

# GRP Review Committee

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January 20, 2026



# **1. Call to Order**

## **2. Public Comments**

# **3. Work Session**

# **3.1**

## **Items by GRP Administrator**

# **3.1.1**

## **2026 GRP Review Committee Appointment/Election**

# Schedule For GRP Appointment/Election Process

<b>April 2026</b>	Notices mailed to participants that are “conservation and reclamation districts, other than members of The Woodland Joint Powers Agency, or its successors, which are located primarily to the west of Interstate Highway 45”, “municipalities, exclusive of the City of Conroe”, and "members of The Woodland Joint Powers Agency, or its successors".
<b>By July 1, 2026</b>	Nomination resolutions are due to the San Jacinto River Authority (SJRA).
<b>Before August 1, 2026</b>	Deadline for SJRA to send out ballots to Participants mentioned above for contested elections.
<b>Before November 1, 2026</b>	Deadline to return ballots and appointment resolutions to SJRA.
<b>Before December 1, 2026</b>	Deadline for SJRA to submit results to the governing body of each Participant.
<b>January 25, 2027</b>	Seat new members

## Appointments

**Erich Peterson, P.E.**

Woodlands Water

*Term: 2026*

## Election

**James Corn**

Municipalities other than  
City of Conroe

*Term: 2026*

**Jackie Chance**

MUDs West of I-45

*Term: 2026*

# **3.1.2**

## **Surface Water Allocation Requests**



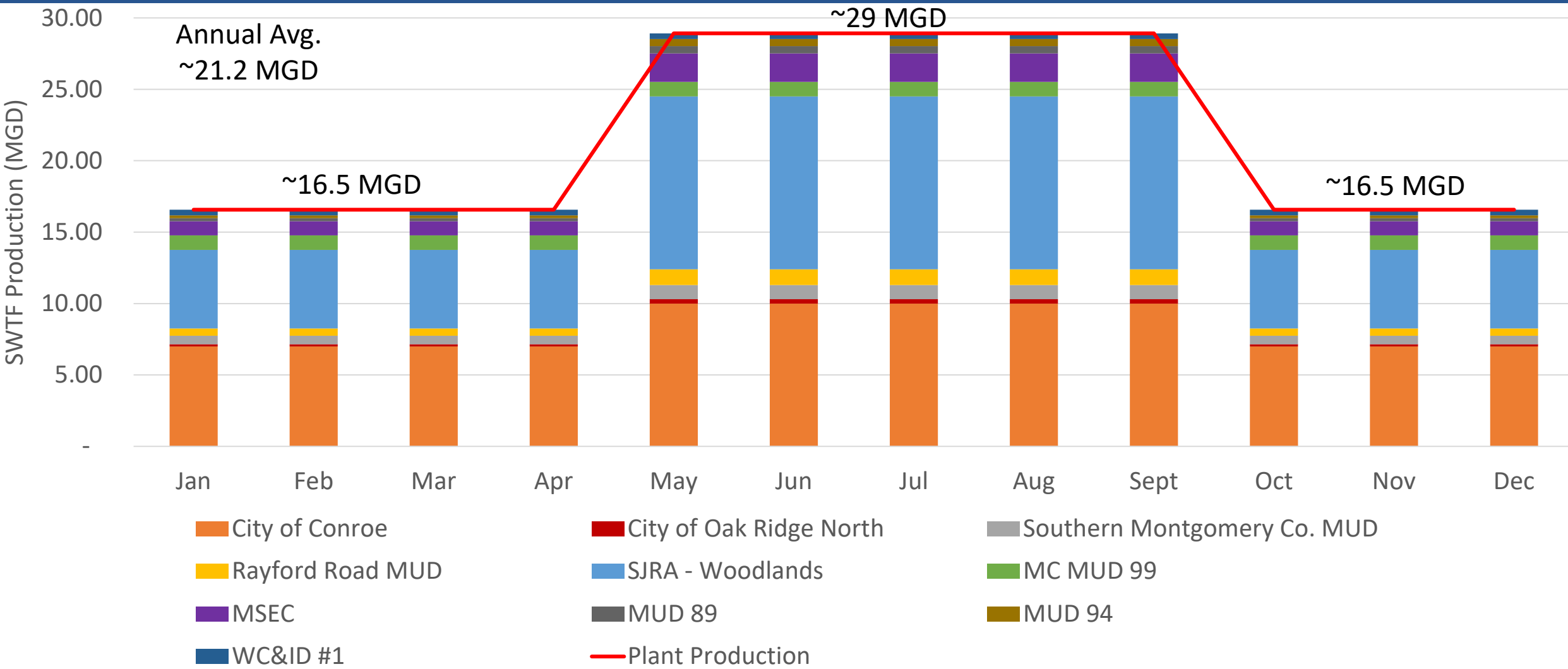
# Surface Water Requests Received to Date

