permit from the SJRA. Revenue generated by OSSF permits is forecasted to be $20,600 for FY2026. Additionally, Crossing and Encroachment fees in the amount of $50,000 is budgeted for FY2026.

Expected total revenues for the Lake Conroe Division for FY2026 totals $6,629,783.

***Expenditures:*** The Lake Conroe Division for FY2026 contains regular and customary expenses related to the on-going operation and maintenance of the Lake Conroe reservoir. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (if needed)
- R&R Fund Contributions

Expected total O&M expenditures for the Lake Conroe Division for FY2026, including operating, capital improvements (including City of Houston's two-thirds reimbursement for capital improvements), and any other cash uses, totals $10,544,267. Lake Conroe expected R&R Fund operating expenses and capital improvements, totals $337,349.




***Fund Balance and Reserves:*** The SJRA's General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division.

As approved by the Board of Directors on July 24, 2025, the reserve policy for the Lake Conroe Division utilizes two reserves and an R&R Fund: It should be noted that the two reserves for Lake Conroe are based on the SJRA's one-third portion of the Lake Conroe Division excluding the City of Houston's two-thirds portion.

1. ***Operating & Rate Stabilization Reserve****:* The Lake Conroe Division Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow and stabilize rates and revenues. The Operating Reserve target for FY2024 for the Lake Conroe Division was set to be an amount equal to six months of operating expenditures. For FY2025, the Lake Conroe Operating Reserve is at $1,288,492. For FY2026, the Operating Reserve is projected to be under the targeted balance and a contribution of $56,521 of additional funds are budgeted.

2. ***Emergency Reserve****:* The Lake Conroe Division Emergency Reserve was established to provide a full or partial source of funds for unplanned or emergency repair or replacement of SJRA capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance for the General Fund was established to be a total of $11 million, which is based on estimated amounts of $5 million for Lake Conroe, $5 million for the Highlands, and $1 million for

the G&A Division with contributions taking place over the next five years to reach the proposed targets. A contribution of $135,000 to the Emergency Reserve is budgeted for FY2026.

3. ***Repair & Replacement (R&R Fund):*** The Lake Conroe Division Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations. It is, funded annually through the pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met. A contribution of $1,368,109 to the R&R Fund is budgeted for FY2026.

For FY2026, the net balance between O&M revenues and expenditures for the Lake Conroe Division, including scheduled contributions to any of the two reserves and an R&R Fund, is ($4,214,484). This amount will be covered by the Raw Water Supply revenues, as provided by the Raw Water Enterprise.

## San Jacinto River Authority - Lake Conroe Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Wastewater Treatment Fees | $ - | $ - | $ 8,073 | $ - | $ - |
| Permits, Licenses, & Fees - Residential | 731,977 | 780,532 | 524,233 | 723,621 | 723,621 |
| Permits, Licenses & Fees - Commercial | 459,474 | 487,182 | 327,036 | 468,249 | 468,249 |
| Crossing & Encroachment Fees | - | - | - | - | 50,000 |
| Septic Tank Licenses | 13,660 | 9,540 | 10,780 | 20,600 | 20,600 |
| City of Houston Share of Lake Conroe Operations | 3,047,786 | 3,462,969 | 2,434,085 | 4,772,634 | 5,067,313 |
| Other Operating Revenue | - | - | 70 | - | - |
| Capital Contributions | - | - | 38,600 | - | - |
| **TOTAL OPERATING REVENUES** | **$ 4,252,897** | **$ 4,740,224** | **$ 3,342,878** | **$ 5,985,104** | **$ 6,329,783** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 1,655 | $ 921 | $ - | $ - | $ - |
| Land Use Agreements | - | - | - | 5,890 | - |
| Miscellaneous Revenue | 78,875 | 40,283 | 2,005 | - | - |
| Proceeds From Sale Of Assets | - | - | 3,956 | - | - |
| Other Gains & Losses | 6,655 | 8 | - | - | - |
| Fines | 7,288 | 8,149 | 15,075 | - | - |
| **TOTAL OTHER REVENUES** | **$ 94,474** | **$ 49,362** | **$ 21,036** | **$ 5,890** | **$ -** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 2,236,883 | $ 2,212,946 | $ 1,803,377 | $ 2,475,976 | $ 2,497,100 |
| Compensated Absences | 7,430 | 6,736 | - | - | - |
| Group Insurance | 508,009 | 496,215 | 371,858 | 622,282 | 490,234 |
| Group Insurance - Retirees | (65,181) | (161,299) | - | 50,000 | 50,000 |
| Group Insurance - Retiree OPEB | 24,581 | 22,522 | 15,498 | 30,242 | 23,223 |
| Group Retirement Expense | 242,411 | 312,711 | 225,946 | 283,823 | 287,284 |
| Workers Compensation Insurance | 21,458 | 22,420 | 25,755 | 34,601 | 22,100 |
| Social Security Taxes | 152,443 | 158,158 | 128,106 | 183,651 | 191,028 |
| Employee Benefits Services | 12,954 | 11,402 | 7,344 | 12,251 | 8,966 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 3,140,989** | **$ 3,081,812** | **$ 2,577,883** | **$ 3,692,825** | **$ 3,569,935** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 708,467 | $ 729,198 | $ 404,032 | $ 1,550,000 | $ 1,565,000 |
| Legal Fees-Enforcement | 26,462 | 220 | - | 25,000 | 30,000 |
| Annual Financial Audit | 14,188 | 13,500 | 13,655 | 18,000 | 21,600 |
| Management Audit | - | - | - | - | 8,700 |
| Engineering | 13,624 | 30,145 | 7,296 | 87,500 | 305,000 |
| Inspections | 1,920 | 3,350 | - | 3,840 | 6,700 |
| Staffing Services | 4,326 | 298 | - | 10,000 | - |
| Safety Inspections & Testing | 2,549 | 6,483 | - | 6,500 | 3,500 |
| Public Relations Consultant | - | 10,000 | - | - | - |
| Graphic Design | 2,500 | 3,450 | 2,588 | 6,000 | 6,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 774,036** | **$ 796,644** | **$ 427,571** | **$ 1,706,840** | **$ 1,946,500** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Waste Disposal Services | $ 8,188 | $ 8,903 | $ 7,642 | $ 7,500 | $ 7,500 |
| State Fees | 370 | 280 | 278 | 1,000 | 750 |
| Patrolling & Security Services | 305,321 | 184,595 | 112,494 | 470,000 | 450,000 |
| Employee Testing- New | 228 | - | 331 | 2,144 | 1,068 |
| Janitorial Services | 13,500 | 12,449 | 11,250 | 11,600 | 14,200 |
| Stream Gauging & Water Quality-USGS | 134,825 | 155,592 | 108,712 | 138,400 | 143,450 |
| Water Conservation & Public Education | 11,075 | 28,530 | 9,209 | 55,694 | 55,694 |
| Website Hosting & Maintenance | - | 437 | - | 1,441 | 2,377 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 473,506** | **$ 390,786** | **$ 249,916** | **$ 687,779** | **$ 675,039** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 3,856 | $ 2,651 | $ 1,840 | $ 5,160 | $ 2,300 |
| Other Office Expense | 1,714 | 1,924 | - | - | - |

**San Jacinto River Authority - Lake Conroe Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Travel | 11,361 | 12,621 | 12,662 | 21,785 | 29,095 |
| Automobile & Truck Expense | 23,028 | 15,247 | 22,272 | 25,500 | 35,000 |
| Storm Preparedness & Response | - | 1,653 | 82 | 4,000 | 4,000 |
| Postage | 14,900 | 12,231 | 6,799 | 15,100 | 20,000 |
| Property Insurance | 12,673 | 16,067 | 12,596 | 15,396 | 18,422 |
| Auto Insurance | 12,465 | 12,463 | 10,076 | 13,610 | 14,406 |
| Liability Insurance | 9,349 | 9,411 | 5,939 | 11,527 | 11,349 |
| Small Tools Purchases | - | 1,121 | - | - | - |
| Training | 10,972 | 12,473 | 8,134 | 14,786 | 13,400 |
| Training-Employee HR | 1,059 | 206 | 457 | 10,809 | 3,804 |
| Safety Training | - | - | - | - | 1,471 |
| Managers Expense | 5,659 | 3,443 | 2,065 | 5,000 | 5,000 |
| Employee Relations | - | - | - | - | 15,189 |
| Fuel | 35,395 | 41,877 | 23,408 | 82,000 | 55,000 |
| Uniform Services | 4,745 | 3,662 | 4,496 | 3,800 | 5,000 |
| Lab Supplies | 1,184 | 2,262 | 617 | 8,470 | 15,000 |
| Supplies | 2,286 | 4,028 | 2,192 | 8,500 | 12,650 |
| Memberships & Professional Dues | 1,181 | 616 | 1,017 | 2,527 | 2,700 |
| Signage | 458 | 1,244 | 185 | 2,100 | 2,100 |
| Janitorial Supplies | 1,332 | 367 | 45 | 2,100 | 2,100 |
| Copier, Scanner & Fax | 5,200 | 4,692 | 3,226 | 3,400 | 5,000 |
| Utilities-Electric | 21,766 | 24,660 | 23,557 | 25,000 | 25,000 |
| Utilities-Natural Gas | 1,100 | 1,726 | 865 | 2,000 | 2,000 |
| Utilities-Water | - | 7,648 | 2,693 | - | - |
| Personal Protective Equipment | 3,859 | 2,762 | 2,232 | 7,350 | 5,150 |
| Safety Equipment & Meetings | 4,608 | 1,491 | 1,761 | 15,500 | 5,500 |
| Health & Wellness Program | - | 707 | - | 1,153 | 1,087 |
| Recruiting Expenses | 1,029 | 824 | 507 | 10,809 | 8,151 |
| Computer Hardware | 4,683 | 60,821 | 24,539 | 29,227 | 44,000 |
| Physical Security | 15,326 | - | 7,624 | 17,000 | 44,777 |
| Software & Support | 132,128 | 140,325 | 89,697 | 209,732 | 262,511 |
| Software Maintenance | 1,211 | 1,858 | 2,652 | 4,610 | 4,044 |
| Network Communications | 6,726 | 7,416 | 8,047 | 11,855 | 11,624 |
| Newspaper Ads | 100 | 2,388 | 3,444 | 3,900 | 3,900 |
| Wireless Devices & Services | 15,011 | 14,332 | 11,540 | 24,300 | 26,100 |
| Phone System-Install, Maintenance, & Changes | 5,159 | 126 | 220 | 2,266 | 2,250 |
| Emergency Operations Communications | - | - | - | 1,800 | 4,800 |
| Landline Telephone Services | 8,893 | 10,334 | 8,195 | 8,034 | 1,818 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 380,416** | **$ 437,674** | **$ 305,681** | **$ 630,107** | **$ 725,698** |
| | | | | | |
| **RENTALS** | | | | | |
| Equipment Rentals | $ 11,648 | $ 16,824 | $ 9,939 | $ 25,000 | $ 30,000 |
| Office Rent | 25,206 | 25,206 | 21,425 | 28,566 | 25,666 |
| Rent-U.S. Forest Lands | 18,089 | 16,697 | 12,523 | 17,000 | 20,000 |
| **TOTAL RENTALS** | **$ 54,943** | **$ 58,727** | **$ 43,887** | **$ 70,566** | **$ 75,666** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ 25,480 | $ 15,416 | $ 23,801 | $ 47,800 | $ 33,800 |
| Office, Furniture, & Fixtures | 410 | 405 | - | 1,500 | 3,500 |
| Buildings | - | 1,011 | - | - | - |
| Buildings & Grounds | 33,832 | 100,777 | 37,577 | 80,000 | 85,000 |
| Generators | 2,105 | 11,938 | 16,733 | 8,000 | 8,300 |
| Machinery, Tools, & Implements | 36,356 | 34,029 | 20,240 | 38,300 | 40,000 |
| Boat Maintenance & Repairs | 6,473 | 1,728 | 7,332 | 15,000 | 16,000 |
| Laboratory Equipment | - | 515 | 1,657 | - | - |
| Networking and Communications - SCADA | - | 494 | - | 900 | 900 |
| Dam Maintenance | 41,990 | 39,109 | 70,097 | 190,000 | 390,000 |
| Clearing | - | 7,800 | - | - | - |
| Hazardous Debris Management | 13,136 | 5,603 | 19,255 | 15,000 | 30,000 |
| Invasive Species Management | 79,782 | 87,387 | 89,541 | 100,000 | 105,000 |

# San Jacinto River Authority - Lake Conroe Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Streets & Roads | 29,762 | - | - | 20,000 | 20,000 |
| Ayer Island Maint & Repair | - | 460 | - | 20,000 | 20,000 |
| Lake Conroe Park Maint & Repair | - | 23 | - | - | - |
| Fencing | - | 48 | 681 | - | - |
| Security Repairs | 15,607 | 7,302 | 711 | 25,000 | 12,000 |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 284,933** | **$ 314,046** | **$ 287,624** | **$ 561,500** | **$ 764,500** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 773,457 | $ 761,258 | $ 583,827 | $ 1,102,443 | $ 1,163,601 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 773,457** | **$ 761,258** | **$ 583,827** | **$ 1,102,443** | **$ 1,163,601** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 5,882,281** | **$ 5,840,947** | **$ 4,476,389** | **$ 8,452,061** | **$ 8,920,939** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 5,882,281** | **$ 5,840,947** | **$ 4,476,389** | **$ 8,452,061** | **$ 8,920,939** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (1,534,910)** | **$ (1,051,361)** | **$ (1,112,475)** | **$ (2,461,067)** | **$ (2,591,157)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Dam & Appurtenances | | | | $ 64,000 | $ - |
| Other Machinery & Equipment | | | | 163,000 | 85,000 |
| Transportation Equipment | | | | 54,000 | - |
| Software | | | | 1,369 | - |
| Computer Equipment | | | | 29,546 | 106,095 |
| City of Houston's 2/3 Portion of Fixed Assets | | | | (207,943) | (127,397) |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 103,972** | **$ 63,698** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Operating Reserve | | | | $ (347,517) | $ (56,521) |
| Emergency Reserve Transfers | | | | - | (135,000) |
| Repair and Replacement Transfers | | | | (1,558,639) | (1,368,109) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (1,906,156)** | **$ (1,559,630)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (1,534,910)** | **$ (1,051,361)** | **$ (1,112,475)** | **$ (4,471,195)** | **$ (4,214,484)** |

*Actuals intentionally left blank.

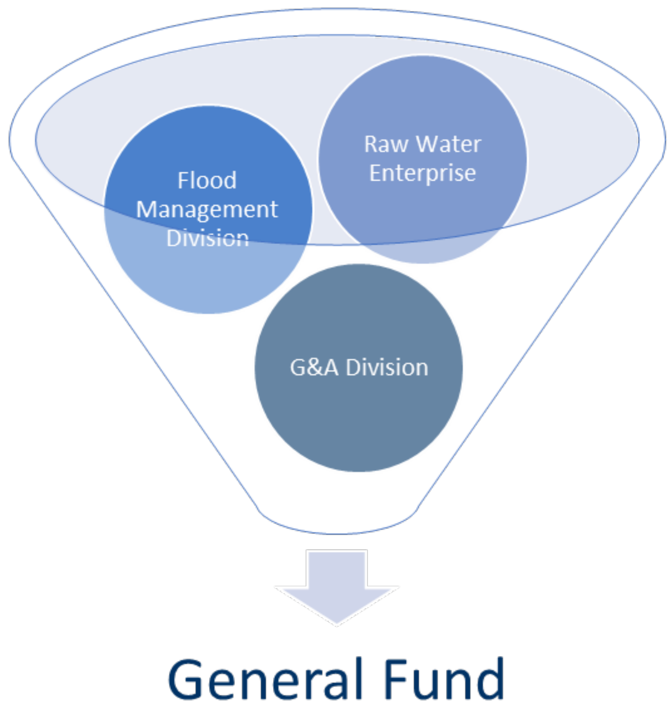
# San Jacinto River Authority - Lake Conroe Repair and Replacement
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| City of Houston Share of Lake Conroe Operations | $ 137,215 | $ 63,942 | $ 393,996 | $ 267,000 | $ 123,199 |
| **TOTAL OPERATING REVENUES** | **$ 137,215** | **$ 63,942** | **$ 393,996** | **$ 267,000** | **$ 123,199** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 115,256 | $ 260,781 | $ 156,018 | $ 36,000 | $ 36,000 |
| **TOTAL OTHER REVENUES** | **$ 115,256** | **$ 260,781** | **$ 156,018** | **$ 36,000** | **$ 36,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 42,849 | $ 32,659 | $ 33,537 | $ - | $ 101,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 42,849** | **$ 32,659** | **$ 33,537** | **$ -** | **$ 101,000** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Stream Gauging & Water Quality-USGS | $ 32,000 | $ - | $ - | $ - | $ - |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 32,000** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Newspaper Ads | $ - | $ - | $ 100 | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ -** | **$ 100** | **$ -** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Dam Maintenance | $ 121,381 | $ 9,707 | $ - | $ 190,000 | $ - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 121,381** | **$ 9,707** | **$ -** | **$ 190,000** | **$ -** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 53,513 | $ 53,547 | $ 358,129 | $ 400,500 | $ 83,798 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 53,513** | **$ 53,547** | **$ 358,129** | **$ 400,500** | **$ 83,798** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 249,743** | **$ 95,913** | **$ 391,766** | **$ 590,500** | **$ 184,798** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 249,743** | **$ 95,913** | **$ 391,766** | **$ 590,500** | **$ 184,798** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 2,728** | **$ 228,810** | **$ 158,248** | **$ (287,500)** | **$ (25,599)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | | | | $ - | $ 228,160 |
| Building | | | | 2,580,000 | 229,492 |
| Streets & Roads | | | | 90,000 | - |
| City of Houston's 2/3 Portion of Fixed Assets | | | | (1,780,000) | (305,101) |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 890,000** | **$ 152,551** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 3,639,628 | $ 2,028,214 |
| Repair and Replacement Transfers | | | | 1,557,939 | 1,365,909 |
| Operating Fund Transfers | | | | - | 33,667 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 5,197,567** | **$ 3,427,789** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 2,728** | **$ 228,810** | **$ 158,248** | **$ 4,020,067** | **$ 3,249,639** |

*Actuals intentionally left blank.

## RAW WATER ENTERPRISE SUMMARY

Collectively the Raw Water Enterprise (made up of the Raw Water Supply, the Highlands and Lake Conroe Divisions), the Flood Management Division, and any remaining expenses from the General and Administration (G&A) Division that are not otherwise allocated to other Divisions, make up the General Fund for the San Jacinto River Authority.




| | Proposed FY2026 Budget |
|---|---|
| Raw Water Supply | $ 22,068,361 |
| Highlands Division | (15,601,372) |
| Flood Management Division | (1,236,307) |
| General & Administration Division | (1,360,700) |
| Lake Conroe | (4,214,484) |
| Lake Conroe R&R Fund G&A Allocation | (83,798) |
| Lake Conroe R&R Fund City of Houston Share | 428,300 |
| **General Fund Net Cash Sources (Uses)** | **$ -** |

## SJRA FY2026 Raw Water Enterprise Risk Management – July 2025

| Risk | Probability | Management Method |
|---|---|---|
| **Revenue** | | |
| Revenue from raw water sales and reservations less than projected | Low | • Long-term raw water supply contracts for industrial and most municipal users are currently take-or-pay, therefore limited risk. |
| Revenue from docks, marinas, OSSFs, etc. permitting/licensing less than projected | Low | • Collection rate in budget assumed at 95%.<br>• If licensed facilities are damaged and unusable due to storm events, we offer owners the opportunity to defer licensing fees until the facility is repaired.<br>• Fees are a relatively small portion of projected revenues for the Raw Water Enterprise. |
| Delayed payments from large raw water customers | Low | • Billing collection process in place to identify late payments and work with customers to obtain payments.<br>• Working Capital Reserve Funds available to cover shortfalls. |
| **Labor (Staffing)** | | |
| Inability to recruit and retain qualified, motivated staff | High | • Conducting annual research regarding competitive compensation and benefits, including health benefits.<br>• Offering flexible work hours and schedules. |
| **Professional, Construction and Miscellaneous Services** | | |
| Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services | Low | • SJRA staff in key management positions to oversee/ drive progress for timely completion.<br>• Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk for professional services.<br>• All contracts contain termination clauses.<br>• All engineering professional services contracts are work order based which only authorize work one phase at a time allowing opportunity to adjust services provided.<br>• Standardization of construction contract front-end documents and specifications.<br>• Use Competitive Sealed Proposals (CSP) method for obtaining qualified and experienced contractors for performing all major construction. |
| Limited numbers of qualified firms resulting in high proposed costs for construction services | Low | • Maintain adequate Contingency Funds in project construction cost estimates for projects with a high degree of difficulty or requiring technical expertise.<br>• Purchasing is making concerted efforts to interest more qualified construction contractors in SJRA projects. |

| Risk | Probability | Management Method |
|---|---|---|
| | | • Use of CSP method allows negotiation and Value Engineering analysis with selected contractors when appropriate. |
| **Operations and Maintenance Costs** | | |
| Operations costs greater than budgeted | Low | • Operations costs based on historic expenditures with reasonable contingency.<br>• Commodity costs such as fuel and power are susceptible to spikes in prices, and are therefore estimated conservatively.<br>• Extreme events, such as a hurricane occurring in the area, are included in contingency plans.<br>• Operating & Rate Stabilization Reserve Funds are available. |
| Failure of, or damages to, a key system component requiring immediate repair and/or increased maintenance costs greater than budgeted for Highlands Division | Medium | • Most facilities in Highlands have been in service 60 or more years; therefore, a comprehensive assessment of the Highlands system components that are in need of repair/rehabilitation has been used to prioritize and develop a phased capital improvement program (CIP). System rates are adjusted regularly to fund the necessary improvements using cash and appropriate bond revenues.<br>• Emergency Reserve Funds are available for critical and immediate repair of failed system components.<br>• A methodical asset management program that includes preventative maintenance of all key components is scheduled within a computerized maintenance management system. Many components of the system can be maintained and repaired with in-house staff and equipment. |
| Failure of a key system component requiring immediate repair and/or maintenance costs greater than budgeted for Lake Conroe Division | Medium | • Lake Conroe dam has been in service for over 50 years. A dam safety inspection is conducted every five years and any deficiencies are identified and prioritized in a recommended CIP. System rates are adjusted regularly to fund any critical improvements using operating funds.<br>• Emergency Reserve Funds are available for critical and immediate repair of failed system components.<br>• A methodical asset management program that includes preventative maintenance of all key components is scheduled within a computerized maintenance management system. Many components of the system can be maintained and repaired with in-house staff and equipment. |

| Risk | Probability | Management Method |
|---|---|---|
| USDA/US Forest Service Special Use Permit to inundate roughly 5,000 surface acres of land for storing water in Lake Conroe | High | • Proposed exponential increase in Special Use Permit fee is unfundable without significant impact to rates.<br>• Exhaust every avenue available to negotiate a more reasonable Special Use Permit fee. |
| **Capital Outlay** | | |
| Project Plan project costs greater than budgeted | Medium | • Annual 10-Year Project Plan process considers estimated cost increases.<br>• SJRA staff in key management positions to oversee/ drive progress for most timely completion.<br>• Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk.<br>• Phased execution of construction projects allows a modification to project plans prior to commitment of funds.<br>• Commodity costs such as fuel and construction materials are susceptible to spikes in prices; therefore, these costs are estimated conservatively. |
| Harris County and TxDOT continue to implement roadway improvements over/through SJRA Highlands Division siphons and Flood Management flood gauge locations | High | • SJRA staff meets periodically with TxDOT and Harris County to discuss infrastructure planning and schedule for proposed roadway improvements. Project plan projects can sometimes be shifted to address the scheduled roadway improvements, especially if roadway agency funding is available to offset the accelerated cost. |
| Existing or new customers require additional water supply which exceeds the available supplies of the SJRA or the delivery capacity of the current system | Medium | • The SJRA developed a long-term raw water master plan for development of additional permanent supplies for the RWE over a 50-year timeframe.<br>• Engineering analysis of the Highlands System delivery capacity has been developed and customized models can now be used to determine how best to expand the capacity when required. Before executing new delivery contracts, SJRA professional staff evaluates the required modifications, and may require the customer to fund the cost of the capacity improvements, depending on the extent of the system-wide benefit. |

