

GRP Review Committee

October 20, 2025



1. Call to Order

2. Public Comments

3. Work Session

3.1

Items by GRP Administrator

3.1.1

Operations and Maintenance Updates

Remaining FY2026 Surface Water Delivery

Remaining Annual Surface Water Allocation					
	FY26 Allocation	FY26 Actual	FY26 % Used	FY26 Remaining	FY26 % Remaining
City of Conroe	3,102,500,000	250,080,000	8%	2,852,420,000	92%
City of Oak Ridge North	69,350,000	6,894,000	10%	62,456,000	90%
MSEC	547,500,000	-	0%	547,500,000	100%
MUD 89*	109,500,000	-	0%	109,500,000	100%
MUD 99**	215,350,000	48,150,000	22%	167,200,000	78%
Rayford Road MUD	204,400,000	9,045,000	4%	195,355,000	96%
SMC MUD	208,050,000	13,188,000	6%	194,862,000	94%
The Woodlands	2,847,000,000	290,692,000	10%	2,556,308,000	90%
Total	7,303,650,000	618,049,000			

**FY26 Budgeted Allocation - MC MUD 89 is currently not receiving surface water, awaiting infrastructure connections.*

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

3.2

Lone Star Groundwater Conservation District

4. Action Items

4.1

Approval of Minutes

Recommendation

Approve the Minutes of the GRP Review Committee meeting of September 22, 2025.

4.2

Redemption and Defeasance of Certain Outstanding Bonds

Discussion Items

- 1. Summary of FY26 GRP Budget Amendment**
- 2. GRP Bond Defeasance and/or Refunding**
- 3. Proposed FY26 GRP R&R Projects**

Summary of FY26 GRP Budget

Approved Fiscal Year 2026 Budget

Water supply demand:	16.5 MGD
Groundwater fee:	\$2.62
Surface water fee:	\$3.21



- **Approved FY26 Demand and Rate**

Approved Budget Amendment – Sept.2025 Option 2

Water supply demand:	20.0 MGD
Groundwater fee:	\$2.62 (unchanged)
Surface water fee:	\$3.21 (unchanged)
Contribution to R&R Fund:	\$2.9 Million



- **Increase water supply to 20 MGD**
- **Reduce water rate by \$0.10 in Jan 2026**
- **Increase R&R contribution to \$2.9M**

Proposed Budget Amendment – Coming in Jan 2026

Water supply demand:	20.0 MGD
Groundwater fee:	\$2.xx (\$0.xx reduction)
Surface water fee:	\$3.xx (\$0.xx reduction)
Contribution to R&R Fund:	\$X.x Million



- **No change to water supply @ 20 MGD**
- **Rate reduction to be determined after defeasance and/or refunding**
- **Increase to R&R contribution to be determined after defeasance and/or refunding**

GRP Bond Defeasance and/or Refunding

Utilize the City of Conroe Payment:

- GRP Bond Defeasance - \$22.8 million from general fund and debt service reserve – annual reduction approx. \$963k, possible \$0.04 rate reduction
- GRP Bond Defeasance and Refunding – \$20 million from general fund - annual reduction approx. \$3M, possible \$0.12 rate reduction
- GRP Bond Defeasance and Refunding with R&R transfer – possible \$0.10 rate reduction with \$500,000 to R&R

Proposed FY26 GRP Bond Defeasance and/or Refunding

SAVINGS

San Jacinto River Authority (GRP Project)
Proposed Series 2025 Refunding Bonds (BBB; Non-Insured)
S&P 'BBB' Revenue Bond Scale as of October 1, 2025
PRELIMINARY - For Discussion Purposes ONLY
Non-Callable; Assumes No Insurance