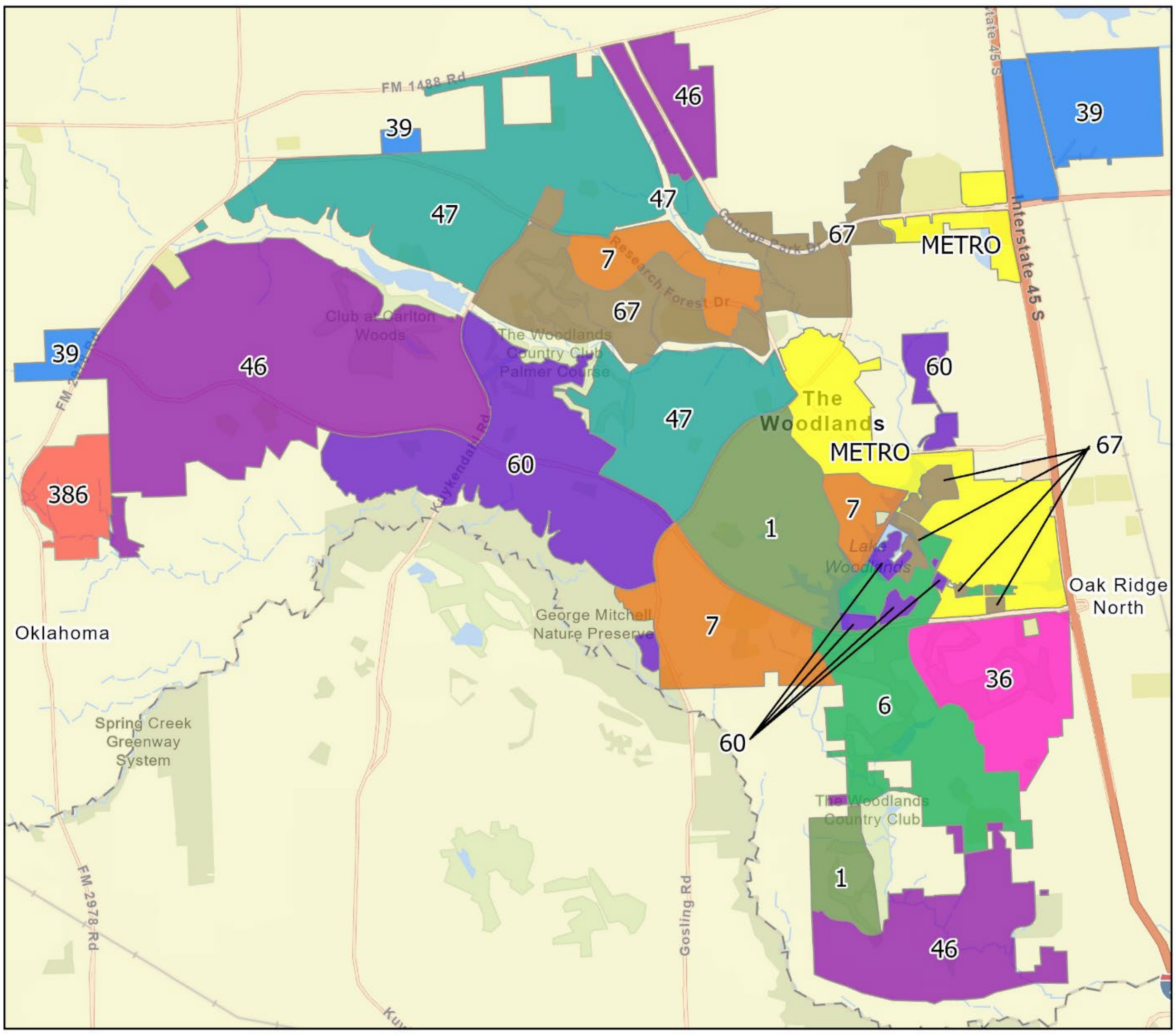
SAN JACINTO RIVER AUTHORITY

# Woodlands Division

## WOODLANDS DIVISION

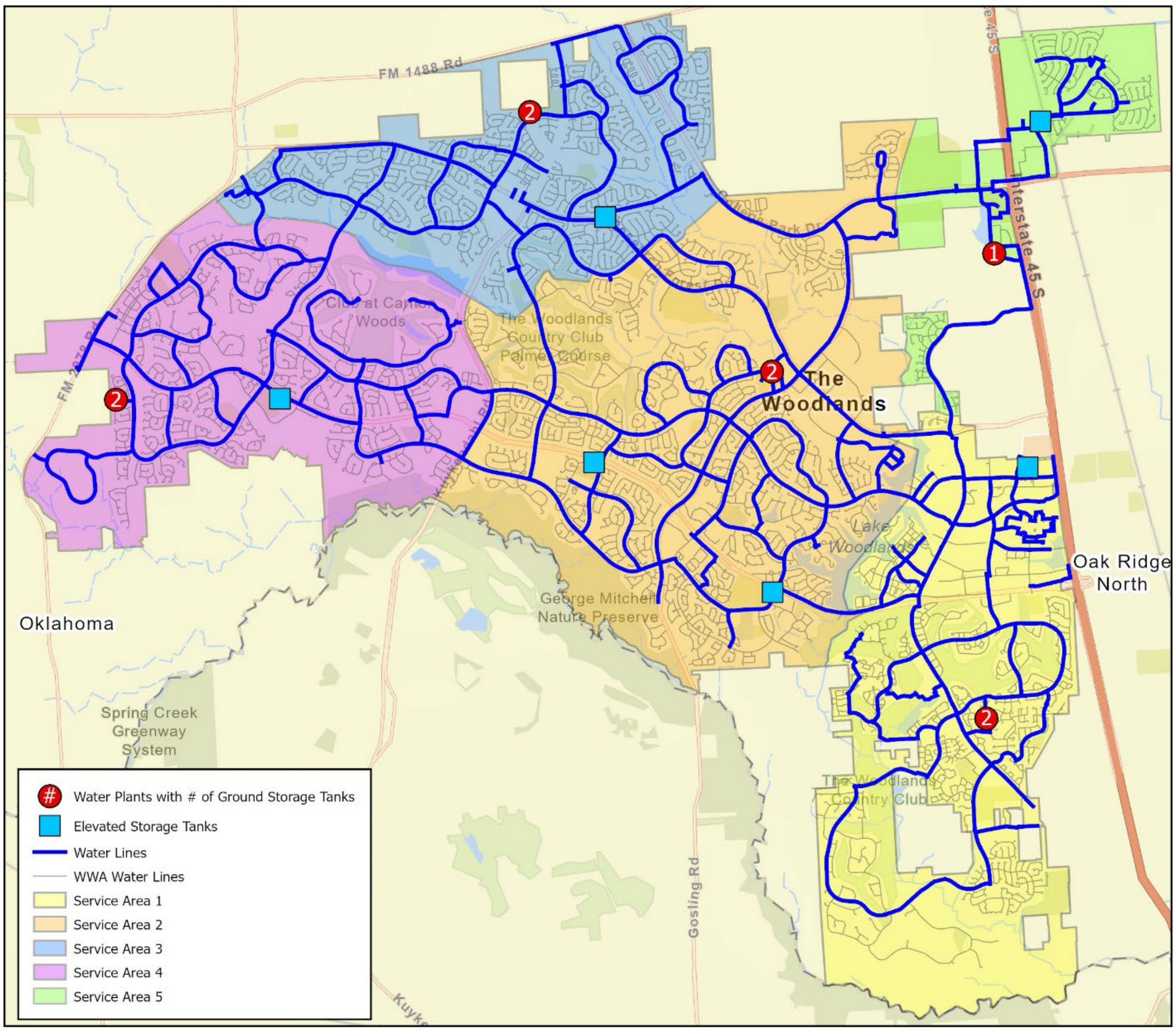
The Woodlands Division was created in 1975 to operate and maintain wholesale water supply and wastewater treatment systems for the Woodlands area that is made up of 11 Municipal Utility Districts (MUDs) in southern Montgomery County. The Woodlands Division works in coordination with the 11 MUDs, 10 of which are operated by the Woodlands Water Agency (WWA) and the other operated by a third-party for the Montgomery County portion of MUD 386, to provide services to a population in excess of 125,000 people.

### MAP OF WOODLANDS MUDS

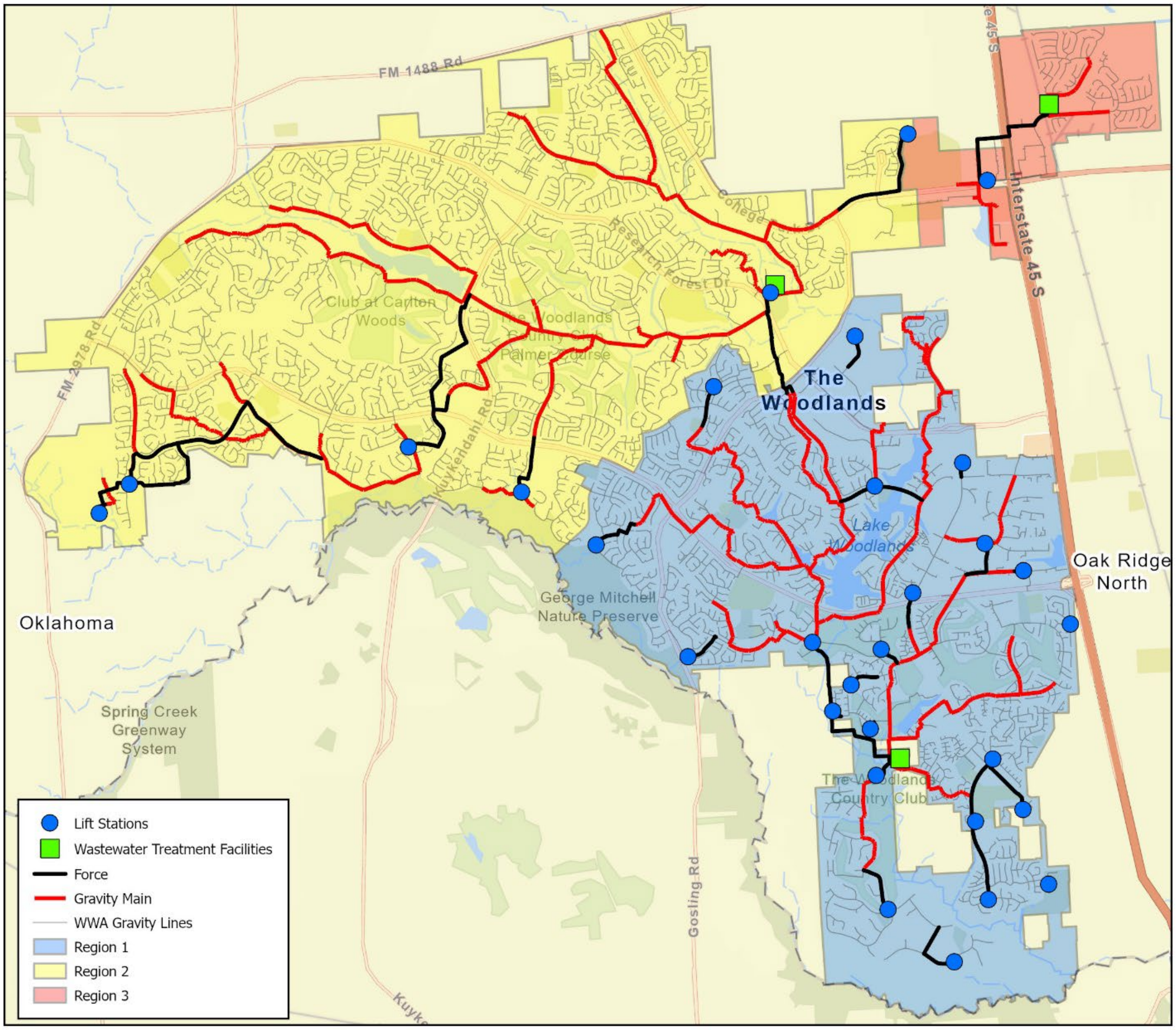



The Woodlands wholesale water system consists of 37 water wells drilled into the Evangeline or Jasper aquifers, five water plants, six elevated storage tanks, nine ground storage tanks, and over 120 miles of water transmission lines with a diameter of twelve inches or greater. The Woodlands wholesale wastewater system consists of 30 lift stations, three regional wastewater treatment plants, over 50 miles of wastewater gravity lines with a diameter fifteen inches or greater, and over 20 miles of force mains. In addition to the wholesale water and wastewater services, the Woodlands Division is contracted by the 11 MUDs to ensure compliance with applicable local, state and federal regulations for grease traps and the industrial pre-treatment program. There are roughly 450 commercial users, and one industrial user permitted through the Woodlands Division.

## MAP OF THE WOODLANDS WHOLESALE WATER SYSTEM



**MAP OF WOODLANDS WHOLESALE WASTEWATER SYSTEM**




The Woodlands Division is a separate enterprise fund of the SJRA. Based on the 11 contractual agreements, the Woodlands Division is comprised of five unique budgets:

***Operations and Maintenance (O&M):*** Consists of the wholesale water and wastewater revenues, as well as any revenues from industrial and commercial permitting; and regular and customary expenses associated with operations and maintenance of the wholesale water and wastewater systems, and environmental activities

***Repair & Replacement (R&R Fund):*** Funded by annual contributions from the O&M budget for renewal projects related to the repair and replacement of existing infrastructure and construction of new infrastructure that routinely extends beyond one fiscal year

***Water System Bonds:*** Revenue and expenses associated with the issuance and repayment of bonds issued solely for water capacity related projects as authorized by the MUDs utilizing bond financing and not making cash contributions

***Waste Disposal Bonds:*** Revenue and expenses associated with the issuance and repayment of bonds issued solely for wastewater capacity related projects as authorized by the MUDs utilizing bond financing and not making cash contributions

***Future Facilities:*** Revenue and expenses associated with "new" capacity and infrastructure necessary to support development projections approved and funded by the MUDs through "interim accounting" processes

***Major Initiatives:*** The Woodlands Division has plans to undertake several major initiatives to improve the operations related to the Woodlands.

1. ***Woodlands Wastewater Strategic Plan:*** Over the next 40 years, it is anticipated that the three wastewater treatment facilities (WWTFs) operated by SJRA will require significant repair or replacement due to aging infrastructure and end-of-service life. In collaboration with the Woodlands MUDs, SJRA proposed a strategic plan for wastewater management aimed at evaluating the economic feasibility and efficiency of either replacing the current WWTFs or constructing a new facility to replace WWTF No. 1. This initial study encompassed a high-level assessment of service levels, stakeholder feedback, and various renewal and replacement options. Following this study, the MUDs recognized the necessity for a more comprehensive analysis to delve into detailed aspects such as facility capacity and to refine cost estimates. In FY2025, the Division started a study to compare the options and costs associated with repairing WWTF No. 1 versus building a new, state-of-the-art wastewater treatment facility. The findings of this report are pending finalization once the MUDS have concluded their analysis related to current future capacity needs.
2. ***Operational Efficiencies:*** The Woodlands Division is committed to enhancing efficiency and effectiveness while minimizing operational and maintenance costs. Ongoing initiatives include: 1) conducting annual reviews of all standard operating procedures to align with industry best practices, ensure compliance with safety standards, and promote consistent and improved operations; 2) refining demand forecasting by utilizing recent historical data alongside growth projections; and 3) ongoing review of easements to guarantee that the SJRA maintains accurate and well-documented easements for all water and wastewater lines.
3. ***Asset Management:*** The Woodlands Division is focused on improving the management of their assets through the revision and expansion of their current asset management program. The Woodlands has embraced the use of the SJRA's Enterprise Asset Management and Computerized Maintenance Management System (EAM/CMMS). The EAM/CMMS system allows for the tracking of assets throughout the asset's lifetime, tracking planned and corrective maintenance, and assisting in determining the appropriate time to replace assets. Concluding in FY2026, The Woodlands Division has advanced asset management functionality by implementing a Digital Water System which collects data from existing software such as EAM and GIS and integrates into user-friendly dashboards to aid in projecting future maintenance costs and operational needs. These dashboards incorporated a new rate model in FY2024-FY2025 to allow for the projection of water and sewer rates and their related adjustments from capital projects. In FY2026, Digital Water will factor in water quality and water modeling to allow for near real-time model runs to aid in making operational decisions and determining future water quality.

***Capital Improvement and Other Project Plans:*** Each year the Woodlands Division conducts risk and condition assessments of their infrastructure following the steps identified in the Asset Management Program. The Woodlands Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within the Woodlands Project Plans may be funded with bonds, capacity charges to MUDs, and/or R&R funds and may extend over multiple fiscal years. In FY2025, the Woodlands Division conducted their assessments and prioritized the following projects for the start of or continuation of design and/or construction in FY2026.

Additionally, based on the number of projects, amount of financing required, and needed public engagement, multiple discussions have been held with the MUDs to discuss and explain the overall aging infrastructure of The Woodlands. These discussions have been focused on the long-term financing of two main projects: Woodlands Water Line Replacement, and the options for the repair or replacement of WWTF No.1. These discussions have delayed the receipt of long-term financing to start some projects in the Long-Term Financing table below. It is expected that during FY2026 and into FY2027, the MUDs will adopt decisions on long-term financing and the related projects.

| **Woodlands - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Town Center Water Line Replacement | Design/Lane Acq | $ 1,470,980 | R&R |
| Digital Water System (Water) | Design | $ 350,000 | R&R |
| Elevated Storage Tank No. 6 | Design/Const | $ 7,391,000 | R&R |
| Water Well No. 3 and 13 Rehabilitation | Construction | $ 1,125,000 | R&R |
| Water Well Nos. 7, 15 and 30 Rehabilitation | Design | $ 80,000 | R&R |
| Lift Station Rehabilitation | Design/Const | $ 100,000 | R&R |
| Lift Station No. 1 Gravity Main Bypass and Decommissioning | Design, CPS,CM&I,CMT | $ 180,000 | R&R |
| WWTF No. 2 Tertiary Filter Improvements (2nd and 3rd Filter) | CPS,CM&I,CMT | $ 92,000 | R&R |
| Wastewater System Land Acquisition | Land Acquisition | $ 4,770,000 | R&R |
| WWTF No. 2 Grit Classifier Improvements | Construction | $ 1,088,000 | R&R |
| Lift Station No. 21 Force Main Renewal | Plan/Permit/Design | $ 94,000 | R&R |
| Lift Station 24 Improvements | Plan/Permit/Design | $ 284,300 | R&R |
| Total | | **$ 17,025,280** | |

| **Woodlands - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Water Reclamation Facility No. 1 | Owner's Advisor | $ 1,810,000 | Future Bond |
| Water Reclamation Facility No. 1 | Plan/Permit/Des/Adv | $ 4,620,000 | Future Bond |
| South Shore Gravity Main Rehabilitation | Construction | $ 7,954,000 | TWDB Bond |
| Wastewater Conveyance Optimization | Plan/Permit/Des | $ 946,000 | TWDB Bond |
| WWTF No. 2 Tertiary Filter Improvements (2nd and 3rd Filter) | Construction | $ 4,492,000 | TWDB Bond |
| Lift Station No. 1 Gravity Main Bypass and Decommissioning | Construction | $ 4,000,000 | TWDB Bond |
| Total | | **$ 23,822,000** | |

***Total Indebtedness and Annual Debt Service:*** At August 31, 2024, the Woodlands Division had $55,515,000 of total indebtedness, made up of the following bond issuances:

- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: $5,675,000: Matures 10/1/30)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: $15,145,000: Matures 10/1/33)
- Series 2017 Special Project Rev. Bonds (Outstanding: $34,695,000: Matures 10/01/42)

Total annual debt service (principal and interest) for FY2026 for the existing bond issuances listed above is $5,386,569.

Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. The Woodlands Division maintains a debt service reserve for the Series 2017 Special Project Revenue Bond.

***Staffing Plans:*** The Woodlands Division's staffing plan for FY2026 includes 37 direct FTE positions, with no part-time, temporary, or intern positions. Of the 37 FTEs the Woodlands Division allocates 2.45 FTEs to the GRP Division. In addition, the Division is allocated 33.6 FTEs for FY2026 from G&A Departments, other Divisions, and the Utility Enterprise. The total net FY2026 FTEs associated with the Woodlands Division, direct and allocated, is 68.15 FTEs.

***Revenues:***

One of the first budgeting activities of the Woodlands Division is to forecast total water demands and estimate the amount of wastewater that will be treated for the upcoming year. The Woodlands utilized a 4-year average as the basis of the FY2026 water and wastewater demands. Based on varying weather conditions for the past 48 months, utilizing a 4-year average appeared to reflect a more relevant demand pattern based on weather variations in previous fiscal years. For wastewater, the WWA uses a three month "winter" average of wastewater demand. The winter average approach creates a cap on residential wastewater fees for the upcoming year based on wastewater flows during the months of December, January, and February. By taking a winter average approach, a more accurate estimate of in-home residential wastewater demand is expected to be obtained, subtracting the impacts of water used for summertime irrigation. MUD 386 does not utilize a winter averaging methodology, using 51% of the water demand each month as their wastewater demand billing formula.

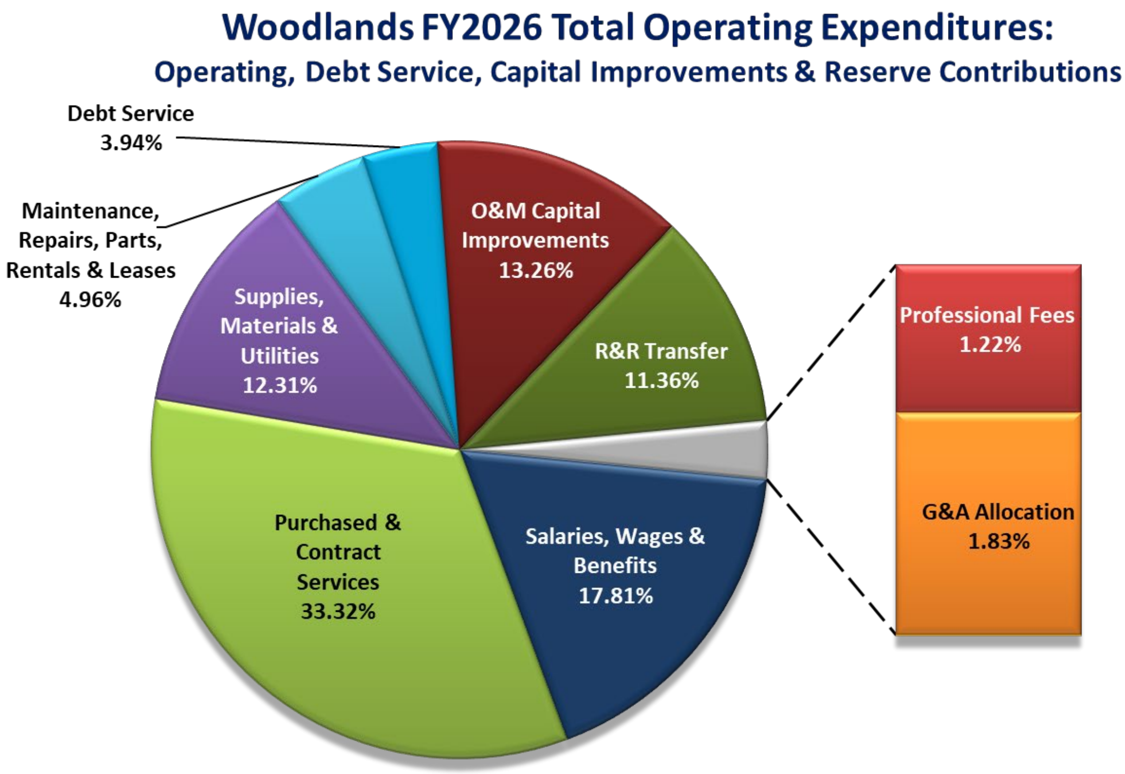
For FY2026, the Woodlands is forecasting a slight increase (2%) in production of water and an increase (2%) in water sales. For wastewater, treatment is expected to maintain the FY2025 amounts. The wholesale water rate to the MUDs for FY2026 is budgeted at $2.73 per 1,000 gallons, resulting in wholesale water sales totaling $14,913,854. The wholesale wastewater rate to the MUDs for FY2026 is budgeted at $5.65, resulting in wholesale wastewater sales totaling $15,820,000. The WWA directed the Woodlands Division to utilize a blended groundwater/surface-water GRP rate based on the anticipated FY2026 groundwater to surface-water usage ratio within the Woodlands system. The blended GRP rate for FY2026 is budgeted at $2.92, a reduction from FY2025, and will be passed-through directly to the Woodlands MUDs as GRP Pumping Fees, not as part of the Woodlands wholesale water rate. Revenues from the GRP Pumping Fees for FY2026 are anticipated to be $15,951,814 and will be offset by GRP Pumping Fee and Surface Water Fee expenses. Additionally, the Woodlands anticipates receiving revenues from the sale of direct effluent reuse water, fees from commercial environmental licenses, and Industrial sampling fees, totaling $151,962.

Expected O&M Operating Revenues and Other Revenues for the Woodlands Division for FY2026 total $46,937,630. For the R&R Fund, the Woodlands expected Operating Revenues, Other Revenues, and Other Cash Sources total $32,274,256; $200,000 from Other Revenue, $26,074,256 from cash sources, $6,000,000 from inter-Division transfer from O&M. Woodlands expected Operating, Other Revenues, and Other Cash Sources for Wastewater Bonds, Water Bonds, and Future Facility are $987,846, $2,312,771, and $55,000, respectively.

***Expenditures:*** The Woodlands Division O&M Budget for FY2026 contains regular and customary expenses related to the on-going operation and maintenance of the Woodlands Division's wholesale water and wastewater systems. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (interest and bond issuance costs)
- O&M Capital Improvements (non-bond related)
- Operating Reserve Contributions
- R&R Fund Contributions

Expected total O&M expenditures for the Woodlands Division for FY2026, including operating, debt service, capital improvements, and contributions to the R&R Fund, totals $46,937,630.




Woodlands expected R&R Fund operating expenses and capital improvements, totals $17,025,280. Woodlands expected operating and debt service expenditures for Wastewater Bonds and Water Bonds are $983,221 and $2,302,846 respectively. Woodlands has no budgeted expenditure for Future Facilities.

***Fund Balance and Reserves:*** As approved by the Board of Directors and by the Woodlands MUDs, the Woodlands Division utilizes two reserves and an R&R Fund:

1. ***Operating Reserve:*** The Woodlands Division Operating Reserve was established for cash flow management, and rate and revenue stabilization. The Operating Reserve target for the Woodlands Division is set to be approximately three months of operating expenditures. For FY2025, the Woodlands Division has met a three-month Operating Reserve target at $5,599,152 equivalent to three months of operating expenses. For FY2026, the Operating Reserve is projected to be $5,651,437, equivalent to three months of operating expenses.

2. ***Repair & Replacement (R&R Fund):*** The Woodlands Division Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating Reserve requirements are met. Based on the Woodlands Project Plan for FY2026, the contribution to the R&R Fund is estimated to be $6,000,000. In addition, there is $26,074,256 budgeted cash carryforward from FY2025 into FY2026. Expenditures for the R&R Fund is budgeted to be $17,025,280 for FY2026. The net of

cash carryforward, R&R transfers, and expenditures leaves a net balance of $15,248,976 budgeted to carryforward to FY2027 to cover future projects.

3. ***Emergency Reserve:*** The Woodlands Division Emergency Reserve (contractually labeled as Contingency Reserve) was established to provide for a full or partial source of funding for unplanned or emergency repair or replacement of Woodlands Division capital asset. The Emergency Reserve target was established at $2 million, with the ability to increase based on inflationary factors, if approved, and determined by the Engineering News Record Construction for Construction Cost. The Emergency Reserve is considered fully funded for FY2025 and no contributions are budgeted in FY2026.

For FY2026, the net between O&M revenues and expenditures, including annual debt service and scheduled contributions to any of the two reserves and the R&R fund is $0.

**San Jacinto River Authority - Woodlands Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Water Sales-Woodlands MUD's | $ 15,869,857 | $ 14,875,688 | $ 10,312,881 | $ 14,645,030 | $ 14,913,854 |
| Wastewater Treatment Fees | 15,893,670 | 15,636,623 | 12,107,775 | 15,820,000 | 15,820,000 |
| Direct Reuse Water | 37,251 | 31,014 | 24,140 | 30,000 | 30,000 |
| Permits, Licenses & Fees - Commercial | 207,100 | 206,100 | - | 118,196 | 120,462 |
| GRP Pumping Fees | 18,591,499 | 17,579,023 | 11,285,309 | 15,932,505 | 15,951,814 |
| Sampling | - | - | - | 1,500 | 1,500 |
| Repair Recovery Revenue | - | (3,180,019) | - | - | - |
| Other Operating Revenue | - | - | (5,126,309) | (5,126,309) | - |
| **TOTAL OPERATING REVENUES** | **$ 50,599,377** | **$ 45,148,429** | **$ 28,603,797** | **$ 41,420,922** | **$ 46,837,630** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 333,551 | $ 663,001 | $ 506,725 | $ 2,400 | $ 100,000 |
| Miscellaneous Revenue | 49,419 | 83,903 | 103,805 | - | - |
| FEMA Grant Revenue | (1,710) | - | - | - | - |
| Proceeds From Sale Of Assets | 52,500 | 5,700 | - | - | - |
| Other Gains & Losses | 4,500 | 6,000 | - | - | - |
| **TOTAL OTHER REVENUES** | **$ 438,260** | **$ 758,604** | **$ 610,530** | **$ 2,400** | **$ 100,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 5,201,662 | $ 5,273,062 | $ 4,110,661 | $ 6,355,086 | $ 6,770,336 |
| Compensated Absences | 13,735 | 41,148 | - | - | - |
| Group Insurance | 992,404 | 1,011,520 | 777,977 | 1,583,956 | 1,221,462 |
| Group Insurance - Retirees | (68,978) | (107,005) | - | 100,000 | 100,000 |
| Group Insurance - Retiree OPEB | 12,554 | 13,153 | 10,332 | 15,121 | 15,482 |
| Group Retirement Expense | 576,937 | 717,754 | 510,853 | 727,716 | 769,412 |
| Workers Compensation Insurance | 68,237 | 68,387 | 72,442 | 117,924 | 82,777 |
| Social Security Taxes | 372,009 | 383,193 | 308,707 | 475,098 | 517,931 |
| Employee Benefits Services | 32,242 | 29,065 | 19,540 | 32,334 | 25,145 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 7,200,802** | **$ 7,430,277** | **$ 5,810,511** | **$ 9,407,234** | **$ 9,502,546** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 61,716 | $ 33,909 | $ 11,817 | $ 80,000 | $ 80,000 |
| Lobbyist | 120,098 | 104,000 | 72,000 | 96,000 | 96,000 |
| Annual Financial Audit | 38,610 | 24,749 | 37,634 | 42,600 | 51,750 |
| Arbitrage Rebate Audit | 3,250 | - | - | - | - |
| Management Audit | - | - | - | - | 26,400 |
| Paying Agent Fees | 2,250 | - | 1,575 | 825 | 825 |
| Engineering | 316,995 | 368,233 | 103,297 | 507,500 | 375,000 |
| Inspections | 7,542 | 3,932 | 4,498 | 4,000 | 2,500 |
| Staffing Services | 79,803 | 40,673 | - | 30,000 | - |
| Safety Inspections & Testing | 15,907 | 6,420 | 4,877 | 11,000 | 6,000 |
| Public Relations Consultant | - | 127,796 | 107,204 | 200,000 | - |
| Graphic Design | 2,500 | 3,738 | 2,588 | 10,000 | 10,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 648,671** | **$ 713,449** | **$ 345,489** | **$ 981,925** | **$ 648,475** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Waste Disposal Services | $ 53,624 | $ 59,658 | $ 49,380 | $ 31,950 | $ 40,665 |
| Sampling-Reimbursible | - | - | - | 1,500 | 1,500 |
| Sludge Disposal | 469,537 | 478,952 | 330,379 | 471,967 | 487,507 |
| Meter Calibration Services | 6,987 | 2,240 | 3,786 | 7,700 | 8,495 |
| Commercial Laboratory Fees | 199,567 | 160,020 | 130,939 | 139,040 | 187,865 |
| State Fees | 90,645 | 90,590 | 90,590 | 95,300 | 95,300 |
| Groundwater District Fees | 520,415 | 319,909 | 191,830 | 237,490 | 241,850 |
| Employee Testing- New | 680 | - | 221 | 8,380 | 2,190 |
| GRP Pumpage Fees | 9,510,024 | 8,321,825 | 5,260,864 | 7,460,089 | 7,454,674 |
| GRP Surface Water Fees | 9,809,114 | 6,200,352 | 6,526,249 | 9,108,573 | 9,133,342 |
| Janitorial Services | 23,895 | 23,820 | 17,865 | 25,650 | 28,000 |
| Stream Gauging & Water Quality-USGS | 71,433 | 5,967 | - | - | - |

# San Jacinto River Authority - Woodlands Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Public Relations Expense | 64 | 14 | - | - | - |
| Water Conservation & Public Education | 16,029 | 42,161 | 8,460 | 90,220 | 90,220 |
| Website Hosting & Maintenance | - | 1,168 | - | 7,104 | 6,667 |
| Posting Notice Expenses | - | - | 137 | - | - |
| Document Retention/Destruction | 1,940 | 970 | 721 | 3,000 | 3,000 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 20,773,954** | **$ 15,707,645** | **$ 12,611,421** | **$ 17,687,963** | **$ 17,781,275** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 15,383 | $ 18,374 | $ 8,906 | $ 15,500 | $ 17,000 |
| Travel | 6,221 | 4,058 | 5,523 | 6,800 | 11,800 |
| Office Furnishings | 7,530 | 151 | 1,965 | 4,200 | 3,000 |
| Automobile & Truck Expense | 66,331 | 58,580 | 65,267 | 70,000 | 73,000 |
| Storm Preparedness & Response | - | 3,601 | 332 | 5,000 | 5,000 |
| Postage | 4,876 | 1,467 | 1,340 | 5,050 | 5,000 |
| Property Insurance | 401,596 | 456,316 | 381,509 | 488,106 | 587,990 |
| Auto Insurance | 42,541 | 41,307 | 29,301 | 42,242 | 44,928 |
| Liability Insurance | 28,987 | 26,870 | 16,527 | 33,814 | 32,394 |
| Small Tools Purchases | - | 1,170 | - | - | - |
| Training | 40,195 | 25,491 | 11,115 | 36,350 | 38,850 |
| Training-Employee HR | 2,740 | 833 | 485 | 28,530 | 10,668 |
| Safety Training | - | - | - | - | 3,676 |
| Chlorine | 584,412 | 613,481 | 502,931 | 682,500 | 639,490 |
| Polymer | 54,173 | 41,342 | 34,220 | 63,100 | 54,112 |
| Sulfur Dioxide | 188,820 | 192,000 | 164,921 | 205,800 | 202,400 |
| Calcium Hydrochlorite | 12,740 | 12,865 | 11,263 | 17,774 | 15,780 |
| Managers Expense | - | 173 | - | - | - |
| Employee Relations | 15,623 | 6,811 | 4,900 | 10,260 | 38,974 |
| Alkalinity | 178,683 | 175,819 | 208,010 | 203,280 | 242,550 |
| Fuel | 116,355 | 130,343 | 72,943 | 191,200 | 194,700 |
| Uniform Services | 14,696 | 15,009 | 11,484 | 17,000 | 17,000 |
| Lab Supplies | (107) | - | - | - | - |
| Supplies | 148,084 | 121,430 | 104,958 | 158,250 | 122,500 |
| Other Operating Expenses | 861 | - | - | - | - |
| Memberships & Professional Dues | 17,178 | 18,143 | 13,457 | 20,000 | 20,000 |
| Copier, Scanner & Fax | - | - | 4,829 | 4,900 | 7,000 |
| Utilities-Electric | 3,055,160 | 2,443,568 | 1,948,749 | 3,090,000 | 2,854,955 |
| Utilities-Natural Gas | 15,633 | 19,438 | 13,346 | 14,300 | 14,300 |
| Bank Service Charges | - | 50 | 50 | - | - |
| Personal Protective Equipment | 11,890 | 10,093 | 11,288 | 16,200 | 14,200 |
| Safety Equipment & Meetings | 16,738 | 5,398 | 5,809 | 14,750 | 10,000 |
| Health & Wellness Program | - | 1,888 | 666 | 3,043 | 3,048 |
| Recruiting Expenses | 5,958 | 2,180 | 1,959 | 28,530 | 22,859 |
| Computer Hardware | 43,938 | 134,113 | 58,886 | 129,310 | 137,285 |
| Physical Security | 5,417 | 1,761 | 7,316 | 20,000 | 68,398 |
| Software & Support | 245,618 | 268,641 | 291,642 | 517,546 | 785,143 |
| Software Maintenance | 53,925 | 60,538 | 25,826 | 105,600 | 103,745 |
| Network Communications | 39,128 | 47,301 | 40,306 | 40,110 | 32,400 |
| Newspaper Ads | 5,644 | 5,054 | - | 8,225 | 8,000 |
| Wireless Devices & Services | 55,864 | 49,483 | 39,792 | 92,800 | 63,000 |
| Phone System-Install, Maintenance, & Changes | 7,105 | - | - | 6,462 | 6,375 |
| Landline Telephone Services | 57,073 | 52,670 | 49,854 | 61,260 | 59,374 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 5,567,009** | **$ 5,067,808** | **$ 4,151,675** | **$ 6,457,792** | **$ 6,570,895** |
| | | | | | |
| **RENTALS** | | | | | |
| Equipment Rentals | $ 9,983 | $ 7,221 | $ 10,880 | $ 12,000 | $ 12,000 |
| **TOTAL RENTALS** | **$ 9,983** | **$ 7,221** | **$ 10,880** | **$ 12,000** | **$ 12,000** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ 203,532 | $ 375,506 | $ 147,157 | $ 246,850 | $ 269,450 |
| Air Conditioner | 63,894 | 11,198 | 7,868 | 44,500 | 73,000 |

# San Jacinto River Authority - Woodlands Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Sidewalks & Driveways | 2,970 | 3,328 | - | - | 20,000 |
| Yards & Grounds | 261,772 | 222,489 | 124,235 | 242,000 | 193,000 |
| Buildings | 88,432 | 55,482 | 59,388 | 72,500 | 75,000 |
| Buildings & Grounds | - | 5 | - | - | - |
| Security System Monitoring | 276 | 488 | 78 | 1,000 | 1,000 |
| Wells | 12,120 | 21,600 | 252 | 30,000 | 30,000 |
| Tanks | 213,027 | 157,537 | 111,710 | 184,000 | 189,500 |
| Electrical | 107,280 | 127,170 | 97,920 | 177,000 | 180,000 |
| Generators | 64,187 | 61,169 | 109,388 | 115,000 | 90,000 |
| Pumps & Motors | 206,524 | 151,910 | 212,729 | 225,000 | 344,000 |
| Aerators | 7,285 | 17,316 | 46,969 | 90,000 | 95,000 |
| Machinery, Tools, & Implements | 16,144 | 35,654 | 29,614 | 24,000 | 20,000 |
| Belt Press | 20,808 | 40,525 | 15,664 | 34,480 | 34,600 |
| Clarifier | 51,197 | 221 | 29,123 | 43,800 | 112,500 |
| Lines & Valves | 655,918 | 1,455,005 | 746,657 | 713,058 | 734,000 |
| Plants & Facilities | 83,810 | 7,121 | 52,810 | 100,000 | 100,000 |
| Cranes | - | 4,007 | - | - | 4,000 |
| Headworks | 5,940 | 15,826 | 43,328 | 8,500 | 5,000 |
| Disinfection | 25,552 | 12,072 | 546 | 35,000 | 35,000 |
| Low Head Filters | 53,947 | 15,935 | (15,465) | 15,000 | 20,000 |
| Networking and Communications - SCADA | 6,927 | 4,676 | 3,616 | 3,600 | 1,800 |
| Inventory Gains and Losses | 42,989 | (13,209) | - | - | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 2,194,530** | **$ 2,783,031** | **$ 1,823,587** | **$ 2,405,288** | **$ 2,626,850** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 814,678 | $ 794,111 | $ 578,050 | $ 931,778 | $ 974,744 |
| General & Administrative Expense Allocated to Wooc | - | 47,040 | - | - | - |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 814,678** | **$ 841,151** | **$ 578,050** | **$ 931,778** | **$ 974,744** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 37,209,628** | **$ 32,550,583** | **$ 25,331,612** | **$ 37,883,981** | **$ 38,116,784** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense - Lease | $ 1,555 | $ 1,313 | $ 816 | $ 1,054 | $ 779 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 1,555** | **$ 1,313** | **$ 816** | **$ 1,054** | **$ 779** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 37,211,183** | **$ 32,551,896** | **$ 25,332,428** | **$ 37,885,036** | **$ 38,117,563** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 13,826,454** | **$ 13,355,137** | **$ 3,881,899** | **$ 3,538,287** | **$ 8,820,067** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | | | | $ - | $ 6,430,000 |
| Water Treatment Plant & Facilities | | | | 81,700 | - |
| Sewage Treatment Plant & Facilities | | | | 67,000 | - |
| Other Machinery & Equipment | | | | 77,325 | 115,100 |
| Transportation Equipment | | | | 75,000 | 320,000 |
| Software | | | | 3,614 | - |
| Computer Equipment | | | | 232,983 | 211,768 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 537,621** | **$ 7,076,868** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 5,126,309 | $ 6,430,000 |
| Lease Principal | | | | (8,912) | (9,487) |
| Debt Service Transfers | | | | (2,098,662) | (2,102,652) |
| Repair and Replacement Transfers | | | | (6,019,400) | (6,061,060) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (3,000,665)** | **$ (1,743,199)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 13,826,454** | **$ 13,355,137** | **$ 3,881,899** | **$ (0)** | **$ 0** |

*Actuals intentionally left blank.

**San Jacinto River Authority - Woodlands Debt Service and Debt Service Reserve**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capacity Revenue | $ 3,291,500 | $ 3,263,000 | $ 1,867,250 | $ 3,281,250 | $ 3,283,917 |
| **TOTAL OPERATING REVENUES** | **$ 3,291,500** | **$ 3,263,000** | **$ 1,867,250** | **$ 3,281,250** | **$ 3,283,917** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 165,162 | $ 239,632 | $ 147,075 | $ 18,000 | $ 16,700 |
| **TOTAL OTHER REVENUES** | **$ 165,162** | **$ 239,632** | **$ 147,075** | **$ 18,000** | **$ 16,700** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Disclosure Filing | $ 500 | $ - | $ - | $ 500 | $ 500 |
| Arbitrage Rebate Audit | - | - | 6,500 | - | - |
| Paying Agent Fees | 1,500 | 1,650 | - | 1,650 | 1,650 |
| **TOTAL PROFESSIONAL FEES** | **$ 2,000** | **$ 1,650** | **$ 6,500** | **$ 2,150** | **$ 2,150** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Bank Account Analysis Fee | $ - | $ 304 | $ - | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ 304** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 2,000** | **$ 1,954** | **$ 6,500** | **$ 2,150** | **$ 2,150** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 1,550,389 | $ 1,442,892 | $ 1,017,130 | $ 1,353,745 | $ 1,227,819 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 1,550,389** | **$ 1,442,892** | **$ 1,017,130** | **$ 1,353,745** | **$ 1,227,819** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 1,552,389** | **$ 1,444,846** | **$ 1,023,630** | **$ 1,355,895** | **$ 1,229,969** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 1,904,272** | **$ 2,057,786** | **$ 990,695** | **$ 1,943,355** | **$ 2,070,648** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Bond Principal | | | | $ (4,026,250) | $ (4,158,750) |
| Operating Fund Transfers | | | | 2,098,662 | 2,102,652 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (1,927,588)** | **$ (2,056,098)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 1,904,272** | **$ 2,057,786** | **$ 990,695** | **$ 15,767** | **$ 14,550** |

*Actuals intentionally left blank.

# San Jacinto River Authority - Woodlands Water Supply Bonds
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capacity Revenue | $ 2,312,750 | $ 2,286,250 | $ 1,313,187 | $ 2,299,250 | $ 2,301,771 |
| **TOTAL OPERATING REVENUES** | **$ 2,312,750** | **$ 2,286,250** | **$ 1,313,187** | **$ 2,299,250** | **$ 2,301,771** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 36,618 | $ 45,702 | $ 37,503 | $ 12,000 | $ 11,000 |
| **TOTAL OTHER REVENUES** | **$ 36,618** | **$ 45,702** | **$ 37,503** | **$ 12,000** | **$ 11,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Disclosure Filing | $ 250 | $ - | $ - | $ 250 | $ 250 |
| Arbitrage Rebate Audit | - | - | 3,250 | - | - |
| Paying Agent Fees | 750 | 825 | - | 825 | 825 |
| **TOTAL PROFESSIONAL FEES** | **$ 1,000** | **$ 825** | **$ 3,250** | **$ 1,075** | **$ 1,075** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 1,000** | **$ 825** | **$ 3,250** | **$ 1,075** | **$ 1,075** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 788,813 | $ 712,625 | $ 495,021 | $ 658,583 | $ 578,854 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 788,813** | **$ 712,625** | **$ 495,021** | **$ 658,583** | **$ 578,854** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 789,813** | **$ 713,450** | **$ 498,271** | **$ 659,658** | **$ 579,929** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 1,559,556** | **$ 1,618,502** | **$ 852,420** | **$ 1,651,592** | **$ 1,732,842** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Bond Principal | | | | $ (1,639,583) | $ (1,722,917) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (1,639,583)** | **$ (1,722,917)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 1,559,556** | **$ 1,618,502** | **$ 852,420** | **$ 12,008** | **$ 9,925** |

*Actuals intentionally left blank.

# San Jacinto River Authority - Woodlands Waste Disposal Bonds
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capacity Revenue | $ 978,750 | $ 976,750 | $ 554,063 | $ 982,000 | $ 982,146 |
| **TOTAL OPERATING REVENUES** | **$ 978,750** | **$ 976,750** | **$ 554,063** | **$ 982,000** | **$ 982,146** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 19,008 | $ 23,742 | $ 12,105 | $ 6,000 | $ 5,700 |
| **TOTAL OTHER REVENUES** | **$ 19,008** | **$ 23,742** | **$ 12,105** | **$ 6,000** | **$ 5,700** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Disclosure Filing | $ 250 | $ - | $ - | $ 250 | $ 250 |
| Arbitrage Rebate Audit | $ - | $ - | $ 3,250 | $ - | $ - |
| Paying Agent Fees | $ 750 | $ 825 | $ - | $ 825 | $ 825 |
| **TOTAL PROFESSIONAL FEES** | **$ 1,000** | **$ 825** | **$ 3,250** | **$ 1,075** | **$ 1,075** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 1,000** | **$ 825** | **$ 3,250** | **$ 1,075** | **$ 1,075** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 305,950 | $ 279,000 | $ 188,896 | $ 251,083 | $ 215,063 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 305,950** | **$ 279,000** | **$ 188,896** | **$ 251,083** | **$ 215,063** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 306,950** | **$ 279,825** | **$ 192,146** | **$ 252,158** | **$ 216,138** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 690,808** | **$ 720,667** | **$ 374,022** | **$ 735,842** | **$ 771,708** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Bond Principal | | | | $ (732,083) | $ (767,083) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (732,083)** | **$ (767,083)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 690,808** | **$ 720,667** | **$ 374,022** | **$ 3,758** | **$ 4,625** |

*Actuals intentionally left blank.

**San Jacinto River Authority - Woodlands Operating Debt Service and Debt Service Reserve**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 109,535 | $ 170,188 | $ 97,467 | $ - | $ - |
| **TOTAL OTHER REVENUES** | **$ 109,535** | **$ 170,188** | **$ 97,467** | **$ -** | **$ -** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Bank Account Analysis Fee | $ - | $ 304 | $ - | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ 304** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ 304** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 455,627 | $ 451,267 | $ 333,213 | $ 444,078 | $ 433,902 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 455,627** | **$ 451,267** | **$ 333,213** | **$ 444,078** | **$ 433,902** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 455,627** | **$ 451,571** | **$ 333,213** | **$ 444,078** | **$ 433,902** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (346,092)** | **$ (281,383)** | **$ (235,746)** | **$ (444,078)** | **$ (433,902)** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Bond Principal | | | | $ (1,654,583) | $ (1,668,750) |
| Operating Fund Transfers | | | | 2,098,662 | 2,102,652 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 444,078** | **$ 433,902** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (346,092)** | **$ (281,383)** | **$ (235,746)** | **$ -** | **$ -** |

*Actuals intentionally left blank.

## San Jacinto River Authority - Woodlands Repair and Replacement
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 678,771 | $ 1,200,730 | $ 895,195 | $ 198,000 | $ 200,000 |
| Miscellaneous Revenue | 130 | 8 | 8 | - | - |
| **TOTAL OTHER REVENUES** | **$ 678,901** | **$ 1,200,738** | **$ 895,202** | **$ 198,000** | **$ 200,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 169,376 | $ 256,470 | $ 987,997 | $ 700,000 | $ - |
| **TOTAL PROFESSIONAL FEES** | **$ 169,376** | **$ 256,470** | **$ 987,997** | **$ 700,000** | **$ -** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Bank Service Charges | $ - | $ - | $ 25 | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ -** | **$ 25** | **$ -** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Wells | $ 63,703 | $ 589,669 | $ 171,414 | $ 625,000 | $ 1,205,000 |
| Tanks | 359,521 | 1,701,502 | 61,705 | - | 384,300 |
| Electrical | - | 465 | - | - | - |
| Pumps & Motors | - | - | 23,057 | - | - |
| Clarifier | 66,178 | - | - | - | - |
| Lines & Valves | 337,930 | 175,321 | - | 1,312,000 | 274,000 |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 827,332** | **$ 2,466,957** | **$ 256,176** | **$ 1,937,000** | **$ 1,863,300** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 996,708** | **$ 2,723,427** | **$ 1,244,198** | **$ 2,637,000** | **$ 1,863,300** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 996,708** | **$ 2,723,427** | **$ 1,244,198** | **$ 2,637,000** | **$ 1,863,300** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (317,806)** | **$ (1,522,689)** | **$ (348,996)** | **$ (2,439,000)** | **$ (1,663,300)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Water Treatment Plant & Facilities | | | | $ 4,808,000 | $ 8,861,980 |
| Sewage Treatment Plant & Facilities | | | | 4,955,000 | 5,950,000 |
| Software | | | | 300,000 | 350,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 10,063,000** | **$ 15,161,980** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 17,548,717 | $ 26,074,256 |
| Operating Fund Transfers | | | | 6,000,000 | 6,000,000 |
| Transfers | | | | 6,310,121 | - |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 29,858,839** | **$ 32,074,256** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (317,806)** | **$ (1,522,689)** | **$ (348,996)** | **$ 17,356,839** | **$ 15,248,976** |

*Actuals intentionally left blank.

# San Jacinto River Authority - Woodlands 2017 Bonds
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 921,413 | $ 1,347,356 | $ 842,923 | $ - | $ 200,000 |
| **TOTAL OTHER REVENUES** | **$ 921,413** | **$ 1,347,356** | **$ 842,923** | **$ -** | **$ 200,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 609,914 | $ 357,724 | $ - | $ - | $ - |
| **TOTAL PROFESSIONAL FEES** | **$ 609,914** | **$ 357,724** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Bank Account Analysis Fee | $ - | $ 3,459 | $ - | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ 3,459** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Lines & Valves | $ - | $ - | $ - | $ - | $ 4,000,000 |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 4,000,000** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 609,914** | **$ 361,183** | **$ -** | **$ -** | **$ 4,000,000** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 609,914** | **$ 361,183** | **$ -** | **$ -** | **$ 4,000,000** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 311,499** | **$ 986,173** | **$ 842,923** | **$ -** | **$ (3,800,000)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | | | | $ - | $ 17,392,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ -** | **$ 17,392,000** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 311,499** | **$ 986,173** | **$ 842,923** | **$ -** | **$ (21,192,000)** |

*Actuals intentionally left blank.

## San Jacinto River Authority - Woodlands Future Facilities
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capital Contributions | $ 1,019,109 | $ - | $ 1,409,767 | $ 1,409,767 | $ - |
| **TOTAL OPERATING REVENUES** | **$ 1,019,109** | **$ -** | **$ 1,409,767** | **$ 1,409,767** | **$ -** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 184,648 | $ 259,716 | $ 173,431 | $ 6,000 | $ 55,000 |
| **TOTAL OTHER REVENUES** | **$ 184,648** | **$ 259,716** | **$ 173,431** | **$ 6,000** | **$ 55,000** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 1,203,757** | **$ 259,716** | **$ 1,583,199** | **$ 1,415,767** | **$ 55,000** |
| | | | | | |
| **OTHER SOURCES (USES)** | | | | | |
| Cash Sources (Uses) | | | | $ 4,894,354 | $ 5,177,705 |
| Transfers | | | | (6,310,121) | - |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (1,415,767)** | **$ 5,177,705** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 1,203,757** | **$ 259,716** | **$ 1,583,199** | **$ -** | **$ 5,232,705** |

*Actuals intentionally left blank.