1

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2025 @ 4.0346744%
11/30/2026	14,135,309.00	11,351,875.00	2,783,434.00	2,830,215.64
11/30/2027	22,135,309.00	19,102,250.00	3,033,059.00	2,823,687.44
11/30/2028	31,144,868.00	28,118,250.00	3,026,618.00	2,706,677.54
11/30/2029	33,255,169.50	30,229,750.00	3,025,419.50	2,599,477.98
11/30/2030	33,285,531.50	30,258,750.00	3,026,781.50	2,498,738.97
11/30/2031	33,310,967.50	30,287,250.00	3,023,717.50	2,398,322.19
11/30/2032	33,337,147.00	30,313,000.00	3,024,147.00	2,304,547.24
11/30/2033	33,368,189.50	30,343,750.00	3,024,439.50	2,214,263.95
11/30/2034	33,404,046.50	30,376,750.00	3,027,296.50	2,129,266.93
11/30/2035	33,441,317.50	30,414,250.00	3,027,067.50	2,045,358.62
11/30/2036	33,463,163.50	30,438,250.00	3,024,913.50	1,963,429.92
11/30/2037	33,497,557.50	30,471,500.00	3,026,057.50	1,886,952.08
11/30/2038	33,513,435.50	30,490,500.00	3,022,935.50	1,810,872.30
11/30/2039	33,532,946.25	30,507,750.00	3,025,196.25	1,741,102.35
11/30/2040	133,606.25		133,606.25	73,923.19
11/30/2041	134,387.50		134,387.50	71,420.97
			42,389,076.50	32,098,257.28

Savings Summary

PV of savings from cash flow	32,098,257.28
Less: Prior funds on hand	-19,354,000.00
Net PV Savings	12,744,257.28



Defease all 7 bonds into 1 series – contribute \$19,354,000 to defeasance and approximately \$650,000 to Debt Service Reserve from General Fund



Total Gross Savings of approximately \$42,389,077 or 4.13% NPV over the life of the bonds



Removes the last 2 maturities of debt service in 2040 & 2041. Final maturity will become 10/01/2039

Proposed FY26 GRP R&R Projects

San Jacinto River Authority					
R&R Projects					
As of October 6, 2025					
Item		Estimate		Estimated Project Timeline	
Membranes		\$ 13,193,000		FY26 - Study & Design	\$ 690,000
				FY27 - Study & Start Replacement	\$ 9,894,750
Current R&R balance 09/30/25		\$ 6,903,158		FY28 - Finalize Replacement	\$ 3,298,250
Less: funded portion for membranes		\$ (5,300,000)			
Estimated R&R Funding					
Budgeted FY26 R&R transfer		\$ 860,000		FY26 Budgeted Transfer	\$ 4,260,000
Sept.'25 Budget amendment		\$ 2,900,000		FY27 Proposed Transfer*	\$ 4,260,000
Proposed Additional FY26 R&R transfer		\$ 500,000		FY28 Proposed Transfer*	\$ 4,260,000
Needed funding for membranes		<u>\$ 3,633,000</u>		FY28 Estimated R&R Ending Balance	<u>\$ 4,990,158</u>
*Review transfer & upcoming projects for possible reduction					

Questions, Discussion, and Recommendations

Recommendation

Recommendation of approval to the SJRA Board for the redemption and defeasance of certain outstanding bonds:

1. Whether to proceed with:
 - (a) cash defeasance of outstanding GRP bonds, or
 - (b) issuance of GRP refunding bonds to defease outstanding GRP bonds
2. The amount in the general fund to be:
 - (a) contributed to defeasance of outstanding GRP bonds, and
 - (b) transferred for R&R.

4.3

GRP Rate Model Update
With Carollo Engineers Inc.
Work Order No.6

GRP Rate Model Update

- The GRP Division Rate Model was developed to determine the level of required future annual revenue to support the operations, maintenance, repair, rehabilitation, replacement, and capital improvements of its Groundwater Reduction Program including surface water supply and delivery system.
- SJRA has implemented a new General Ledger (“GL”) code structure and requires updates to the model to allow input of this new structure and maintain model functionality.

Recommendation

Recommendation of approval to the SJRA Board authorizing the General Manager to execute Work Order No. 6 with Carollo Engineers Inc., for a rate model update for the GRP Division.

5.

Future GRP Review Committee Meeting Agenda Items

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

No GRP RC Meeting in November

GRP Review Committee Meeting

Holiday - SJRA Closed

6. Adjourn