## SJRA FY2026 Woodlands Division Risk Management – July 2025

| Risk | Probability | Management Method |
|---|---|---|
| **Revenue** | | |
| Revenue sales less than projected due to conservation, business closures or wet weather | Medium | • Limited operating reserves are available to cover a small amount of deficit.<br>• Can request a cash call from the MUDs.<br>• Additional funding available in the R&R Fund and Emergency Reserves should the shortfall be significant.<br>• Delay capital projects to subsequent years.<br>• Reduce transfer to R&R Fund.<br>• Delay non-critical items in current fiscal year. |
| Delayed payments from Municipal Utility Districts | Low | • Limited operating reserves are available to cover a small amount of deficit.<br>• Suspend non-critical items.<br>• Use of Emergency Reserve. |
| **Labor (Staffing)** | | |
| Inadequate staff available for daily operations in Operations and Maintenance Departments. | Low | • Hire temporary personnel to support operations and maintenance staff.<br>• Outsource some maintenance related items.<br>• Increase overtime to bridge gap in staffing.<br>• Conduct workload analysis to map out critical tasks. |
| **Professional, Construction and Miscellaneous Services** | | |
| Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services | Low | • SJRA staff in key management positions to oversee/drive progress.<br>• Project management procedures are implemented for effective project delivery including control of scope, fee, schedule and risk. Implement the Project Management Plan, as appropriate.<br>• All contracts contain termination clauses.<br>• Professional services contracts are typically work order based, which authorizes work one phase at a time, thereby allowing opportunity to adjust services provided. |
| **Expenses** | | |
| Operations or maintenance costs greater than budgeted | Medium | • Suspend non-critical items.<br>• Plan for operations costs based on historic and anticipated expenditures, with a contingency. |
| Failure of a key Water or wastewater system component, requiring immediate funds greater than budgeted. | Low | • Emergency Reserve Funds are available for critical and immediate repair of failed system components.<br>• Increase surface water delivery until funds become available.<br>• Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts. |

| Risk | Probability | Management Method |
|---|---|---|
| | | • Can request a cash call from the MUDs. |
| **Operations and Maintenance** | | |
| Interruption of operations due to emergency incident (ie. Fire, Storm, Line Break, Power Outage, Terrorist Threat). | Med | • Woodlands Emergency Response Plan provides instruction for responding to emergency incidents. |

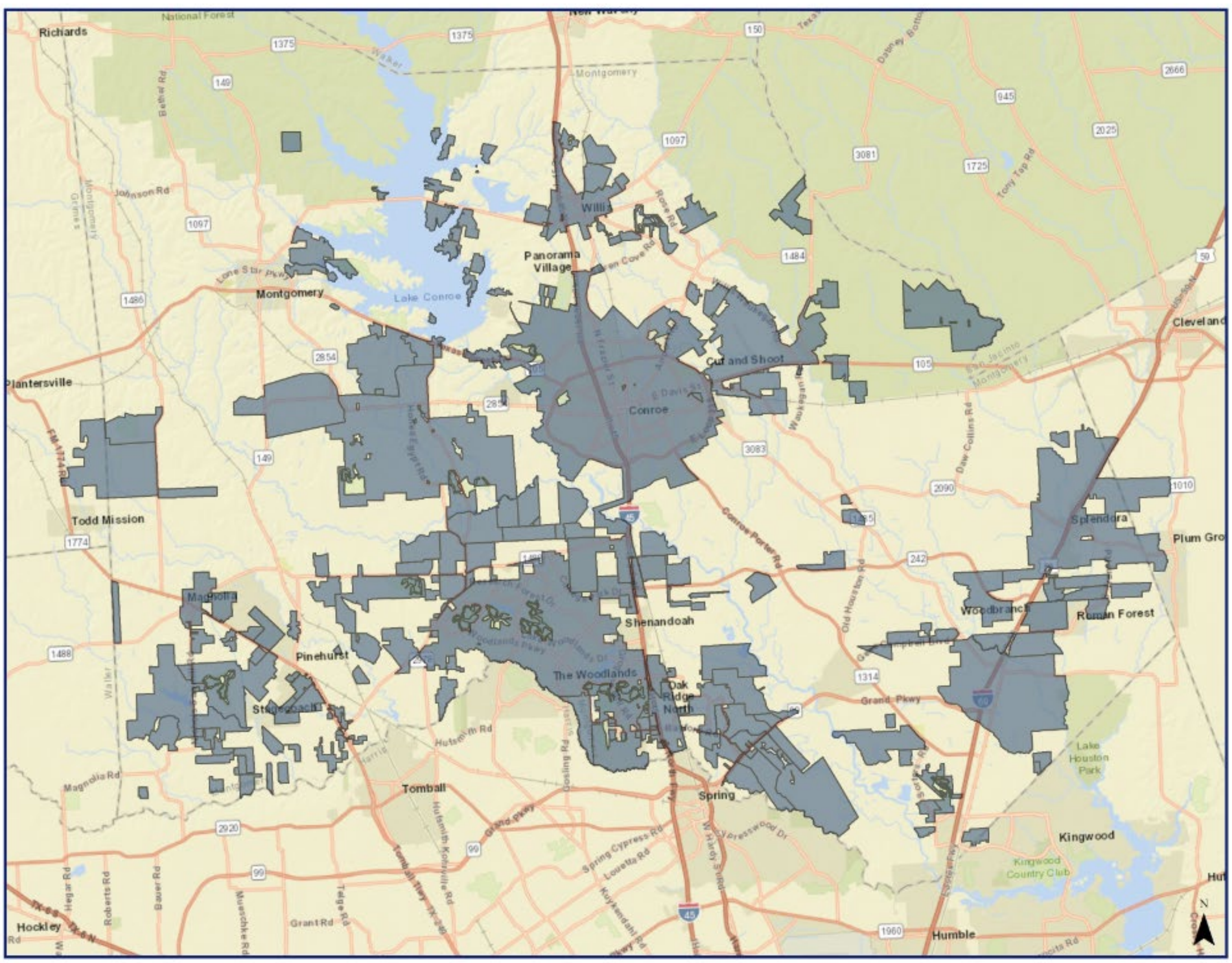
SAN JACINTO RIVER AUTHORITY

# GRP Division

# GRP DIVISION

The Lone Star Groundwater Conservation District (LSGCD) issued its District Regulatory Plan Phase IIB Rules on August 20, 2009. These rules required large volume groundwater users within Montgomery County to reduce the amount of groundwater pumped by 30% for the calendar year 2016 via a Groundwater Reduction Plan (GRP). The GRP Division was created in 2010 by the Board of Directors as a separate operating Division of the SJRA. In 2011, the GRP Division submitted and received certification of its Groundwater Reduction Plan (Plan) to LSGCD on behalf of the Plan's participants. The Plan outlines the collective compliance strategy for the original 79 contracts. The Woodlands Division of SJRA is one of the 149 LSGCD permits that made up the original Plan. The Plan has expanded since 2011 to include 80 contracts representing 149 water systems and an estimated population of 365,000 people.

**MAP OF GRP PARTICIPANTS**




The GRP Division constructed a 30 million gallon per day (MGD) surface water treatment plant on the southern shore of Lake Conroe to supply surface-water to seven participants through two main transmission lines and 18 separate surface-water receiving facilities. The GRP Division completed the surface-water treatment facility in September 2015, and began supplying treated surface-water to seven participants, ahead of the LSGCD regulations.

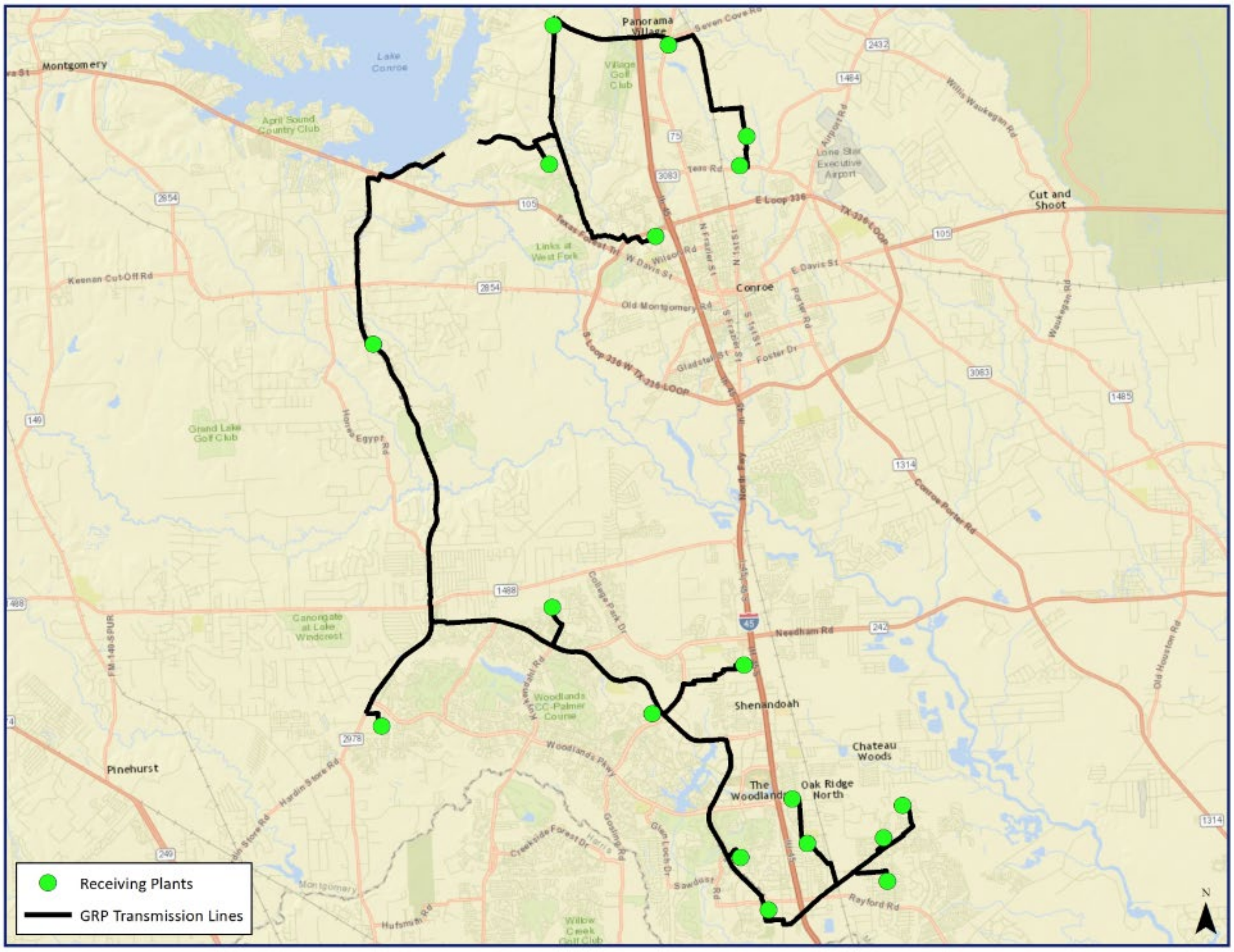
**Adjustment to LSGCD Rules and Regulations**

In November 2018, after the SJRA funded and built its GRP water treatment plant to treat and distribute surface water from Lake Conroe to large volume users in Montgomery County, a new Board of Directors was elected for the Lone Star Groundwater Conservation District (LSGCD). In February 2019, the LSGCD issued a letter notifying all groundwater users that groundwater reduction would be stricken from the LSGCD rules upon final judgement of Cause No. 15-08-08942. That judgment became final on May 17, 2019. In September 2020, LSGCD adopted new management rules that removed the requirement for large volume groundwater users within Montgomery County to reduce the amount of groundwater pumped via a Groundwater Reduction Plan (GRP) and also removed requirements to maintain a reduced pumpage through consideration of forecasted Desired Future Conditions (DFCs) of the aquifers by the regulatory body, Groundwater Management Area 14 (GMA14).

**Responsible Action for GRP**

With the above referenced judgment, the requirement that GRP Participants must reduce groundwater pumpage is no longer in place. The GRP Division will maintain the existing participant contracts, and will properly operate, manage and maintain nearly $500 million in assets as GMA-14 develops future DFCs and LSGCD develops new groundwater management plans and rules. This action includes utilizing the GRP facility to its full capacity to the extent that full utilization does not negatively impact the GRP rates.

## MAP OF GRP TRANSMISSION LINES AND RECEIVING FACILITIES




***Major Initiatives:*** Planned through FY2026, the GRP Division has undertaken several major initiatives to improve the operations related to the Division.

1. ***Run GRP Surface Water Treatment Plant at a reduced production rate:*** In order to maintain the viability of its assets and keep expenses as low as possible, the GRP Division will operate the Surface Water Treatment Plant (SWTP) at an annual average flow rate of 16.5 MGD for FY2026 based on contractual obligations, previous demand projections, and approved requested allocations. The GRP budget's largest expenses are the fixed costs related to debt service and payroll. The variable costs include professional fees dominated by legal costs as well as supplies, materials, and utilities (operating costs).

2. ***Asset Management****:* The GRP Division is focused on improving the management of its assets through the revision and expansion of the current asset management program. The GRP Division has embraced the use of the SJRA's Enterprise Asset Management and Computerized Maintenance Management System (EAM/CMMS). The EAM/CMMS system allows for the tracking of assets throughout the asset's lifetime, tracking planned and corrective maintenance, and assisting in determining the appropriate time to replace assets. In FY2023, The GRP Division advanced asset management usability by implementing a Digital Water

System which collected data from existing software such as EAM and GIS and integrated it into user-friendly dashboards to aid in projecting future maintenance costs and operational needs. In FY2024, these dashboards had a rate model incorporated to allow for the projection of water rates and their related adjustments from capital projects.

3. ***Operational Efficiencies:*** The GRP Division is committed to enhancing efficiency and effectiveness while minimizing operational and maintenance costs. Ongoing initiatives include: 1) conducting annual reviews of all standard operating procedures to align with industry best practices, ensure compliance with safety standards, and promote consistent and improved operations; 2) refining demand forecasting by utilizing recent historical data alongside increased surface water demand requests; and 3) ongoing review of easements to guarantee that the SJRA maintains accurate and well-documented easements for all water and wastewater lines.

***Capital Improvement and Other Project Plans:*** Each year the GRP Division conducts risk assessments and evaluations of its infrastructure. The Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service.

| **GRP - Projects** | Stage | Est. FY2026 Cost | | Funding Source |
|---|---|---|---|---|
| Membrane Replacement | Design/Demonstration | $ | 690,000 | R&R |
| Surface Water Receiving Facility Optimization Study | Design/Const/CPS | $ | 323,000 | R&R |
| Total | | **$** | **1,013,000** | |

***Total Indebtedness and Annual Debt Service:*** At August 31, 2024, the GRP Division currently had $392,070,000 of total indebtedness, made up of the following bond issuances:

- Series 2009 Special Project Revenue Bonds (Outstanding: $ 9,605,000; Matures 10/1/28)
- Series 2011 Special Project Revenue Bonds (Outstanding: $ 59,010,000; Matures 10/1/37)
- Series 2011A Special Project Revenue Bonds (Outstanding: $ 42,340,000; Matures 10/1/35)
- Series 2012 Special Project Revenue Bonds (Outstanding: $ 116,620,000: Matures 10/1/37)
- Series 2012A Special Project Revenue Bonds (Outstanding: $ 135,510,000: Matures 10/1/40)*
- Series 2013 Special Project Revenue Bonds (Outstanding: $ 27,215,000: Matures 10/1/39)
- Series 2016 Special Project Revenue Bonds (Outstanding: $ 1,770,000: Matures 10/1/41)

Annual debt service (principal and interest) for FY2026 for the above bond issuances is $ 33,154,055. Bond payments are made each year in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves for the above bond issuances were fully funded for FY2025.

*On June 26, 2025, the Board of Directors approved an amendment to the GRP's FY2025 budget defeasing $19,575,000 in principal against the 2012A Special Project Revenue Bonds. The defeasance date is August 15, 2025, which is after the production of this document and is not reflected in the outstanding amount stated above. Interest expense savings included in the FY2026 budget is approximately $907,000 for the year.

***Staffing Plans:*** The GRP Division's staffing plan for FY2026 includes 22 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 22 direct GRP Division FTEs, the Division receives an allocation of 18.70 FTEs for FY2026 from G&A Departments and the Utility Enterprise. Total FY2026 FTEs associated with the GRP Division, direct and allocated, is 40.70 FTEs.

***Revenues:*** One of the first activities in the budgeting process for the GRP Division is to determine the cumulative total water demand of its participants and then further define the groundwater portion and the surface-water portion. The surface water production rate is planned to be 6.023 billion gallons.

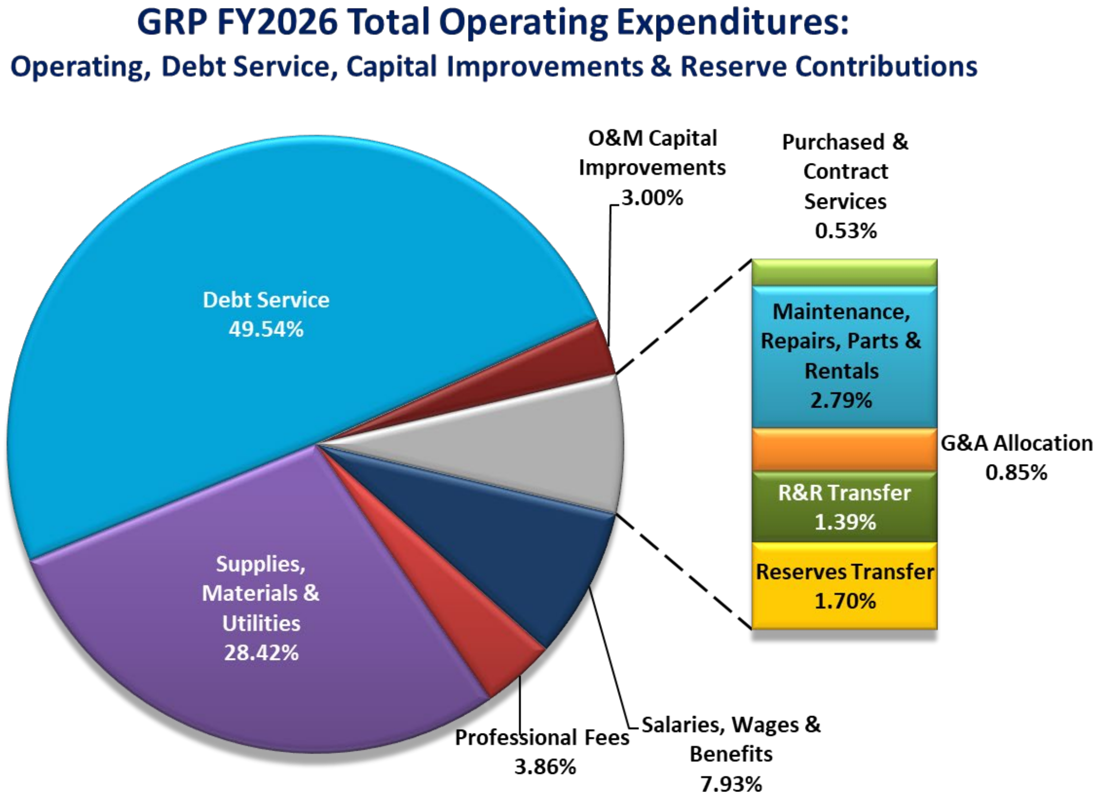
The GRP rates will be reduced in FY2026. The GRP Pumping Fee rate is budgeted to be $2.62 per 1,000 gallons resulting in groundwater revenues totaling $ 45,864,463. The GRP Surface-Water Fee is budgeted to be $3.21 per 1,000 gallons, resulting in surface-water revenues totaling $ 19,332,234. Other revenues from office rental total $ 29,140. Interest Income is budgeted to be $ 275,000. In addition, the GRP Division will receive Industrial Revenue and Industrial Reservation Fees in the amount of $ 158,008 from Entergy, which will help offset costs of water supply reserved for future use but not required to meet FY26 Surface Water production demands.

Expected O&M revenues for the GRP Division for FY2026 total $ 65,658,845.

***Expenditures:*** The FY2026 GRP Division expenses contain regular and customary expenses related to the on-going operation and maintenance of the GRP's Surface-Water Treatment Plant. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (principal and interest)
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (when budgeted)

Expected total O&M expenditures for the GRP Division for FY2026, including operating, debt service, capital improvements, and any other cash uses, totals $65,658,846.




***Fund Balance and Reserves:*** Based upon actual monthly revenues and expenditures for FY2026, along with the forecasted monthly revenues and expenditures for the remaining FY2025 months, the operating fund balance for the GRP Division for the end of FY2025, beginning of FY2026, is projected to be above the established three-month operating reserve.

As approved by the GRP Review Committee on July 22, 2019, and approved by the Board of Directors on July 25, 2019, the GRP Division utilizes two reserves and a R&R Fund:

***Operating & Rate Stabilization Reserve**:* The GRP Operating & Rate Stabilization Reserve (Operating Reserve) was established for cash flow management, and rate and revenue stabilization. The Operating Reserve target for the GRP Division is set to an amount equal to three months of operating expenditures with a minimum balance of $ 6,360,537 for FY25and $ 7,424,772 for FY2026. As of the beginning of FY2025 the Operating Reserve and General Fund balance combined was $ 24,972,879 approximately 11.72 months of operating reserves. For year-end of FY2025, the Operating Reserve is projected to exceed the three-month target of operating expenses.

***Emergency Reserve**:* The GRP Emergency Reserve was established to provide a full or partial source of funds for unplanned or emergency repair or replacement of GRP capital assets. The Emergency Reserve target for the GRP is set to an amount equal to the approximate cost of water line break repair costs in the amount of $2,000,000. Emergency Reserve contributions are to be made only after the Operating & Rate Stabilization Reserve funding targets are met. The Emergency Reserve is fully funded with a balance of $2,175,694 at the beginning of FY2025.

***Repair & Replacement (R&R Fund):*** The GRP R&R Fund has a minimum balance of $ 4,600,000 and was established to provide annual funding for the renewal and/or replacement of GRP assets with an anticipated life expectancy greater than 10-years and also the 10-year Capital Improvement/Project Plan, in order to prevent significant rate effects. R&R Fund contributions are made only after the Operating & Rate Stabilization Reserve and Emergency Reserve funding targets have been met. The Repair & Replacement Fund is fully funded with a balance of $5,000,482 at the beginning of FY2025.

For FY2026, the net between revenues and expenditures, including annual debt service and scheduled contributions to any of the two reserves and the R&R fund, is $0.

# San Jacinto River Authority - GRP Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| General Industrial Water Revenue-Lake Customers | $ 613,237 | $ 365,900 | $ 74,095 | $ 229,950 | $ 77,928 |
| Industrial Reservation Fee | 175,979 | 202,520 | 200,199 | 96,187 | 80,080 |
| GRP Pumping Fees | 52,163,601 | 48,861,599 | 32,869,743 | 36,803,339 | 38,409,789 |
| GRP Pumping Fees-Woodlands | 9,510,024 | 8,321,825 | 5,260,864 | 7,460,089 | 7,454,674 |
| GRP Surface Water Sales | 6,246,065 | 6,121,882 | 3,961,092 | 6,600,980 | 10,198,893 |
| GRP Surface Water Sales-Woodlands | 9,809,114 | 9,380,371 | 6,526,249 | 9,108,573 | 9,133,342 |
| Repair Recovery Revenue | - | - | 70,036 | - | - |
| Other Operating Revenue | - | (12,000,000) | - | - | - |
| Capital Contributions | - | - | - | - | 1,270,000 |
| **TOTAL OPERATING REVENUES** | **$ 78,518,019** | **$ 61,254,097** | **$ 48,962,279** | **$ 60,299,118** | **$ 66,624,705** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 960,639 | $ 1,789,278 | $ 1,022,045 | $ 93,600 | $ 275,000 |
| Interest on Accounts Receivable | 2,755,883 | 2,196,484 | 1,800,472 | - | - |
| Office Rental Revenue | 5,400 | 5,400 | 21,356 | 34,860 | 29,140 |
| Miscellaneous Revenue | 5,931 | 4,333 | 4,049 | - | - |
| Other Gains & Losses | 6,000 | 9,000 | - | - | - |
| **TOTAL OTHER REVENUES** | **$ 3,733,853** | **$ 4,004,495** | **$ 2,847,922** | **$ 128,460** | **$ 304,140** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 3,392,955 | $ 3,029,049 | $ 2,518,098 | $ 3,528,336 | $ 3,841,915 |
| Compensated Absences | 28,516 | 14,663 | - | - | - |
| Group Insurance | 641,630 | 588,786 | 462,808 | 825,718 | 674,458 |
| Group Retirement Expense | 384,115 | 404,301 | 317,221 | 402,810 | 437,461 |
| Workers Compensation Insurance | 43,852 | 36,084 | 42,752 | 60,817 | 43,018 |
| Social Security Taxes | 244,992 | 220,498 | 184,665 | 263,592 | 293,906 |
| Employee Benefits Services | 20,365 | 18,140 | 11,610 | 18,332 | 14,729 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 4,756,425** | **$ 4,311,521** | **$ 3,537,154** | **$ 5,099,605** | **$ 5,305,488** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 2,588,596 | $ 2,994,773 | $ 579,484 | $ 2,100,000 | $ 2,100,000 |
| Disclosure Filing | 500 | - | - | 500 | 500 |
| Annual Financial Audit | 17,343 | 16,502 | 16,691 | 122,000 | 26,400 |
| Arbitrage Rebate Audit | 3,250 | 3,250 | 3,250 | 3,250 | - |
| Management Audit | - | - | - | - | 13,700 |
| Paying Agent Fees | 4,800 | 3,725 | 4,875 | 5,775 | 5,775 |
| Engineering | 187,181 | 556,262 | 143,329 | 302,500 | 415,000 |
| Inspections | 10,297 | 10,440 | 2,490 | 7,200 | 10,000 |
| Staffing Services | 4,834 | 298 | - | 10,000 | - |
| Safety Inspections & Testing | 674 | 933 | - | 1,000 | 3,000 |
| Public Relations Consultant | - | 10,000 | - | - | - |
| Graphic Design | 2,500 | 3,450 | 2,588 | 6,000 | 6,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 2,819,975** | **$ 3,599,633** | **$ 752,707** | **$ 2,558,225** | **$ 2,580,375** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Waste Disposal Services | $ 4,998 | $ 7,130 | $ 3,810 | $ 6,820 | $ 7,320 |
| Sludge Disposal | 165,333 | 196,048 | 107,062 | 171,000 | 217,260 |
| Meter Calibration Services | - | 1,245 | 3,482 | 3,000 | 2,000 |
| Commercial Laboratory Fees | 11,378 | 10,791 | 7,889 | 15,000 | 15,000 |
| Groundwater District Fees | 128 | 128 | 128 | 500 | 500 |
| Employee Testing- New | 138 | - | 141 | 3,216 | 1,112 |
| Janitorial Services | 37,350 | 36,300 | 27,225 | 37,950 | 37,950 |
| Water Conservation & Public Education | 9,257 | 26,259 | - | 55,694 | 55,694 |
| Website Hosting & Maintenance | (34) | 712 | - | 2,157 | 3,905 |
| Meeting Expenses | 2,700 | 1,832 | 1,089 | 3,000 | 2,750 |
| Public Official Liability | 5,661 | 6,640 | 5,290 | 7,500 | 7,500 |
| Line Locates | 2,319 | 3,043 | 3,191 | 4,500 | 4,500 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 239,228** | **$ 290,129** | **$ 159,307** | **$ 310,336** | **$ 355,491** |

## San Jacinto River Authority - GRP Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 10,451 | $ 10,774 | $ 7,073 | $ 11,000 | $ 11,220 |
| Travel | 4,601 | 4,297 | 5,070 | 4,800 | 6,000 |
| Automobile & Truck Expense | 32,362 | 27,379 | 40,627 | 27,000 | 33,000 |
| Storm Preparedness & Response | 799 | 1,212 | 80 | 2,500 | 2,750 |
| Postage | 3,772 | 4,079 | 3,739 | 4,800 | 4,800 |
| Property Insurance | 502,111 | 290,030 | 238,616 | 313,726 | 371,628 |
| Auto Insurance | 15,947 | 16,971 | 12,515 | 18,087 | 19,189 |
| Liability Insurance | 14,950 | 15,010 | 9,771 | 17,701 | 17,431 |
| Small Tools Purchases | 12,928 | 12,788 | - | - | - |
| Training | 21,852 | 11,801 | 4,347 | 23,000 | 23,000 |
| Training-Employee HR | 1,220 | 330 | 77 | 16,175 | 6,249 |
| Safety Training | - | - | - | - | 1,103 |
| Copper Sulfate | 21,661 | 36,124 | 12,753 | 27,200 | 34,523 |
| Citric Acid | 43,846 | 82,749 | 30,492 | 63,750 | 118,800 |
| Granulated Activated Carbon | 2,947,045 | 3,823,574 | 1,765,622 | 2,465,520 | 4,236,900 |
| Aluminum Chlorohydrate | 736,743 | 600,139 | 354,943 | 765,000 | 1,142,942 |
| Sodium Permanganate | 183,905 | 163,072 | 174,758 | 196,000 | 262,985 |
| Sodium Bisulfate | 15,329 | 23,678 | 22,760 | 23,301 | 38,337 |
| Sodium Hydroxide | 38,027 | 34,707 | 15,050 | 31,840 | 40,417 |
| Sodium Hypochlorite | 396,031 | 500,960 | 309,447 | 478,170 | 633,295 |
| Polymer | 31,855 | 25,093 | 20,010 | 30,000 | 56,735 |
| Lab Contracts-Support/Maintenance | 11,321 | 5,494 | 7,437 | 15,000 | 20,000 |
| Managers Expense | 1,243 | 1,408 | - | - | - |
| Employee Relations | 7,785 | 7,286 | 6,050 | 8,000 | 24,738 |
| Fuel | 52,692 | 64,279 | 42,193 | 116,750 | 121,700 |
| Uniform Services | 5,566 | 11,210 | 8,302 | 13,700 | 13,700 |
| Lab Supplies | 21,601 | 19,917 | 20,537 | 22,000 | 22,000 |
| Supplies | 41,054 | 52,296 | 49,685 | 79,000 | 67,000 |
| Memberships & Professional Dues | 1,444 | 2,425 | 1,495 | 1,600 | 1,600 |
| Copier, Scanner & Fax | 5,210 | 8,463 | 5,891 | 8,000 | 10,500 |
| Utilities-Electric | 1,311,655 | 1,150,867 | 844,490 | 1,201,470 | 1,626,075 |
| Utilities-Sewer | 207,562 | 236,940 | 146,766 | 245,706 | 299,393 |
| Reservation Fees-City of Houston | 2,579,148 | 1,615,858 | 2,995,868 | 2,343,697 | 1,875,274 |
| Reservation Fees-SJRA | 434,433 | 230,422 | 375,035 | 163,359 | - |
| Supply Use Fee-City of Houston | - | - | 602,826 | 7,097,793 | 7,097,793 |
| Supply Use Fee-SJRA | 2,571,930 | 2,625,191 | 1,682,856 | 908,912 | - |
| Bank Service Charges | (70) | (35) | 75 | - | - |
| Personal Protective Equipment | 4,974 | 5,493 | 3,027 | 11,440 | 9,000 |
| Safety Equipment & Meetings | 3,627 | 1,254 | 3,516 | 5,000 | 3,000 |
| Health & Wellness Program | - | 1,151 | 427 | 1,725 | 1,785 |
| Recruiting Expenses | 5,965 | 1,396 | 957 | 16,175 | 13,390 |
| Computer Hardware | 65,328 | 70,277 | 42,071 | 86,985 | 97,156 |
| Physical Security | 39,998 | 33,350 | 18,885 | 40,000 | 62,848 |
| Software & Support | 148,636 | 158,891 | 118,885 | 308,913 | 411,208 |
| Software Maintenance | 59,951 | 69,679 | 64,756 | 109,015 | 108,246 |
| Network Communications | 10,563 | 11,700 | 10,847 | 17,741 | 19,093 |
| Publications & Subscriptions | 210 | 335 | - | 500 | 1,250 |
| Newspaper Ads | 616 | 1,056 | - | 1,000 | 1,000 |
| Wireless Devices & Services | 22,515 | 18,584 | 13,628 | 37,500 | 42,400 |
| Phone System-Install, Maintenance, & Changes | 7,877 | - | - | 3,853 | 3,825 |
| Landline Telephone Services | 12,701 | 15,178 | 16,704 | 11,165 | 4,361 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 12,670,969** | **$ 12,105,131** | **$ 10,110,961** | **$ 17,395,569** | **$ 19,019,637** |
| | | | | | |
| **RENTALS** | | | | | |
| Equipment Rentals | $ - | $ 1,714 | $ 1,431 | $ 4,000 | $ 4,000 |
| **TOTAL RENTALS** | **$ -** | **$ 1,714** | **$ 1,431** | **$ 4,000** | **$ 4,000** |

## San Jacinto River Authority - GRP Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ 102,938 | $ 155,247 | $ 137,639 | $ 243,550 | $ 191,180 |
| Office, Furniture, & Fixtures | 685 | 6,688 | 5,130 | 2,000 | 2,000 |
| Air Conditioner | 199,624 | 39,780 | 16,526 | 71,500 | 47,500 |
| Yards & Grounds | 79,929 | 79,065 | 53,392 | 127,600 | 108,000 |
| Buildings | 72,844 | 93,752 | 19,719 | 69,600 | 104,600 |
| Buildings & Grounds | - | - | 276 | - | - |
| Security System Monitoring | 5,334 | 4,268 | 1,856 | 3,720 | 10,000 |
| Electrical | 174,628 | 253,641 | 246,143 | 399,000 | 301,000 |
| Generators | 45,868 | 134,848 | 53,602 | 59,000 | 80,000 |
| Pumps & Motors | 20,922 | 55,070 | 28,428 | 120,000 | 120,000 |
| Compressor | - | 2,964 | 1,234 | 5,000 | 5,000 |
| Aerators | 7,167 | 1,839 | - | 10,000 | 10,000 |
| Machinery, Tools, & Implements | 27,616 | 24,166 | 12,405 | 24,600 | 27,000 |
| Belt Press | - | 18,318 | - | 13,000 | 13,000 |
| Pipeline Transmission System | 44,252 | 153,900 | 196,322 | 167,740 | 224,000 |
| Valves | 111,560 | 60,532 | 52,018 | 120,000 | 180,000 |
| Laboratory Equipment | 1,073 | 19,917 | - | 11,000 | 6,000 |
| Plants & Facilities | 107,399 | 192,353 | 139,439 | 121,500 | 76,000 |
| Pretreatment | 10,258 | 40,800 | 9,732 | 14,000 | - |
| Membrane | 8,828 | 40,274 | 40,226 | 80,000 | 64,500 |
| Networking and Communications - SCADA | 518 | 9,151 | 827 | 1,800 | 1,800 |
| Chemical Handling | 16,208 | 25,502 | 34,008 | 50,000 | 50,000 |
| A/C Contracts-Support/Maintenance | 10,680 | 10,920 | 8,190 | 10,920 | 11,500 |
| Electrical Contracts-Support/Maintenance | 62,677 | 62,677 | 47,008 | 62,700 | 62,700 |
| Compressor Contracts-Support/Maintenance | 20,491 | 22,085 | 17,691 | 25,000 | 25,500 |
| Aerator Contracts-Support/Maintenance | 132,000 | 132,000 | 99,000 | 132,000 | 132,000 |
| Membrane Contracts-Support/Maintenance | 8,325 | 8,759 | 6,675 | 9,800 | 11,000 |
| Inventory Gains and Losses | (5,891) | 1,353 | - | - | - |
| Bad Debt Expense | 28,144 | 22,341 | - | - | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 1,294,076** | **$ 1,672,210** | **$ 1,227,486** | **$ 1,955,030** | **$ 1,864,280** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 377,284 | $ 308,253 | $ 195,824 | $ 546,246 | $ 569,817 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 377,284** | **$ 308,253** | **$ 195,824** | **$ 546,246** | **$ 569,817** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 22,157,956** | **$ 22,288,591** | **$ 15,984,870** | **$ 27,869,011** | **$ 29,699,088** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 22,157,956** | **$ 22,288,591** | **$ 15,984,870** | **$ 27,869,011** | **$ 29,699,088** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 60,093,916** | **$ 42,970,001** | **$ 35,825,331** | **$ 32,558,566** | **$ 37,229,757** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| 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 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 199,261** | **$ 2,008,939** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Operating Reserve | | | | $ 10,000,000 | $ (1,135,944) |
| Debt Service Transfers | | | | (44,054,670) | (33,154,055) |
| Repair and Replacement Transfers | | | | (1,781,500) | (930,820) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (35,836,170)** | **$ (35,220,819)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 60,093,916** | **$ 42,970,001** | **$ 35,825,331** | **$ (3,476,864)** | **$ (0)** |

*Actuals intentionally left blank.

**San Jacinto River Authority - GRP Debt Service and Debt Service Reserve**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 2,048,634 | $ 2,556,161 | $ 1,670,965 | $ - | $ - |
| Interest on Accounts Receivable | - | 168,269 | - | - | - |
| **TOTAL OTHER REVENUES** | **$ 2,048,634** | **$ 2,724,431** | **$ 1,670,965** | **$ -** | **$ -** |
| | | | | | |
| **NON-OPERATING EXPENSES** | | | | | |
| Interest Expense | $ 18,764,085 | $ 18,200,894 | $ 12,549,484 | $ 16,925,086 | $ 15,341,139 |
| **TOTAL NON-OPERATING EXPENSES** | **$ 18,764,085** | **$ 18,200,894** | **$ 12,549,484** | **$ 16,925,086** | **$ 15,341,139** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 18,764,085** | **$ 18,200,894** | **$ 12,549,484** | **$ 16,925,086** | **$ 15,341,139** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (16,715,451)** | **$ (15,476,463)** | **$ (10,878,519)** | **$ (16,925,086)** | **$ (15,341,139)** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 9,936,618 | $ - |
| Bond Principal | | | | (37,066,201) | (17,812,917) |
| Debt Service Reserve Funds | | | | 9,936,618 | - |
| Debt Service Transfers | | | | (9,936,618) | - |
| Operating Fund Transfers | | | | 44,054,670 | 33,154,055 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 16,925,086** | **$ 15,341,139** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (16,715,451)** | **$ (15,476,463)** | **$ (10,878,519)** | **$ -** | **$ -** |

*Actuals intentionally left blank.

# San Jacinto River Authority - GRP Repair and Replacement
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 140,779 | $ 259,703 | $ 215,649 | $ - | $ - |
| **TOTAL OTHER REVENUES** | **$ 140,779** | **$ 259,703** | **$ 215,649** | **$ -** | **$ -** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ - | $ - | $ 52,521 | $ 50,000 | $ - |
| **TOTAL PROFESSIONAL FEES** | **$ -** | **$ -** | **$ 52,521** | **$ 50,000** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Membrane | $ - | $ - | $ - | $ 1,000,000 | $ - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ -** | **$ -** | **$ -** | **$ 1,000,000** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ -** | **$ 52,521** | **$ 1,050,000** | **$ -** |
| | | | | | |
| **TOTAL EXPENSES** | **$ -** | **$ -** | **$ 52,521** | **$ 1,050,000** | **$ -** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 140,779** | **$ 259,703** | **$ 163,128** | **$ (1,050,000)** | **$ -** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Water Treatment Plant & Facilities | | | | $ 304,000 | $ 690,000 |
| Transmission Lines & Facilities | | | | 161,000 | 323,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 465,000** | **$ 1,013,000** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ (244,000) | $ 6,762,000 |
| Operating Fund Transfers | | | | 1,759,000 | 860,000 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 1,515,000** | **$ 7,622,000** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 140,779** | **$ 259,703** | **$ 163,128** | **$ -** | **$ 6,609,000** |

*Actuals intentionally left blank.

## SJRA FY2026 GRP Risk Management – July 2025

| Risk | Probability | Management Method |
|---|---|---|
| **Revenue** | | |
| Additional short/ no pays by Participants | Low | • If available, utilize O&M reserves to cover expenses.<br>• Utilize debt service reserve to cover expenses not able to be covered by O&M reserves. |
| **Labor (Staffing)** | | |
| Inadequate staff available for daily operations in Operations and Maintenance Departments. | Low | • Hire temporary personnel to support operations and maintenance staff.<br>• Outsource some maintenance related items.<br>• Increase overtime to bridge gap in staffing.<br>• Conduct workload analysis to map out critical tasks. |
| **Professional, Construction and Miscellaneous Services** | | |
| Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services | Low | • SJRA staff in key management positions to oversee/drive progress.<br>• Project management procedures are implemented for effective project delivery including control of scope, fee, schedule and risk. Implement the Project Management Plan, as appropriate.<br>• All contracts contain termination clauses.<br>• Professional services contracts are typically work order based, which authorizes work one phase at a time, thereby allowing opportunity to adjust services provided. |
| **Expenses** | | |
| Additional or extended lawsuits | Med | • Delay O&M expenses where possible.<br>• Utilize Debt Service Reserve to cover expenses. |
| Failure of a key Water system component, requiring immediate funds greater than budgeted. | Low | • Emergency Reserve Funds are not available for critical and immediate repair of failed system components.<br>• Decrease surface water delivery until funds become available.<br>• Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts.<br>• Utilize insurance policy, if available. |
| **Operations and Maintenance** | | |
| Interruption of operations due to emergency incident (i.e. Fire, Storm, Line Break, Power Outage, Terrorist Threat). | Med | • GRP Emergency Response Plan provides instructions for responding to emergency incidents. |

SJRA

SAN JACINTO RIVER AUTHORITY

# Flood Management Division

## FLOOD MANAGEMENT DIVISION

In response to a March 2018 press release by Texas Governor Greg Abbott, the SJRA immediately began taking a more active role in regional flood management by creating a Flood Management Division to oversee the development of short-term and long-term flood management strategies; build partnerships with federal, state, and local government entities; and identify funding sources and opportunities for flood mitigation in the region. Unlike some other entities in Texas with flood mitigation responsibilities, the SJRA receives no funding from the State of Texas, nor does it have authority to collect taxes, for the purpose of funding flood mitigation efforts. The Flood Management Division has taken on the role of a facilitator of regional flood projects by participating in regional planning efforts to identify projects, seeking grants and funding partners to fund identified projects, and providing project/grant management and other in-house services to facilitate projects and assist in meeting local-match funding requirements. This approach allows the SJRA to assist in accomplishing large-scale projects and efforts that would not be possible for the SJRA to complete on its own.

***Major Initiatives:*** In FY2026, the Flood Management Division will continue coordination and partnership with other agencies providing flood-related services, continue identifying flood mitigation projects, and continue seeking grant and other funding for identified projects. Any newly identified projects will be added to the Division's next 10-Year Project Plan. The Division will also continue supporting the State Flood Planning process via participation on the San Jacinto Regional Flood Planning Group.

***Capital Improvement and Other Project Plans***: The Flood Management Division does not currently maintain any physical assets. For FY2026, the Division plans to utilize awarded grant funding and related partner contributions, in addition to some cash expenditures, to perform multiple flood mitigation projects as described in the Division's 10-Year Project Plan. The Division will continue to seek additional funding from various sources for future project phases and/or other projects such as those recommended in the San Jacinto Regional Watershed Master Drainage Plan and the San Jacinto Regional Flood Plan. The Flood Management Division included the following projects in the FY2026 budget:

| **Flood Management - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Spring Creek Watershed Flood Control Dams Feasibility | Plan/Permitting | $ 10,000 | Grant/ILA |
| Upper San Jacinto River Basin Regional Sedimenation Study | Plan/Permitting | $ 175,000 | Grant/ILA |
| Lake Conroe - Lake Houston Joint Reservoir Operations Study | Plan/Permitting | $ 500,000 | Grant/ILA |
| SJ River and Tributaries Sediment Removal & Sand Trap Dev. | Plan/Design | $ 495,000 | Project Fund/ILA |
| Waller County Flood Mapping Updates | Plan/Permitting | $ 583,000 | Grant/ILA |
| Total | | **$ 1,763,000** | |

***Total Indebtedness and Annual Debt Service:*** The Flood Management Division does not have any indebtedness as of FY2025 and has no plans for future indebtedness in FY2026 or beyond.

***Staffing Plans:*** The Flood Management Division's staffing plan for FY2026 includes two direct FTE positions, with no part-time, temporary, or intern positions. These two direct FTE positions allocates

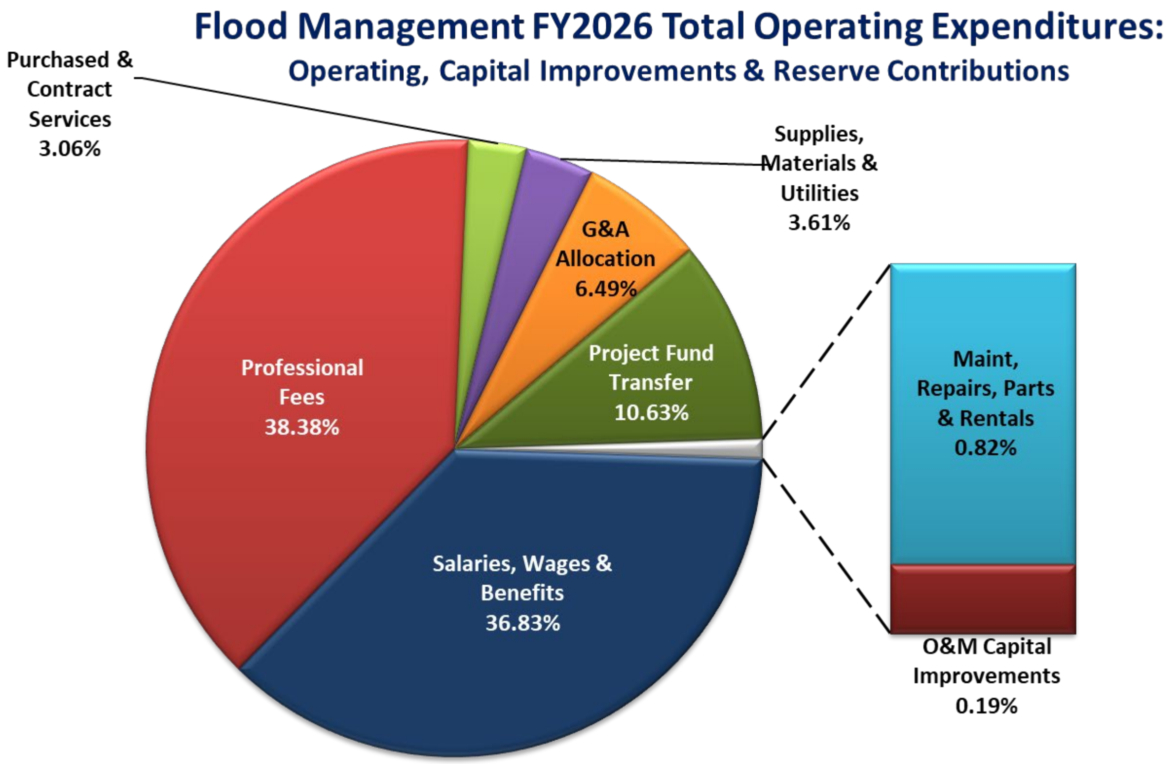
1.03 FTEs to Raw Water Enterprise and .09 FTEs to the Bear Branch, Highlands, and Lake Conroe Divisions, in addition to time allocated directly to Flood Management. In addition, the Division is allocated 2.82 FTEs for FY2026 from G&A Departments and 0.10 FTEs from the Lake Conroe Division. The net total FY2026 FTEs associated with the Flood Management Division, direct and allocated, is 3.81 FTEs.

***Revenues:*** The Flood Management Division does not generate revenue through its operations, with the exception of $15,000 budgeted for Partner Reimbursements from San Jacinto County for expenses incurred to maintain flood gauges. The Raw Water Enterprise funds the Division's expenses that are not otherwise offset by regional partners or grant funds. The Flood Management Division is tasked with identifying, studying, and implementing regional flood mitigation solutions and building regional partnerships, including the potential identification of state and federal grants or other project funding sources. The Flood Management budget for FY2026 includes utilizing $342,500 in grant funds and $642,500 in partner contributions to fund the FY2026 projects shown in the Division's 10-Year Project Plan.

***Expenditures:*** In FY2026, Flood Management expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- O&M Capital Improvements (non-bond related)
- Project Fund Contributions

Expected total expenditures for the SJRA's Flood Management Division for FY2026 is ($1,236,307).




***Fund Balance and Reserves:*** The SJRA's General Fund Balance combines to cover the Flood Management Division, as well as the Raw Water Supply, Highlands Division, Lake Conroe Division, and otherwise unallocated portions of the G&A Division. The Flood Management Division does not maintain any reserves.

For FY2026, the net between O&M revenues and expenditures for the Flood Management Division is ($1,236,307). This amount will be covered by Raw Water Supply revenues.

# San Jacinto River Authority - Flood Management Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Partner Reimbursement | $ - | $ - | $ - | $ - | $ 15,000 |
| Other Operating Revenue | - | - | 15,286 | - | - |
| Capital Contributions | - | - | - | 109,250 | 145,750 |
| **TOTAL OPERATING REVENUES** | **$ -** | **$ -** | **$ 15,286** | **$ 109,250** | **$ 160,750** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 872 | $ 36 | $ - | $ - | $ - |
| Miscellaneous Revenue | 146 | 122 | 114 | - | - |
| Grant Revenue | - | - | - | 327,750 | 437,250 |
| **TOTAL OTHER REVENUES** | **$ 1,017** | **$ 158** | **$ 114** | **$ 327,750** | **$ 437,250** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 339,690 | $ 385,859 | $ 343,595 | $ 440,951 | $ 500,298 |
| Compensated Absences | 8,535 | (394) | - | - | - |
| Group Insurance | 57,597 | 68,462 | 58,173 | 88,924 | 76,172 |
| Group Retirement Expense | 28,900 | 54,295 | 43,518 | 50,247 | 56,636 |
| Workers Compensation Insurance | 1,830 | 3,571 | 4,127 | 3,467 | 2,833 |
| Social Security Taxes | 20,818 | 27,855 | 24,237 | 31,637 | 38,273 |
| Employee Benefits Services | 1,842 | 1,632 | 1,051 | 1,709 | 1,335 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 459,213** | **$ 541,279** | **$ 474,699** | **$ 616,936** | **$ 675,548** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 146 | $ 4,729 | $ 1,349 | $ 25,000 | $ 15,000 |
| Engineering | 9,426 | 45,245 | 11,572 | 537,000 | 683,000 |
| Graphic Design | 2,500 | 2,875 | 2,588 | 6,000 | 6,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 12,071** | **$ 52,849** | **$ 15,508** | **$ 568,000** | **$ 704,000** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Employee Testing- New | $ - | $ - | $ - | $ 20 | $ 27 |
| Public Relations Expense | - | 98 | - | - | - |
| Water Conservation & Public Education | 9,223 | 6,402 | 1,000 | 55,694 | 55,694 |
| Website Hosting & Maintenance | - | 63 | - | 201 | 354 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 9,223** | **$ 6,564** | **$ 1,000** | **$ 55,915** | **$ 56,075** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 44 | $ - | $ 13 | $ 150 | $ 150 |
| Other Office Expense | - | - | 13 | - | - |
| Travel | 957 | 644 | 1,666 | 2,800 | 1,500 |
| Automobile & Truck Expense | - | 27 | - | 50 | 500 |
| Postage | 132 | - | 10 | 500 | 500 |
| Property Insurance | - | 172 | (118) | - | 115 |
| Liability Insurance | 865 | 858 | 808 | 1,233 | 1,743 |
| Training | 1,713 | 1,290 | 1,164 | 2,500 | 1,500 |
| Training-Employee HR | 102 | 28 | 7 | 1,508 | 567 |
| Managers Expense | 1,074 | 879 | 934 | 1,000 | 1,000 |
| Employee Relations | - | - | - | - | 1,517 |
| Fuel | - | - | - | 50 | 50 |
| Uniform Services | - | - | 73 | 200 | 200 |
| Memberships & Professional Dues | 164 | 150 | 1,180 | 200 | 130 |
| Bank Service Charges | 2,250 | 2,250 | 2,250 | 2,250 | 3,000 |
| Personal Protective Equipment | 140 | - | - | 100 | 250 |
| Health & Wellness Program | - | 103 | 59 | 161 | 162 |
| Recruiting Expenses | - | 60 | 72 | 1,508 | 1,214 |
| Computer Hardware | 368 | 4,554 | 661 | 3,525 | 6,445 |
| Physical Security | - | - | - | - | 711 |
| Software & Support | 13,857 | 16,232 | 8,921 | 26,538 | 36,044 |
| Network Communications | 971 | 1,002 | 647 | 1,655 | 1,732 |
| Newspaper Ads | 1,254 | 1,390 | 340 | 10,000 | 3,600 |

# San Jacinto River Authority - Flood Management Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Wireless Devices & Services | - | - | - | 3,300 | 3,300 |
| Phone System-Install, Maintenance, & Changes | - | 18 | 32 | 340 | 300 |
| Landline Telephone Services | 1,121 | 1,608 | 647 | 678 | 15 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 25,011** | **$ 31,265** | **$ 19,379** | **$ 60,247** | **$ 66,244** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ - | $ - | $ 13,255 | $ - | $ 15,000 |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ -** | **$ -** | **$ 13,255** | **$ -** | **$ 15,000** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |
| General & Administrative Expense Allocated | $ 44,859 | $ 61,337 | $ 38,410 | $ 108,728 | $ 119,001 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ 44,859** | **$ 61,337** | **$ 38,410** | **$ 108,728** | **$ 119,001** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 550,378** | **$ 693,293** | **$ 562,251** | **$ 1,409,826** | **$ 1,635,867** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 550,378** | **$ 693,293** | **$ 562,251** | **$ 1,409,826** | **$ 1,635,867** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (549,361)** | **$ (693,136)** | **$ (546,851)** | **$ (972,826)** | **$ (1,037,867)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Land | | | | $ 180,000 | $ - |
| Software | | | | 191 | - |
| Computer Equipment | | | | 4,123 | 3,440 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 184,314** | **$ 3,440** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Project Fund Transfers | | | | $ - | $ (195,000) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ -** | **$ (195,000)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (549,361)** | **$ (693,136)** | **$ (546,851)** | **$ (1,157,140)** | **$ (1,236,307)** |

*Actuals intentionally left blank.

# San Jacinto River Authority - Flood Management Project Fund
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Partner Reimbursement | $ - | $ - | $ - | $ - | $ - |
| Other Operating Revenue | - | - | - | - | - |
| Capital Contributions | - | - | - | - | - |
| **TOTAL OPERATING REVENUES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ - | $ - | $ - | $ - | $ - |
| Miscellaneous Revenue | - | - | - | - | - |
| Grant Revenue | - | - | - | - | - |
| **TOTAL OTHER REVENUES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ - | $ - | $ - | $ - | $ - |
| Engineering | - | - | - | - | - |
| Graphic Design | - | - | - | - | - |
| **TOTAL PROFESSIONAL FEES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Land | | | | $ - | $ 195,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ -** | **$ 195,000** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Repair and Replacement Transfers | | | | $ - | $ 195,000 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ -** | **$ 195,000** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

*Actuals intentionally left blank.

## San Jacinto River Authority - Flood Management Grants
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capital Contributions | $ 150,096 | $ 160,010 | $ 22,000 | $ 760,000 | $ 642,500 |
| **TOTAL OPERATING REVENUES** | **$ 150,096** | **$ 160,010** | **$ 22,000** | **$ 760,000** | **$ 642,500** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ - | $ 27,709 | $ 47,738 | $ - | $ - |
| Grant Revenue | $ 174,042 | $ 165,459 | $ 2,481 | $ 400,000 | $ 342,500 |
| **TOTAL OTHER REVENUES** | **$ 174,042** | **$ 193,168** | **$ 50,219** | **$ 400,000** | **$ 342,500** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 342,098 | $ 286,905 | $ 66,385 | $ 800,000 | $ 685,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 342,098** | **$ 286,905** | **$ 66,385** | **$ 800,000** | **$ 685,000** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 342,098** | **$ 286,905** | **$ 66,385** | **$ 800,000** | **$ 685,000** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 342,098** | **$ 286,905** | **$ 66,385** | **$ 800,000** | **$ 685,000** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ (17,960)** | **$ 66,273** | **$ 5,835** | **$ 360,000** | **$ 300,000** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Land | | | | $ 360,000 | $ 300,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 360,000** | **$ 300,000** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ (17,960)** | **$ 66,273** | **$ 5,835** | **$ -** | **$ -** |

*Actuals intentionally left blank.

SAN JACINTO RIVER AUTHORITY

# G&A Division

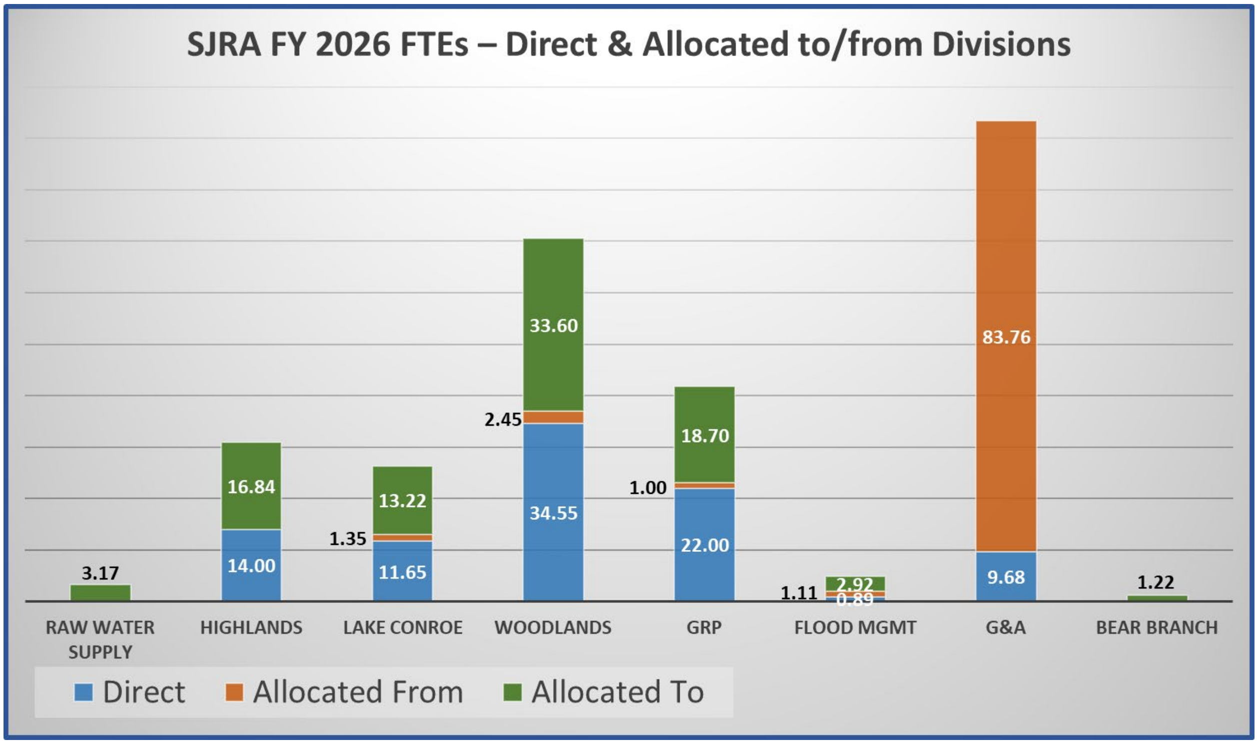
## GENERAL AND ADMINISTRATION DIVISION

The general and administrative functions of the SJRA are organized into Departments within the General and Administration Division (G&A). The G&A consists of Senior Management and the following Departments:

| | | |
|---|---|---|
| **Accounting** | **Information Technology (IT)** | **Risk Management** |
| **Administrative Services** | **Public Communications** | **SCADA/I&C** |
| **Human Resources (HR)** | **Purchasing** | **Technical Services (TS)** |

The G&A Departments are largely customer service focused on the operating Divisions as internal customers of the services they provide. These Departments support the operating Divisions with administrative and technical services provided on a daily, monthly, and periodic basis. The SJRA's G&A employees are well trained administratively, technically, and professionally. They cross-train within their Departments to provide consistent and resilient services and operate with a team mentality within their Departments and across the SJRA.

Senior Management and the G&A Departments allocate FTEs to the operating Divisions based upon appropriate methodologies for their department activities within the terms of existing customer contracts. Using historical data and projected estimates for the upcoming year, the Administrative Services, Public Communications, and Risk Management Departments follow an approach that estimates, where reasonable, individual employee's projected time worked for each operating Division. The Accounting, IT, and Purchasing Departments combine the previous approach with the use of specifically dedicated FTEs to certain operating Divisions. The HR Department and some of the IT Department FTEs utilize a proportionate allocation of time worked by their employees based on the percentage of operating Divisions' direct and allocated FTEs to the 182.43 total employees of the SJRA. The SCADA/I&C Department and Technical Services Department employees work mainly with the operating Divisions on the maintenance of certain systems and assist with specific projects, therefore many of those FTEs estimate their allocated time based on specific tasks or the projects planned for FY2026.




***Major Initiatives:*** During FY2025 and planned through FY2026, the G&A Departments have undertaken several major initiatives to improve the operations related to the operating Divisions.

***Accounting:*** During FY2025 and upcoming in FY2026, following the implementation of D365 Enterprise Resource Planning (ERP) system, the Accounting Department continues to refine processes and build its knowledge of the system. Accounting is focusing on optimizing productivity, improving reporting, and improving customer experience in the system for both internal and external customers. Additionally, the Department is partnering with the IT Department on the creation of robust Power BI reports to provide data in real time to internal customers. Outside of the ERP System, the Department will continue assisting each operating Division throughout the year with monitoring and reporting of revenues and expenditures, allowing the Divisions to manage their operations more efficiently and effectively.

***Administrative Services*:** The Administrative Services Department responds to the needs of its internal and external customers by providing high quality, supportive, and responsive services. The Department supports all Divisions and Departments in implementing the priorities of the Senior Management Team and the Board of Directors.

In Fiscal Year 2025, the Administrative Services Department with the assistance of the Information Technology Department, and the Procurement Department, selected and procured a new document management system that will better centralize content, improve collaboration, maintain security and compliance, and allow for long-term document accessibility and preservation. Implementation will begin in Fall 2025. The Department also assisted with various aspects of the G&A Division capital improvement projects such as the Data Room HVAC Replacement Project, the G&A Building HVAC System Replacement Phase 2 Project, the G&A Site Drainage Erosion Repair Project, the Lake Conroe

Campus Pavement and Access Improvements Project, and the G&A Building Backup Generator Improvements Project.

In Fiscal Year 2026, the Administrative Services Department will continue to assist with the G&A Division capital improvements projects, assist in the implementation of new legislation coming out of the 89th Legislative Session, assist in updating the strategic plan, and the redevelopment of business planning. The Administrative Services Department will continue to work with other Divisions and Departments on various company-wide initiatives.

***HR:*** The Human Resources Department will continue enhancing policies, processes, and systems in FY2026. We began implementing a new Human Resource Information System (HRIS) and Payroll System in mid-FY2025. In addition to establishing core functionality, the Department will focus on configuring and optimizing additional system modules, including job descriptions, applicant tracking, onboarding, benefits enrollment, and performance management. This effort will require a full review and overhaul of current processes and procedures, along with training for managers, supervisors, and employees.

Another key priority for the Department is expanding the employee training and development programs, with an emphasis on creating customized training for Divisions and Departments.

***IT:*** The IT Department collaborates with the operating Divisions on various projects and coordinates the many SJRA-wide computer systems, network infrastructure, telecommunications, audio/visual and physical security systems SJRA wide. The Department provides services that are a combination of Division specific projects and the development of uniform business processes across the SJRA, in coordination with the Divisions and other G&A Departments. These initiatives include software project management, enhanced cybersecurity, business continuity planning, data integrity and disaster recovery, upgrade and maintenance of critical infrastructure, data sharing initiatives with customers and other entities for improved information visibility.

***Public Communications:*** The Public Communications Department is responsible for proactively communicating SJRA's key strategic priorities, initiatives, core services, and messages to a broad range of audiences including residents within the San Jacinto River Basin, local and state elected officials, community groups, civic organizations, and the general public. Public Communications utilizes a variety of communications methods including the SJRA website, social media platforms, email, press releases, graphic design, blog posts, mail pieces, and interactive web design.

The Department works across all five Divisions of SJRA to help facilitate each Division's needs in communicating to its own customers and constituents via regular newsletters, educational materials, presentations, networking meetings, and press releases. The Department assists the Division and project managers, construction team, and engineers on numerous construction projects to ensure the proper line of communication between the SJRA, local leaders, and residents. Additionally, the Public Communications Department informs the public and other water entities by participating in various conferences within the water industry. For FY2025, the Public Communications Department will continue to work with the entire SJRA to improve internal and external communications/relations by developing key messages and identifying the tools best used to communicate those messages.

***Purchasing:*** During FY 2025 and into FY2026, the Procurement Department has continued to make meaningful progress in improving efficiency, ensuring compliance, and supporting the SJRA's mission. Key accomplishments include:

- Updated Templates and Forms – The Department revised contract and solicitation templates, along with various related forms, to enhance clarity, consistency, and ease of use. These updates support more efficient procurement processes for both internal staff and external vendors.
- Internal Certificate of Insurance Tracking – A new internal tracking system for Certificates of Insurance (COIs) was implemented to support audit readiness and strengthen vendor compliance. This tool enhances risk management and improves preparation for the annual insurance audit.
- Ongoing D365 System Training – Following the implementation of the D365 Enterprise Resource Planning (ERP) system, the Department continues to build its knowledge of the system's capabilities. Continued learning and training efforts are helping optimize workflows, improve reporting, and increase cross-Department collaboration.
- Team Expansion – The Department filled a key vacancy during the fiscal year, resulting in a more balanced workload and improved team performance. With responsibilities more evenly distributed, the team is better equipped to meet procurement needs efficiently.

Looking Ahead, the Procurement Department remains focused on collaboration and continuous improvement. Its ongoing goal is to effectively procure the goods and services needed to support current and future SJRA projects—while maintaining the highest standards of transparency, compliance, and value.

***Risk Management:*** The Risk Management Department (RMD) protects SJRA's assets by supporting the SJRA's mission through the management of contracts and insurance, emergency management planning, loss prevention planning and worker's compensation management. The RMD designs and implements programs and strategies to identify and mitigate any potential loss to SJRA's resources, including risks involving asset infrastructure, human capital (employees), organizational reputation and operations. The RMD will continue working to implement a comprehensive Enterprise Risk Management approach to risk identification and mitigation.

***SCADA/I&C:*** The major initiatives for the SCADA/I&C (SCADA) Department are focusing on cybersecurity for all the operating Divisions. This includes looking into other options for connecting remote sites into the SCADA networks. An initiative spearheaded by the Utility Enterprise involves a complete review of the automation for them. As the information is obtained from this initiative, any insights gathered from it will be measured and blended into the Raw Water Enterprise. This will allow for the continued focus on improving the standardization within the SCADA systems between all the Divisions. Another focus for the SCADA/I&C Department is on cross training staff to improve our ability to respond to call out situations. The SCADA Department also is closely involved with the collaborative projects with SJRA operating Divisions, including integrating sites in the Highlands and the Woodlands Divisions into their respective SCADA systems along with ensuring reliable operations for all the Divisions during emergency operations.

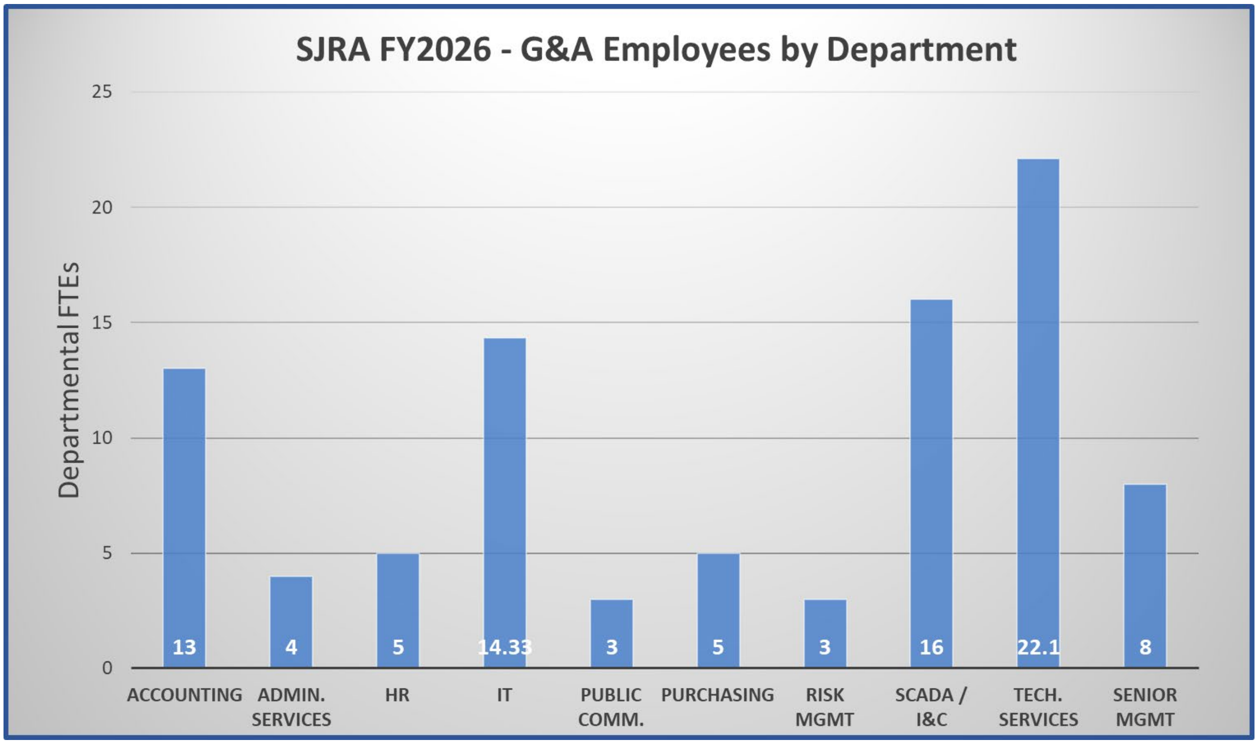
***Technical Services:*** The Technical Services Department (TSD) supports each of the operating Divisions with planning, asset management, project management for both maintenance and capital projects, construction management and inspection, GIS, technical support, and emergency assistance. The budget for TSD primarily considers the number and complexity of upcoming projects, planned in-house design/construction management/inspection, and other support typically needed by the operating Divisions. Over the past year, TSD has worked closely with the operating Divisions to update their 10-year Project Plans. The Woodlands Division is expecting a long-term increase in required project delivery needs due proposed significant investments in both wastewater and water line infrastructure throughout The Woodlands system over the next 10 to 20 years. The Highlands Division is also continuing to invest in projects to replace aging infrastructure including siphons, pump stations, and levee rehabilitation and/or improvements. There are also a few capacity driven projects within the Highlands 10-year Project Plan to account for proposed demand increases from Customers. In FY 2025 TSD added staff to their staffing plan to accommodate the anticipated increase in workload across multiple Divisions. No new FTEs are proposed for the FY 2026 TSD staffing plan. TSD continues to do significant outreach to the consultant and contracting community to make sure there are many qualified firms to perform engineering design and competitive contractors to construct the Division's projects. TSD plans to provide support to the Lake Conroe, GRP, Bear Branch, G&A and Flood Management Divisions which have a consistent proposed project plan over the next 10 years. As the projects/programs in The Woodland's and Highlands Divisions continue to develop, TSD will continue to evaluate the current staff's workload and potential additional staffing, or staff augmentation needs to deliver the best results for our customers.

***Capital Improvement and Other Project Plans:*** Each year the G&A Division conducts risk assessments and evaluations of their limited infrastructure. G&A reviews the likelihood and consequences of failure of each asset and prioritizes projects based on a variety of factors related to reliable, cost-effective service. The projects included within G&A's Project Plan for FY2026 are anticipated to be funded from R&R funds as highlighted below:

| **General & Administration - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| G&A Building HVAC System Replacement Phase 2 | Design | $ 40,000 | R&R |
| G&A Site Drainage Erosion Repair | Construction | $ 315,000 | R&R |
| Lake Conroe Campus Pavement Improvements | Design/Construction | $ 267,840 | R&R |
| G&A Building Backup Generator Improvements | Design/Construction | $ 181,000 | R&R |
| Total | | **$ 803,840** | |

***Total Indebtedness and Annual Debt Service:*** The G&A Division does not have any indebtedness as of FY2025 and has no plans for future indebtedness in FY2026 or beyond.

***Staffing Plans:*** The G&A Division's staffing plan for FY2026 includes 93.43 direct FTE positions. There are 0.6 FTEs budgeted in FY2026 for two intern positions; however, there are no FTEs budgeted that are considered part-time or temporary positions. Of the 93.43 direct G&A Division FTEs, 83.76 FTEs are allocated to the various operating Divisions. The remaining 9.68 G&A Division FTEs make up 10.4% that remain unallocated to the operating Divisions.

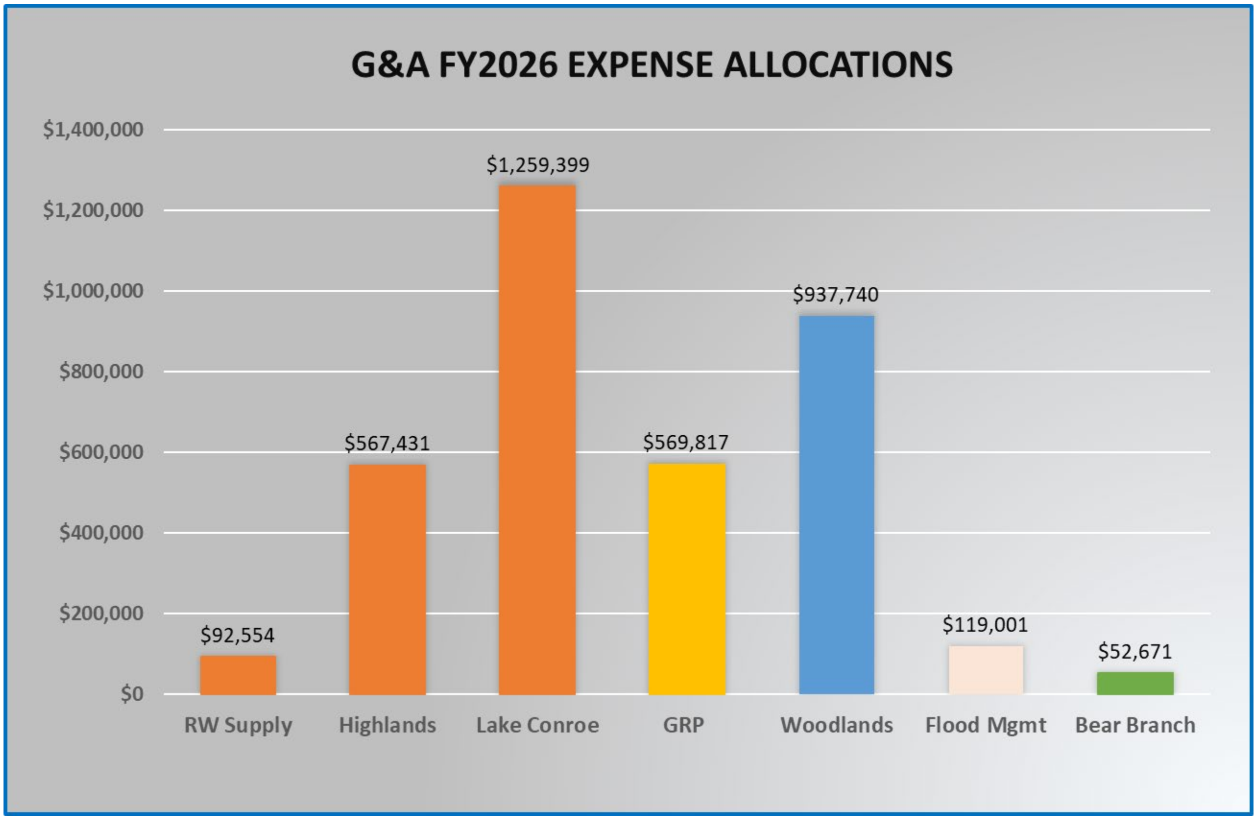



***Revenues:*** The G&A Division has no significant revenues forecast for FY2026 with no Operating Income and $130,206 of Non-Operating Income from interest income, credit card fees, and office rental.

***Expenditures:*** The G&A Division for FY2026 contains regular and customary expenses related to the on-going administrative and technical support to the SJRA's operating Divisions. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- O&M Capital Improvements
- Reserve Contributions (if needed)
- R&R Fund Contributions

G&A Division expenses are allocated to the operating Divisions and Bear Branch based on terms stipulated in contracts (Woodlands and Lake Conroe Divisions) or by a formula related to a ratio of the Division's expenses as compared to the SJRA's total expenses (Raw Water Supply, Highlands, GRP, Flood Management, and Bear Branch). For FY2026, G&A expense allocations to the operating Divisions, Flood Management, and Bear Branch total $3,598,613. Expected total expenditures, after allocations to the operating Divisions, and Bear Branch, for FY2026, including operating, capital improvements, and other cash uses, total $1,490,906. G&A has $1,303,840 in expected R&R Fund operating expenses and capital improvements for FY2026.




***Fund Balance and Reserves:*** The SJRA's General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division and to cover the Flood Management Division.

As approved by the Board of Directors on July 24, 2025, the reserve policy for the G&A Division utilizes two reserves and an R&R Fund:

1. ***Operating & Rate Stabilization Reserve**:* The G&A Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow and stabilize rates and revenues. The Operating Reserve target for FY2025 for the G&A Division is set to be an amount equal to six months of operating expenditure. Currently G&A has met the six-month operating reserve. For FY2025, the G&A Operating Reserve is at $1,909,391, equivalent to six months of operating expenses. For FY2026, the Operating Reserve is projected to be under the targeted balance and a contribution of $24,242 of additional funds are budgeted to bring the balance back up to the target amount.

2. ***Emergency Reserve**:* The General and Administration Division Emergency Reserve was established to provide a full or partial source of funds for unplanned or emergency repair or replacement of SJRA capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance for the General Fund was established to be a total of $11 million, which is based on estimated amounts of $5 million for Lake Conroe, $5 million for the Highlands, and $1 million for the G&A Division with contributions taking place over the next five years to

reach the proposed targets.  A contribution of $180,000 to the Emergency Reserve is budgeted for FY2026.

3. ***Repair & Replacement (R&R Fund):*** The G&A Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met.  A contribution of $803,000 to the R&R Fund was budgeted for FY2026.

For FY2026, the net between O&M revenues and expenditures for the G&A Division, including scheduled contributions to any of the two reserves or R&R fund, is ($1,360,700).  This amount will be net with the Raw Water Supply revenues to offset the Raw Water Enterprise and Flood Management Division net cash uses.

**San Jacinto River Authority - General and Administration Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Other Operating Revenue | $ - | $ 70 | $ - | $ - | $ - |
| **TOTAL OPERATING REVENUES** | **$ -** | **$ 70** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 152,153 | $ 374,835 | $ 263,248 | $ 84,000 | $ 100,000 |
| Land Use Agreements | - | 12 | - | - | - |
| Office Rental Revenue | 25,206 | 25,206 | 18,906 | 25,206 | 25,206 |
| Miscellaneous Revenue | 10,656 | 10,878 | 6,394 | - | - |
| FEMA Grant Revenue | - | 13,235 | - | - | - |
| Proceeds From Sale Of Assets | - | - | 12,750 | - | - |
| Other Gains & Losses | - | 29,000 | - | - | - |
| Credit Card Fees-Collected | - | 1,159 | 3,179 | - | 5,000 |
| **TOTAL OTHER REVENUES** | **$ 188,014** | **$ 454,326** | **$ 304,476** | **$ 109,206** | **$ 130,206** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | |
| Salaries & Wages | $ 772,229 | $ 1,409,372 | $ 777,200 | $ 809,678 | $ 957,223 |
| Compensated Absences | 36,199 | 110,918 | - | - | - |
| Group Insurance | 126,305 | 231,184 | 126,331 | 174,310 | - |
| Group Insurance - Retirees | (13,217) | (58,871) | - | 50,000 | 50,000 |
| Group Insurance - Retiree OPEB | 6,277 | 6,577 | 5,166 | 7,560 | 7,741 |
| Group Retirement Expense | (168,870) | 198,383 | 94,275 | 92,313 | 284,802 |
| Workers Compensation Insurance | 2,489 | 12,292 | 6,261 | 3,758 | 3,880 |
| Social Security Taxes | 57,309 | 104,138 | 59,219 | 61,030 | 73,228 |
| Tuition Reimbursement | 5,436 | 6,897 | 3,141 | 30,000 | 30,000 |
| Employee Benefits Services | 5,626 | 3,644 | 2,457 | 4,162 | 3,499 |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$ 829,782** | **$ 2,024,535** | **$ 1,074,049** | **$ 1,232,810** | **$ 1,410,373** |
| | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Legal Fees | $ 157,387 | $ 158,778 | $ 100,637 | $ 215,000 | $ 80,000 |
| Lobbyist | 141,152 | 76,636 | 97,903 | 110,000 | 110,000 |
| Annual Financial Audit | 35 | - | - | - | - |
| Management Audit | 63,237 | - | - | - | - |
| Engineering | 94,655 | 39,984 | 7,466 | 50,000 | 50,000 |
| Inspections | - | 2,282 | 2,230 | 2,000 | 3,170 |
| Other Professional Services | - | - | - | 68,000 | 75,000 |
| Staffing Services | 4,534 | 12,244 | 14,103 | - | - |
| Safety Inspections & Testing | 330 | 1,388 | 215 | 2,000 | 1,500 |
| Public Relations Consultant | - | 55,000 | 2,900 | 150,000 | 150,000 |
| Graphic Design | 2,500 | 287 | - | 3,000 | 3,000 |
| **TOTAL PROFESSIONAL FEES** | **$ 463,830** | **$ 346,599** | **$ 225,454** | **$ 600,000** | **$ 472,670** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Waste Disposal Services | $ 8,188 | $ 8,639 | $ 7,642 | $ 9,000 | $ 11,000 |
| Meter Calibration Services | 11,755 | 16,337 | 14,849 | 19,000 | 19,200 |
| Employee Testing- New | 1,472 | 3,485 | 1,638 | 3,049 | 2,010 |
| Janitorial Services | 23,551 | 23,931 | 17,663 | 24,000 | 24,000 |
| Public Relations Expense | - | 2,715 | 3,250 | - | - |
| Water Conservation & Public Education | 95,878 | 71,089 | 20,911 | 29,504 | 29,504 |
| Website Hosting & Maintenance | 8,867 | 5,129 | 8,502 | 490 | 928 |
| Directors Fees & Expenses | 22,405 | 23,650 | 28,730 | 92,820 | 60,333 |
| Meeting Expenses | 3,576 | 3,339 | 1,662 | 12,000 | 6,000 |
| Directors' Travel Expenses | 7,920 | 4,562 | 4,326 | 8,500 | - |
| Document Retention/Destruction | 3,269 | 128 | 58 | 5,000 | 2,000 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 186,880** | **$ 163,003** | **$ 109,231** | **$ 203,363** | **$ 154,975** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Office Supplies & Printing | $ 34,013 | $ 34,250 | $ 19,175 | $ 30,500 | $ 31,000 |
| Other Office Expense | 50 | 357 | 71 | - | - |

## San Jacinto River Authority - General and Administration Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| Travel | 61,284 | 68,082 | 59,671 | 134,000 | 147,100 |
| Office Furnishings | - | 3,365 | 3,017 | - | - |
| Automobile & Truck Expense | 66,706 | 54,145 | 34,194 | 69,950 | 67,700 |
| Storm Preparedness & Response | 359 | 405 | - | 1,200 | 1,200 |
| Postage | 8,903 | 3,668 | 2,539 | 5,100 | 4,500 |
| Property Insurance | 20,272 | 22,840 | 20,981 | 24,430 | 35,032 |
| Auto Insurance | 27,554 | 33,046 | 27,506 | 32,040 | 7,370 |
| Liability Insurance | 1,720 | 2,580 | 5,940 | 1,302 | 9,745 |
| Small Tools Purchases | - | 146 | 205 | - | - |
| Training | 88,565 | 93,772 | 77,696 | 175,050 | 180,850 |
| Training-Employee HR | 7,628 | 1,035 | 1,040 | 3,672 | 1,484 |
| Safety Training | - | - | - | - | 735 |
| Managers Expense | 70,966 | 72,554 | 29,180 | 90,200 | 80,700 |
| Employee Relations | 38,677 | 51,808 | 40,861 | 75,000 | 3,976 |
| Fuel | 14,585 | 30,156 | 14,158 | 69,140 | 61,600 |
| Uniform Services | 5,153 | 4,100 | 1,997 | 10,600 | 8,800 |
| Supplies | 1,207 | 721 | 802 | 1,500 | 2,500 |
| Other Operating Expenses | - | - | 195 | - | - |
| Memberships & Professional Dues | 51,032 | 33,553 | 32,219 | 72,350 | 76,805 |
| Janitorial Supplies | 5,118 | 7,488 | 4,492 | 9,000 | 9,000 |
| Copier, Scanner & Fax | 742 | 3,177 | 2,070 | 2,000 | 3,000 |
| Utilities-Electric | 53,562 | 49,216 | 41,955 | 60,000 | 55,000 |
| Utilities-Natural Gas | 614 | 1,259 | 725 | 1,000 | 1,000 |
| Bank Service Charges | 35 | 280 | 95 | 1,105 | 1,000 |
| Credit Card Fees | - | 59 | 472 | - | 5,000 |
| Bank Account Analysis Fee | 1,243 | 88 | 393 | 1,200 | 1,200 |
| Personal Protective Equipment | 8,635 | 6,125 | 3,800 | 15,900 | 10,550 |
| Safety Equipment & Meetings | 4,276 | 5,467 | 5,144 | 4,250 | 2,250 |
| Health & Wellness Program | 150 | 684 | 542 | 392 | 424 |
| Recruiting Expenses | 43,372 | 16,246 | 3,085 | 3,672 | 3,181 |
| Computer Hardware | 62,482 | 116,533 | 67,698 | 130,973 | 163,119 |
| Physical Security | 1,654 | 15,167 | 5,603 | 10,000 | 51,864 |
| Software & Support | 104,411 | 88,686 | 78,662 | 229,062 | 253,235 |
| Software Maintenance | 4,961 | 5,281 | 6,690 | 4,500 | 4,500 |
| Network Communications | 3,332 | 10,002 | 5,099 | 4,026 | 4,535 |
| Publications & Subscriptions | 34,326 | 27,359 | 9,078 | 17,550 | 17,650 |
| Newspaper Ads | - | 1,156 | 1,056 | 1,000 | 1,000 |
| Wireless Devices & Services | 73,969 | 82,040 | 60,658 | 162,600 | 165,025 |
| Phone System-Install, Maintenance, & Changes | 11,813 | 218 | - | 12,026 | 21,100 |
| Emergency Operations Communications | 4,552 | 4,206 | 3,838 | 3,300 | 4,800 |
| Landline Telephone Services | 5,185 | 6,224 | 4,737 | 5,669 | 18,638 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ 923,107** | **$ 957,544** | **$ 677,342** | **$ 1,475,258** | **$ 1,518,168** |
| | | | | | |
| **RENTALS** | | | | | |
| Equipment Rentals | $ - | $ - | $ 464 | $ 3,000 | $ 3,000 |
| Office Rent | 5,400 | 5,400 | 18,836 | 31,500 | 28,680 |
| Office Equipment Rentals | 5,427 | 7,957 | 5,619 | 8,000 | 8,000 |
| **TOTAL RENTALS** | **$ 10,827** | **$ 13,357** | **$ 24,919** | **$ 42,500** | **$ 39,680** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Instrumentation | $ 3,708 | $ 1,097 | $ - | $ - | $ - |
| Office, Furniture, & Fixtures | 9,912 | 1,467 | 551 | 8,000 | 9,500 |
| Air Conditioner | - | 4,190 | - | - | - |
| Buildings | - | 741 | 18 | - | - |
| Buildings & Grounds | 138,489 | 132,713 | 52,953 | 245,000 | 245,000 |
| Machinery, Tools, & Implements | 8,197 | 8,715 | 6,959 | 11,850 | 16,900 |
| Networking and Communications - SCADA | - | 893 | - | - | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ 160,306** | **$ 149,816** | **$ 60,481** | **$ 264,850** | **$ 271,400** |
| | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | |

**San Jacinto River Authority - General and Administration Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| General & Administrative Expense Allocated | $ - | $ (47,040) | $ - | $ - | $ - |
| General & Administrative Expense Allocated to Lake | (826,970) | (814,805) | (941,956) | (1,502,943) | (1,259,399) |
| General & Administrative Expense Allocated to Bear I | (31,319) | (31,962) | (21,070) | (48,390) | (52,671) |
| General & Administrative Expense Allocated to Highla | (432,734) | (329,226) | (174,487) | (593,643) | (567,431) |
| General & Administrative Expense Allocated to Raw \ | (46,267) | (60,117) | (29,877) | (92,856) | (92,554) |
| General & Administrative Expense Allocated to Wooc | (814,678) | (794,111) | (578,050) | (931,778) | (937,740) |
| General & Administrative Expense Allocated to GRP | (377,284) | (308,253) | (195,824) | (546,246) | (569,817) |
| General & Administrative Expense Allocated to Flood | (44,859) | (61,337) | (38,410) | (108,728) | (119,001) |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$ (2,574,112)** | **$ (2,446,852)** | **$ (1,979,674)** | **$ (3,824,584)** | **$ (3,598,613)** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 619** | **$ 1,208,003** | **$ 191,802** | **$ (5,803)** | **$ 268,653** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 619** | **$ 1,208,003** | **$ 191,802** | **$ (5,803)** | **$ 268,653** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 187,396** | **$ (753,607)** | **$ 112,674** | **$ 115,010** | **$ (138,446)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Other Machinery & Equipment | | | | $ 15,000 | $ - |
| Transportation Equipment | | | | 225,000 | 206,000 |
| Software | | | | 465 | - |
| Computer Equipment | | | | 10,037 | 9,011 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 250,502** | **$ 215,011** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Operating Reserve | | | | $ (115,126) | $ (24,242) |
| Repair and Replacement Transfers | | | | (1,779,224) | (803,000) |
| Emergency Reserve Transfers | | | | - | (180,000) |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ (1,894,350)** | **$ (1,007,242)** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 187,396** | **$ (753,607)** | **$ 112,674** | **$ (2,029,842)** | **$ (1,360,700)** |

*Actuals intentionally left blank.

**San Jacinto River Authority - General and Administration Repair and Replacement**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 139,131 | $ 154,858 | $ 57,026 | $ 24,000 | $ 30,000 |
| Miscellaneous Revenue | - | 127 | 118 | - | - |
| **TOTAL OTHER REVENUES** | **$ 139,131** | **$ 154,985** | **$ 57,145** | **$ 24,000** | **$ 30,000** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ - | $ - | $ 64,155 | $ 35,000 | $ - |
| **TOTAL PROFESSIONAL FEES** | **$ -** | **$ -** | **$ 64,155** | **$ 35,000** | **$ -** |
| | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | |
| Buildings & Grounds | $ - | $ - | $ - | $ 350,000 | $ 315,000 |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$ -** | **$ -** | **$ -** | **$ 350,000** | **$ 315,000** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ -** | **$ 64,155** | **$ 385,000** | **$ 315,000** |
| | | | | | |
| **TOTAL EXPENSES** | **$ -** | **$ -** | **$ 64,155** | **$ 385,000** | **$ 315,000** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 139,131** | **$ 154,985** | **$ (7,010)** | **$ (361,000)** | **$ (285,000)** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | | | | $ 1,132,000 | $ 638,840 |
| Computer Equipment | | | | - | 350,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 1,132,000** | **$ 988,840** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 1,169,615 | $ 2,729,893 |
| Repair and Replacement Transfers | | | | 1,834,824 | 175,000 |
| Operating Fund Transfers | | | | - | 803,000 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 3,004,439** | **$ 3,707,893** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 139,131** | **$ 154,985** | **$ (7,010)** | **$ 1,511,439** | **$ 2,434,053** |

*Actuals intentionally left blank.

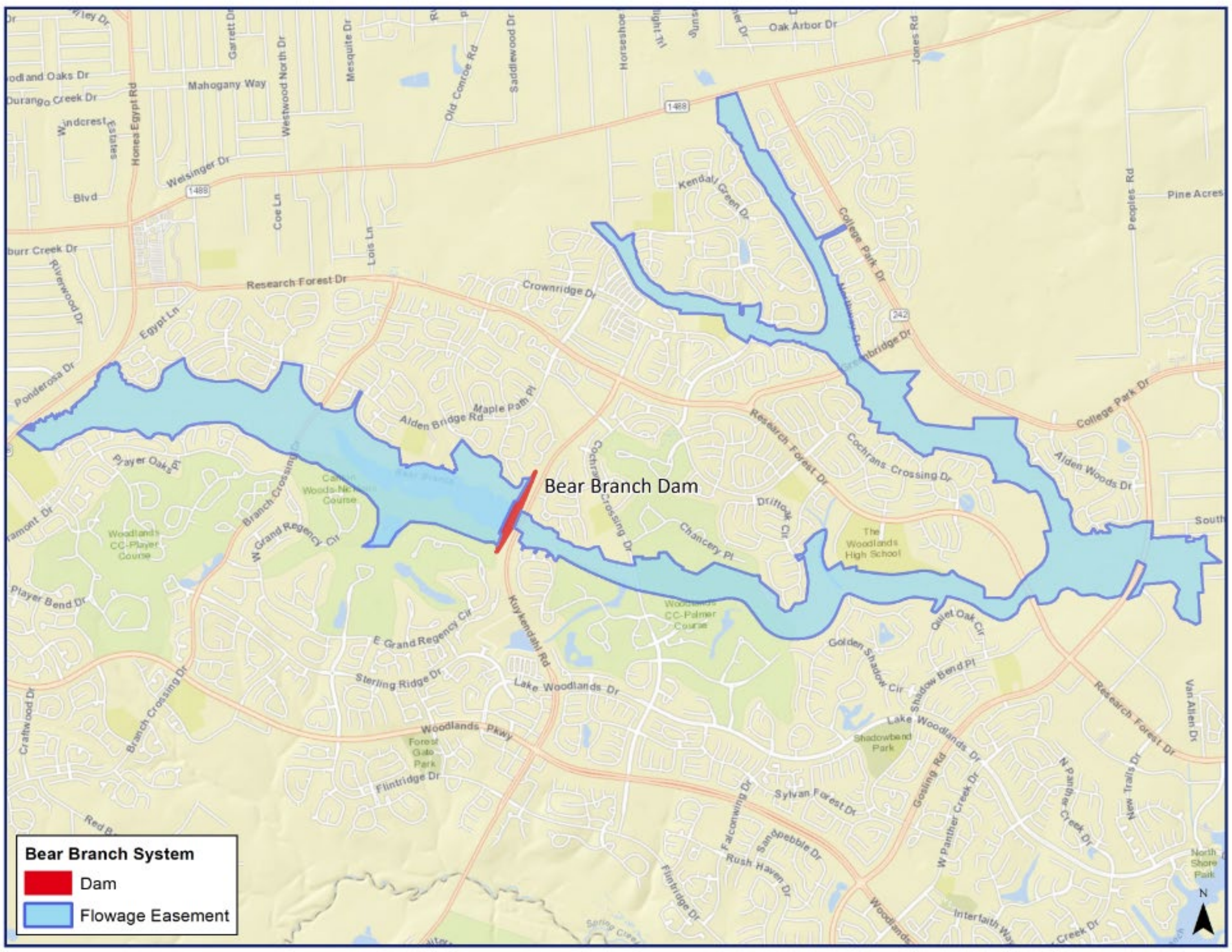
SJRA
SAN JACINTO RIVER AUTHORITY

# Bear Branch

# BEAR BRANCH

The SJRA has contracted with five Woodlands MUDs to operate and maintain the Bear Branch Reservoir and drainage system (Bear Branch) for stormwater management. The Lake Conroe Division provides the O&M services for Bear Branch. The participating MUDs make annual contributions to cover the budgeted O&M expenses and any capital improvements based on a prorated share.

### MAP OF BEAR BRANCH RESERVOIR AND STORMWATER DRAINAGE SYSTEM




***Major Initiatives:*** During FY2025 and planned for FY2026, the Bear Branch Division has either completed or started, or will complete major initiatives to improve the operations related to the Division.

1. ***Maintenance:*** The Lake Conroe Division is responsible for maintaining the Bear Branch Reservoir System. The System is part of the Upper Panther Branch Storm Water Management Plan that collects and conveys overland runoff from five Woodlands Municipal Utility Districts whose stormwater runoff drains to the system. The system is comprised of the Bear Branch Dam, reservoir, and approximately 10 miles of stormwater conveyance channels downstream of Kuykendahl Rd. (Bear Branch), FM-1488 (Panther Branch), Alden Branch Drive (Alden Branch) to

just upstream of Lake Woodlands. Constructed in 1983, the dam has an uncontrolled overflow spillway and can impound more than 5,000 acre-ft of water. Division responsibilities include maintenance of the dam and spillway, reservoir, and water conveyance channels. Maintenance activities include mowing, aquatic plant management, and managing issues with adjacent private property owners.

***Capital Improvements and Other Project Plans:*** Each year the Division conducts evaluations of their limited infrastructure and prioritizes projects based on a variety of factors to ensure safe and efficient operations of the dam and Woodlands stormwater drainage system. The projects included within Bear Branch's Project Plan for FY2026 is highlighted below:

| **Bear Branch - Projects** | Stage | Est. FY2026 Cost | Funding Source |
|---|---|---|---|
| Bear Branch Dam Modification | Plan/Design | $ 550,000 | Grant/ILA |
| Bear Branch Dam Inspection | Plan/Design | $ 39,000 | O&M |
| Total | | **$ 589,000** | |

***Total Indebtedness and Annual Debt Service:*** The Bear Branch system does not have any indebtedness as of FY2025 and no immediate plans for future indebtedness in FY2026. However, beyond FY2026 there may be a need to issue debt to fund the needed repairs at Bear Branch.

***Staffing Plan:*** For FY2026, the Lake Conroe Division projects 0.46 FTEs, the Flood Management Division projects 0.01 FTEs, and the G&A Departments project 0.76 FTEs to Bear Branch for a total of 1.22 FTEs.

***Revenues:*** For FY2026 revenues generated from the combined contributions from the five participating MUDs is $260,728 in addition to $7,800 in interest income for total revenues of $268,528. Additionally, Bear Branch also plans to use $310,857 of its remaining cash balances from FY2025. Additionally Bear Branch is anticipating $535,500 in Grant Revenue in the R&R Fund related to the ongoing Dam Replacement Project.

***Expenses:*** Expenses for FY2026 for Bear Branch contain regular and customary expenses related to the on-going operation and maintenance of the Bear Branch reservoir and drainage system. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- O&M Capital Improvements
- Reserve Contributions (when budgeted)
- R&R Fund Contributions

Expected operating expenditures for the Bear Branch System for FY2026 total $579,385. Bear Branch has $714,000 in expected R&R Fund operating expenses and capital improvements for FY2026.

***Fund Balance and Reserves:*** The five participating MUDs fund the Bear Branch Division operations and maintenance activities entirely.

1. ***Operating Reserve****:* The Operating Reserve was established for cash flow management. The Operating Reserve target for the Bear Branch Division is being set to an amount equal to two months of operating expenditures. For FY2023, the Bear Branch budget included $90,000 in contributions to establish the Operating Reserve. No additional transfers are budgeted for FY2026.
2. ***Repair & Replacement (R&R Fund):*** The Bear Branch Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating Reserve requirements are met. No contribution of is budgeted for FY2026.

For FY2026, the net between operating revenues and expenditures for Bear Branch is $0.

**San Jacinto River Authority - Bear Branch Operating**
**Actual to Budget Comparison**
**FY2023 - FY2026**

| Description | | Actuals FY2023 | | Actuals FY2024 | | Actuals Sept-May FY2025 | | Budget FY2025 | | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Capital Contributions | $ | 703,558 | $ | 901,963 | $ | 825,890 | $ | 494,968 | $ | 260,728 |
| **TOTAL OPERATING REVENUES** | **$** | **703,558** | **$** | **901,963** | **$** | **825,890** | **$** | **494,968** | **$** | **260,728** |
| | | | | | | | | | | |
| **OTHER REVENUES** | | | | | | | | | | |
| Interest Income | $ | 26,043 | $ | 61,242 | $ | 22,859 | $ | 6,000 | $ | 7,800 |
| Miscellaneous Revenue | | 60 | | 57 | | 53 | | - | | - |
| **TOTAL OTHER REVENUES** | **$** | **26,103** | **$** | **61,299** | **$** | **22,911** | **$** | **6,000** | **$** | **7,800** |
| | | | | | | | | | | |
| **OPERATING EXPENSES** | | | | | | | | | | |
| **SALARIES, WAGES, & EMPLOYEE BENEFITS** | | | | | | | | | | |
| Salaries & Wages | $ | 106,195 | $ | 131,018 | $ | 98,729 | $ | 143,136 | $ | 142,084 |
| Group Insurance | | 20,611 | | 28,332 | | 19,451 | | 32,884 | | 24,202 |
| Group Retirement Expense | | 12,396 | | 19,571 | | 12,997 | | 16,424 | | 16,446 |
| Workers Compensation Insurance | | 1,348 | | 1,641 | | 1,704 | | 2,189 | | 1,469 |
| Social Security Taxes | | 7,534 | | 9,201 | | 6,863 | | 10,471 | | 10,869 |
| Employee Benefits Services | | 469 | | 277 | | - | | - | | - |
| **TOTAL SALARIES, WAGES, & EMPLOYEE BENEI** | **$** | **148,553** | **$** | **190,040** | **$** | **139,744** | **$** | **205,105** | **$** | **195,070** |
| | | | | | | | | | | |
| **PROFESSIONAL FEES** | | | | | | | | | | |
| Legal Fees | $ | 4,753 | $ | 507 | $ | 508 | $ | 5,000 | $ | 5,000 |
| Engineering | | - | | 3,985 | | 27,973 | | 10,000 | | 49,000 |
| **TOTAL PROFESSIONAL FEES** | **$** | **4,753** | **$** | **4,492** | **$** | **28,481** | **$** | **15,000** | **$** | **54,000** |
| | | | | | | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | | | | | | |
| Stream Gauging & Water Quality-USGS | $ | - | $ | 20,808 | $ | 17,692 | $ | 26,000 | $ | 23,700 |
| Public Official Liability | | 2,308 | | 2,225 | | 1,380 | | 2,893 | | 5,793 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$** | **2,308** | **$** | **23,033** | **$** | **19,072** | **$** | **28,893** | **$** | **29,493** |
| | | | | | | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | | | | | | |
| Office Supplies & Printing | $ | 454 | $ | - | $ | - | $ | 250 | $ | 250 |
| Postage | | 90 | | - | | - | | 100 | | 100 |
| Training | | - | | 570 | | - | | - | | - |
| Managers Expense | | 44 | | 62 | | 36 | | 250 | | 250 |
| Fuel | | - | | 103 | | - | | 800 | | 800 |
| Supplies | | 704 | | 56 | | - | | 250 | | 250 |
| Signage | | - | | - | | 135 | | 1,000 | | 1,000 |
| Newspaper Ads | | - | | - | | - | | 3,000 | | 3,000 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$** | **1,292** | **$** | **791** | **$** | **171** | **$** | **5,650** | **$** | **5,650** |
| | | | | | | | | | | |
| **RENTALS** | | | | | | | | | | |
| Equipment Rentals | $ | - | $ | - | $ | 310 | $ | 3,000 | $ | 5,000 |
| **TOTAL RENTALS** | **$** | **-** | **$** | **-** | **$** | **310** | **$** | **3,000** | **$** | **5,000** |
| | | | | | | | | | | |
| **MAINTENANCE, REPAIRS & PARTS** | | | | | | | | | | |
| Mowing | $ | 82,342 | $ | 57,640 | $ | 53,580 | $ | 118,748 | $ | 100,000 |
| Channel Desilting & Desnagging | | - | | 3,000 | | 2,250 | | 25,000 | | 25,000 |
| Spillway | | 50,009 | | 1,400 | | 9 | | 5,000 | | 5,000 |
| Clearing | | 20,336 | | 56,920 | | 7,100 | | 50,000 | | 50,000 |
| Hazardous Debris Management | | - | | 850 | | 3,518 | | - | | 2,500 |
| Invasive Species Management | | - | | - | | - | | 20,000 | | 20,000 |
| Streets & Roads | | - | | - | | - | | - | | 20,000 |
| Fencing | | 3,598 | | - | | 1,023 | | 7,500 | | 15,000 |
| Security Repairs | | - | | - | | 48 | | - | | - |
| **TOTAL MAINTENANCE, REPAIRS & PARTS** | **$** | **156,285** | **$** | **119,809** | **$** | **67,529** | **$** | **226,248** | **$** | **237,500** |
| | | | | | | | | | | |
| **GENERAL & ADMINISTRATIVE EXPENSES** | | | | | | | | | | |
| General & Administrative Expense Allocated | $ | 31,319 | $ | 31,962 | $ | 21,070 | $ | 48,390 | $ | 52,671 |
| **TOTAL GENERAL & ADMINISTRATIVE EXPENSE** | **$** | **31,319** | **$** | **31,962** | **$** | **21,070** | **$** | **48,390** | **$** | **52,671** |

# San Jacinto River Authority - Bear Branch Operating
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **TOTAL OPERATING EXPENSES** | **$ 344,511** | **$ 370,128** | **$ 276,376** | **$ 532,285** | **$ 579,385** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 344,511** | **$ 370,128** | **$ 276,376** | **$ 532,285** | **$ 579,385** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 385,150** | **$ 593,134** | **$ 572,425** | **$ (31,317)** | **$ (310,857)** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 31,317 | $ 310,857 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 31,317** | **$ 310,857** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 385,150** | **$ 593,134** | **$ 572,425** | **$ 0** | **$ -** |

*Actuals intentionally left blank.

## San Jacinto River Authority - Bear Branch Repair and Replacement
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Capital Contributions | $ - | $ - | $ - | $ 330,922 | $ - |
| **TOTAL OPERATING REVENUES** | **$ -** | **$ -** | **$ -** | **$ 330,922** | **$ -** |
| | | | | | |
| **OTHER REVENUES** | | | | | |
| Interest Income | $ - | $ 5 | $ 25,639 | $ - | $ - |
| Grant Revenue | - | 81,695 | 14,456 | 400,000 | 535,500 |
| **TOTAL OTHER REVENUES** | **$ -** | **$ 81,700** | **$ 40,095** | **$ 400,000** | **$ 535,500** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Bank Account Analysis Fee | $ - | $ - | $ (39) | $ - | $ - |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ -** | **$ (39)** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ -** | **$ -** | **$ (39)** | **$ -** | **$ -** |
| | | | | | |
| **TOTAL EXPENSES** | **$ -** | **$ -** | **$ (39)** | **$ -** | **$ -** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ -** | **$ 81,700** | **$ 40,135** | **$ 730,922** | **$ 535,500** |
| | | | | | |
| **CAPITAL IMPROVEMENTS*** | | | | | |
| Construction In Progress | | | | $ 549,000 | $ 714,000 |
| **TOTAL CAPITAL IMPROVEMENTS** | | | | **$ 549,000** | **$ 714,000** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 706,234 | $ 766,422 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 706,234** | **$ 766,422** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ -** | **$ 81,700** | **$ 40,135** | **$ 888,156** | **$ 587,922** |

*Actuals intentionally left blank.

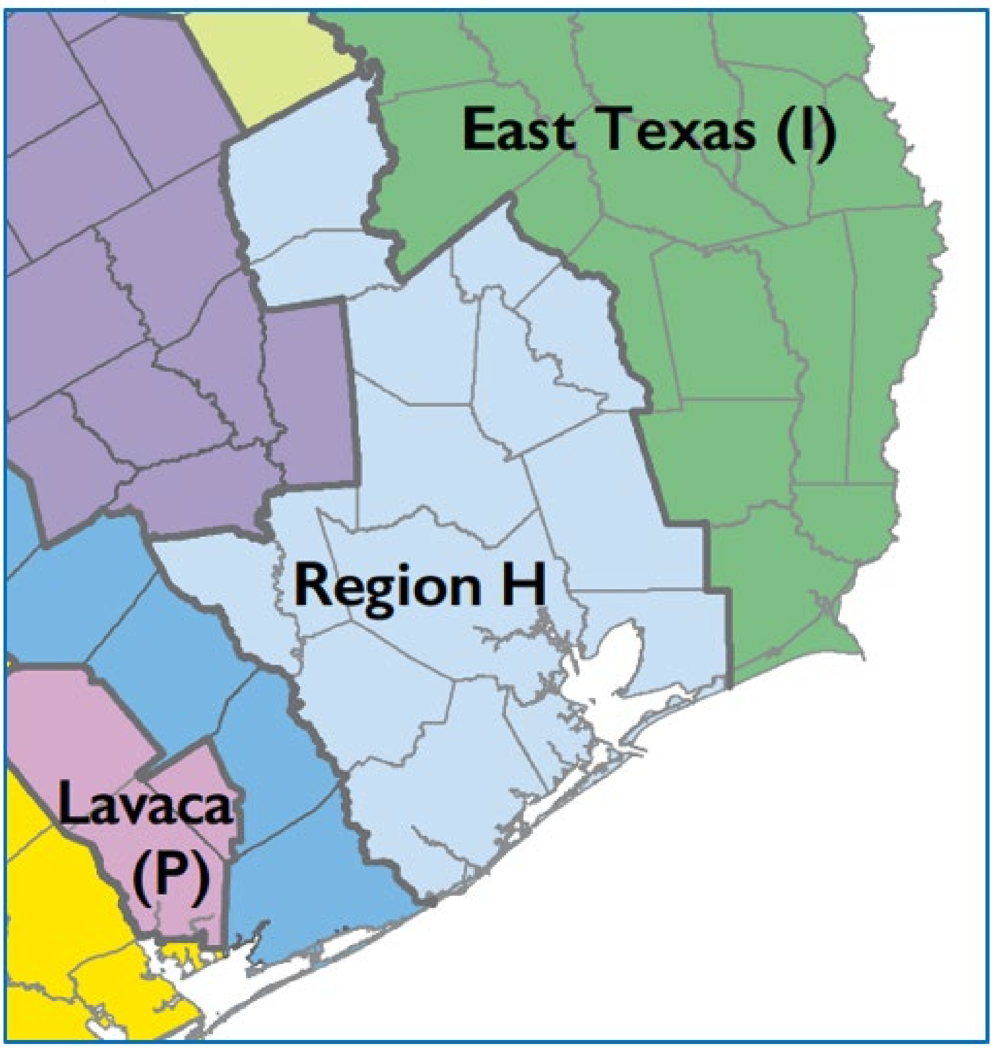
SAN JACINTO RIVER AUTHORITY

# Region H

## REGION H

The SJRA serves as the administrative agent for the Region H Water Planning Group (Region H). Region H is one of 16 regional planning groups created by the Texas Legislature in 1997 with the adoption of Senate Bill 1. Region H's efforts are directed at creating a 50-year regional water plan every five years for all or part of 15 counties, including Montgomery County, and identifying projected water shortages when forecasted water demands outpace existing water supplies. The State of Texas provides funding for the majority of Region H expenses through TWDB grants, with local entities contributing a small amount of funds to cover small miscellaneous expenses. Region H is completing the current five-year water planning process, to finalize the development of the 2026 Region H Water Plan which will be incorporated in the 2027 State Water Plan. Region H will begin the next five-year water planning process in FY26, working towards the development of the 2031 Region H Water Plan which will be incorporated in the 2032 State Water Plan.

**MAP OF REGION H WATER PLANNING AREA**



***Capital Improvements and Other Project Plans:*** Region H has no capital improvements or other major projects planned for FY2026.

***Total Indebtedness and Annual Debt Service:*** Region H does not have any indebtedness as of FY2025 and no plans for future indebtedness in FY2026 or beyond.

***Staffing Plan:*** The SJRA does not allocate any staff time to Region H.

***Revenues:*** Revenues for FY2026 for Region H include an anticipated TWDB grant of $530,322 as well as $1,700 in interest income for total revenues of $532,022.

***Expenses:*** Expenses for FY2026 for Region H include professional fees and miscellaneous purchased and contracted services related to the development of the 2026 & 2031 Region H Water Plan. The TWDB grant covers the professional fees and some travel expenses while other miscellaneous expenses are covered by previous contributions from the members.

Expected expenditures for Region H for FY2026 total $532,522.

***Fund Balance and Reserves:*** Region H does not maintain any fund balance or reserves. For FY2026, the net between revenues and expenditures for Region H is $0.

# San Jacinto River Authority - Region H
## Actual to Budget Comparison
## FY2023 - FY2026

| Description | Actuals FY2023 | Actuals FY2024 | Actuals Sept-May FY2025 | Budget FY2025 | PROPOSED Budget FY2026 |
|---|---|---|---|---|---|
| **OTHER REVENUES** | | | | | |
| Interest Income | $ 7,578 | $ 19,289 | $ 11,201 | $ 1,200 | $ 1,700 |
| Grant Revenue | 200,308 | 717,878 | 556,485 | 950,000 | 530,322 |
| **TOTAL OTHER REVENUES** | **$ 207,886** | **$ 737,167** | **$ 567,685** | **$ 951,200** | **$ 532,022** |
| | | | | | |
| **OPERATING EXPENSES** | | | | | |
| **PROFESSIONAL FEES** | | | | | |
| Engineering | $ 196,503 | $ 717,878 | $ 669,710 | $ 950,000 | $ 526,322 |
| **TOTAL PROFESSIONAL FEES** | **$ 196,503** | **$ 717,878** | **$ 669,710** | **$ 950,000** | **$ 526,322** |
| | | | | | |
| **PURCHASED & CONTRACTED SERVICES** | | | | | |
| Meeting Expenses | $ - | $ 488 | $ 283 | $ 500 | $ - |
| Directors' Travel Expenses | - | - | - | - | 500 |
| Posting Notice Expenses | 89 | 77 | 3,449 | 10,000 | 4,000 |
| Public Official Liability | 1,447 | 1,447 | 1,447 | 1,600 | 1,600 |
| **TOTAL PURCHASED & CONTRACTED SERVICES** | **$ 1,536** | **$ 2,012** | **$ 5,179** | **$ 12,100** | **$ 6,100** |
| | | | | | |
| **SUPPLIES, MATERIALS & UTILITIES** | | | | | |
| Automobile & Truck Expense | $ - | $ 270 | $ - | $ 500 | $ - |
| Postage | - | 21 | 75 | - | 100 |
| **TOTAL SUPPLIES, MATERIALS & UTILITIES** | **$ -** | **$ 292** | **$ 75** | **$ 500** | **$ 100** |
| | | | | | |
| **TOTAL OPERATING EXPENSES** | **$ 198,039** | **$ 720,182** | **$ 674,964** | **$ 962,600** | **$ 532,522** |
| | | | | | |
| **TOTAL EXPENSES** | **$ 198,039** | **$ 720,182** | **$ 674,964** | **$ 962,600** | **$ 532,522** |
| | | | | | |
| **NET REVENUES OVER EXPENSES** | **$ 9,847** | **$ 16,985** | **$ (107,279)** | **$ (11,400)** | **$ (500)** |
| | | | | | |
| **OTHER SOURCES (USES)*** | | | | | |
| Cash Sources (Uses) | | | | $ 11,400 | $ 500 |
| **TOTAL OTHER SOURCES (USES)** | | | | **$ 11,400** | **$ 500** |
| | | | | | |
| **NET CASH BASIS SOURCES (USES)** | **$ 9,847** | **$ 16,985** | **$ (107,279)** | **$ -** | **$ -** |

*Actuals intentionally left blank.

## San Jacinto River Authority
## FY2026 Budget
## Capital Equipment List

| | FY2026 Budget | Description |
|---|---|---|
| **Flood Management:** | | |
| Computer Hardware | $ 3,440 | Datacenter Storage ($1,012); Networking Devices ($607); New Drone NAS Device (Buffalo) ($101); Buffalo Storage for HR Data Storage ($304); Dedicated Storage for Records Retention ($202); Servers ($1,214) |
| **General & Administration:** | | |
| Transportation Equipment | $ 206,000 | 3 Vehicle Replacements and 1 New Vehicles |
| Computer Hardware | $ 359,011 | Datacenter Storage ($2,650); Networking Devices ($1,590); New Drone NAS Device (Buffalo) ($265); Server Replacement-SCADA ($350,000); Buffalo Storage for HR Data Storage ($795); Dedicated Storage for Records Retention ($530); Servers ($3,181) |
| **GRP:** | | |
| Transportation Equipment | $ 185,000 | Boom Truck ($175,000) ($375,000 shared with Woodlands)/Tool Drawers for trucks ($10,000) |
| Water Treatment Plant & Facilities | $ 359,000 | Benchtop TTHM Analyzer ($49,000); Online Mn Analyzer for process water recovery basins ($15,000); Awning and base for equipment and trailers ($85,000); Floating Plate Settler Covers for PreTreat 316SS ($150,000); Warehouse buildout ($60,000); |
| Other Machinery & Equipment | $ 15,000 | Shop bandsaw ($15,000) |
| Computer Hardware | $ 179,939 | Datacenter Storage ($11,158); Networking Devices ($6,695); New Drone NAS Device (Buffalo) ($1,116); Network Edge Switches ($42,000); Cellular Booster for 3 Buildings ($100,000); Buffalo Storage for HR Data Storage ($3,348); Dedicated Storage for Records Retention ($2,232); Servers ($13,390) |
| **Highlands:** | | |
| Reservoir Improvements | $ 35,000 | Fencing for Barbers Hill Rd |
| Security System | $ 120,000 | LHPS/Horizon Road Monitoring, Siphon 24 ($85,000); South Canal Cameras-2 Views ($35,000) |
| Other Machinery & Equipment | $ 140,000 | ractor & Forestry Head (JD will be traded for tractor) |
| Computer Hardware | $ 52,930 | Datacenter Storage ($8,509); Networking Devices ($5,105); New Drone NAS Device (Buffalo) ($851); Buffalo Storage for HR Data Storage ($2,553); Dedicated Storage for Records Retention ($1,702); Networking Devices Direct ($24,000); Servers ($10,211) |
| **Lake Conroe:** | | |
| Computer Hardware | $ 106,095 | Datacenter Storage ($6,793); Networking Devices ($4,076); New Drone NAS Device (Buffalo) ($5,679); Buffalo Storage for HR Data Storage ($2,038); Dedicated Storage for Records Retention ($1,359); Networking Devices Direct ($18,000); Servers ($8,151); New AV Installation Adams Building ($30,000); New AV Installation Maintenance Building ($30,000) |
| Other Machinery & Equipment | $ 85,000 | Air Compressor ($7,000); Portable Generator ($55,000); Road Scraper/Box Blade for Skidsteer ($6,000); Mig-welder ($10,000); Plasma Cutter ($7,000) |
| **Raw Water:** | | |
| Computer Hardware | $ 2,817 | Datacenter Storage ($828); Networking Devices ($497); New Drone NAS Device (Buffalo) ($83); Buffalo Storage for HR Data Storage ($249); Dedicated Storage for Records Retention ($166); Servers ($994) |
| **Woodlands:** | | |
| Other Machinery & Equipment | $ 115,100 | Spin Doctor ($27,000); Forklift $60,000; Trailer $7,600; Dump Trailer $12,000; Enclosed Trailer ($8,500) |
| Transportation Equipment | $ 320,000 | Boom Truck $200,000 ($375,000 shared with GRP); SUV ($55,000); Utility Truck ($65,000) |
| Computer Hardware | $ 211,768 | Datacenter Storage ($19,050); Networking Devices ($11,430); New Drone NAS Device (Buffalo) ($1,905); Buffalo Storage for HR Data Storage ($5,715); Dedicated Storage for Records Retention ($3,810); Networking Devices Direct ($18,000); Servers ($22,859); Core Switch ($65,000); Additions Updates and Upgrades ($40,000); Edge Switches ($42,000) |

# San Jacinto River Authority
# FY2026 Budget
# Total Project Budgets

| Division | Project ID | Project Name | FY2025 Total Project Budget | Additions/ (Subtractions) | Proposed FY2026 Total Project Budget |
|---|---|---|---|---|---|
| **Bear Branch** | | | | | |
| | BBDMP* | Bear Branch Dam Modification | $ 5,050,000 | $ 1,800,000 | $ 6,850,000 |
| | BBDAM | Bear Branch Dam Inspection | $ - | $ 39,000 | $ 39,000 |
| **Flood Management** | | | | | |
| | FSCDS | Spring Creek Watershed Flood Control Dams Conceptual Engineering Feasibility Study | $ 1,000,000 | $ - | $ 1,000,000 |
| | FURSS | Upper San Jacinto River Basin Regional Sedimentation Study | $ 750,000 | $ - | $ 750,000 |
| | FLHJO | Lake Conroe - Lake Houston Joint Reservoir Operations Study | $ 1,000,000 | $ - | $ 1,000,000 |
| | FWCFM | Waller County Flood Mapping Updates | $ 3,500,000 | $ - | $ 3,500,000 |
| | FSJSR | SJ River and Tributaries Sediment Removal and Sand Trap Dev. | $ 2,854,149 | $ 78,000 | $ 2,932,149 |
| **G&A** | | | | | |
| | GHVR2 | G&A Building HVAC System Replacement Phase 2 | $ 75,000 | $ 25,000 | $ 100,000 |
| | GADER | G&A Site Drainage Erosion Repair | $ 350,000 | $ 13,036 | $ 363,036 |
| | LCPAV | Lake Conroe Campus Pavement Improvements (G&A Portion of Project) | $ 254,849 | $ 553,030 | $ 807,879 |
| | GABGR | G&A Building Backup Generator Improvements | $ 357,000 | $ 115,000 | $ 472,000 |
| | GAERP | ERP Replacement | $ 3,000,000 | $ - | $ 3,000,000 |
| | GASSR | SCADA Server Replacement | $ - | $ 350,000 | $ 350,000 |
| **GRP** | | | | | |
| | GSWMRO* | Membrane Replacement and Optimization | $ 8,679,000 | $ (1,084,328) | $ 7,594,672 |
| | GSWRFO | Surface Water Receiving Facility Optimization Study | $ 1,516,000 | $ 603 | $ 1,516,603 |
| **Highlands** | | | | | |
| | HS22I | Siphon 22 Culvert Improvements | $ 150,000 | $ 452,180 | $ 602,180 |
| | HML79 | Levee Improvements Between Siphon 7 and Siphon 9 | $ 3,298,000 | $ 222,015 | $ 3,520,015 |
| | HMLRN | Main Canal Improvements - Lake Houston Pump Station to Siphon 6 | $ 8,484,323 | $ 1,036,297 | $ 9,520,620 |
| | HSCLS | South Canal Levee Improvements Between Siphon 37 and Customer | $ 2,871,391 | $ 230,000 | $ 3,101,391 |
| | HSI39 | Siphon 39 Improvements | $ 7,237,053 | $ 1,570,000 | $ 8,807,053 |
| | HDS2I | Structure 2 Improvements | $ 1,493,000 | $ 446,070 | $ 1,939,070 |
| | HL324 | South Canal Levee Improvements Between Structure 3 and Siphon 24 | $ 3,340,000 | $ 1,076,885 | $ 4,416,885 |
| | HECPI | East Canal Transfer Pump Station Campus Improvements | $ 553,000 | $ 312,111 | $ 865,111 |
| | HPSEV | Lake Houston Pump Station Pump and Motor Replacement | $ 18,573,842 | $ (3,418,496) | $ 15,155,346 |
| | HGART | Garth Road Siphon Improvements | $ 4,973,664 | $ 2,513,336 | $ 7,487,000 |
| | HSCPC | South Canal Transfer Pump Station Capacity Improvements | $ 20,714,000 | $ 493,228 | $ 21,207,228 |
| | HSI21 | Siphon 21 Improvements | $ - | $ 4,085,000 | $ 4,085,000 |
| **Lake Conroe** | | | | | |
| | LCMFI | Maintenance Facility Improvements | $ 6,399,884 | $ (1,047,337) | $ 5,352,547 |
| | LCPAV | Lake Conroe Campus Pavement Improvements (Lake Conroe Portion of Project) | $ 169,000 | $ 518,470 | $ 687,470 |
| | RLCDA | Lake Conroe Diversion Rate Amendment (Previously budgeted under Raw Water) | $ 146,000 | $ 41,000 | $ 187,000 |
| **Raw Water** | | | | | |
| | RM89H | MUDs 8&9 and Huntsville Return Flows Water Right Permit | $ 308,000 | $ (38,000) | $ 270,000 |
| | RRFFS | Regional Return Flows Feasibility Study and Permitting | $ 1,538,000 | $ (9,000) | $ 1,529,000 |
| | RASRF | Aquifer Storage and Recovery Feasibility | $ - | $ 300,000 | $ 300,000 |
| **Woodlands** | | | | | |
| | WA21WL*/** | Town Center Water Line Replacement | $ 19,360,977 | $ 295,076 | $ 19,656,053 |
| | WXWDWS | Digital Water System | $ 963,774 | $ (1) | $ 963,773 |
| | WA25WR | Water Well Nos. 3 and 13 Rehabilitation | $ - | $ 1,125,000 | $ 1,125,000 |
| | WA26WR | Water Well Nos. 7, 15 and 30 Rehabilitation | $ - | $ 1,818,000 | $ 1,818,000 |
| | WAEST6 | Elevated Storage Tank No. 6 | $ 11,360,000 | $ 47,687 | $ 11,407,687 |
| | WWLS1B | Lift Station No. 1 Gravity Main Bypass and Decommissioning | $ 1,525,711 | $ 2,862,000 | $ 4,387,711 |
| | WWF1NP | Water Reclamation Facility No. 1 | $ 281,911,096 | $ (1,364,810) | $ 280,546,286 |
| | WW02FR | WWTF No. 2 Tertiary Filter Improvements (2nd and 3rd Filter) | $ 6,112,118 | $ (210,791) | $ 5,901,327 |
| | WWF1LA | Wastewater System Land Acquisition | $ 10,000,000 | $ (200,000) | $ 9,800,000 |
| | WWFM21 | Lift Station No. 21 Force Main Renewal | $ - | $ 625,000 | $ 625,000 |
| | WWLS24 | Lift Station No. 24 Improvements | $ - | $ 2,433,000 | $ 2,433,000 |
| | WW21LS | Lift Station Rehabilitation | $ 2,326,886 | $ (276,886) | $ 2,050,000 |
| | WWP2GC | WWTF No. 2 Grit Classifier Improvements | $ 1,185,000 | $ - | $ 1,185,000 |
| | WWWWCO** | Wastewater Conveyance Optimization | $ 43,841,749 | $ 1,786,000 | $ 45,627,749 |
| | WW21GR | Southshore Gravity Main Rehabilitation | $ 12,264,170 | $ 690,151 | $ 12,954,321 |
| | WWF1OA** | Wastewater Owner's Advisor | $ 14,162,000 | $ 834,096 | $ 14,996,096 |

Note: Total Project Budgets include multiple fiscal years and funding sources.
*Was previously two projects that have been combined.
**Future bond funding was not included when presented in FY2025.