Entity	Request Made	Approval Date	Readiness After Approval	Minimum Requested (Gallons / Day)	Maximum Requested (Gallons / Day)	Daily Average (Gallons)	Annual Allocation (Gallons / Year)	Notes
<b>MUD 88, 89, and Spring Creek UD</b>	03/22/24	02/24/25	2-3 years	200,000	500,000	300,000	109,500,000	Modeling being finalized by SJRA for water line design.
<b>City of Conroe</b>		08/15/25	Immediate	7,000,000	10,000,000	8,500,000	3,102,500,000	Operational
<b>City of Oak Ridge North</b>	06/24/24	07/22/24	Immediate	50% of Daily Demand		19,000	6,935,000	Operational
<b>WC&amp;ID No. 1</b>	10/14/24		2 years	400,000	400,000	400,000	146,000,000	Preliminary engineering report under review by SJRA.
<b>MSEC</b>	05/29/25	07/21/25	60-90 days	1,000,000	2,000,000	1,500,000	547,500,000	Temporary receiving facility operational
<b>MUD 94</b>	08/06/25		3-4 years	200,000	500,000	350,000	127,750,000	Surface water to be used as a redundant (as-needed) source
<b>MUD 99</b>	12/09/25		Immediate	1,022,400	1,022,400	1,022,400	373,176,000	Adds 432,000 GPD to current 590,400 GPD allocation (1,022,400 GPD total)

# Overall Allocations with Requests

Entity	Avg. Day (MGD)	Min. Day (MGD)	Max Day (MGD)	Annual Allocation (Gallons)
City of Conroe	8.50	7.00	10.00	3,102,500,000
City of Oak Ridge North	0.19	0.15	0.30	6,935,000
MUD 99	1.02	1.02	1.02	215,350,000
MSEC	1.50	1.00	2.00	547,500,000
Rayford Road MUD	0.56	0.50	1.10	204,400,000
The Woodlands	7.80	5.50	12.10	2,847,000,000
Southern Montgomery County MUD	0.57	0.60	1.00	208,050,000
MUD 89	0.30	0.20	0.50	109,500,000
WC&ID No. 1	0.40	0.40	0.40	146,000,000
MUD 94	0.35	0.20	0.50	127,750,000
<b>Total With All Requests</b>	<b>21.19</b>	<b>16.57</b>	<b>28.92</b>	<b>7,514,985,000</b>
<b>Total FY2026 Budgeted</b>	<b>20.01</b>	<b>15.45</b>	<b>28.00</b>	<b>7,303,650,000</b>

# Surface Water Production w/All Requests



## **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 October 20, 2025.

## **4.2**

# **Recommendation of an amended Fiscal Year 2026 Operating Budget**

## **4.3**

# **Recommendation of an amended Fiscal Year 2026 GRP Rate Order**



# Agenda

- GRP Budget Amendment #2 – effective February 1, 2026: *Options*
- GRP Rate – effective February 1, 2026: *Options*

# GRP Bond Defeasance and/or Refunding

## *(Information from October 2025 Meeting)*

### Utilize 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 *(On 10/20/25, unanimous recommendation by GRP Review Committee)*

# What has happened since the October GRP Review Committee Meeting

**October 20, 2025**

- GRP Review Committee recommended moving forward with Defeasance and Refunding with R&R contribution

**October 23, 2025**

- SJRA Board approved moving forward with Defeasance and Refunding

**November 3, 2025**

- RW Baird (RWB) SJRA's bond financial advisors issued Request for Proposals (RFP) for Underwriters for bond financing

**November 10, 2025**

- SJRA met with TWDB about proposed refunding. TWDB advised that only a portion of the debt could be refunded.

**November 12, 2025**

- RWB issued First Draft of Preliminary Official Statement for refunding

**November 17, 2025**

- Board Finance Committee met to discuss TWDB constraints, Attorney General (AG) comments, RFP data

# What has happened since the October GRP Review Committee Meeting

**November 24, 2025**

- GRP Review Committee meeting scheduled for 12/08/25 was canceled due to the absence of agenda items and awaiting bond counsel update

**November 26, 2025**

- SJRA's bond counsel received information from AG concerning timing of response for refunding

**November 26, 2025**

- After 5pm, SJRA received notice of filing of Federal Class Action lawsuit related to GRP and pumpage fees that would secure repayment of the refunding bond.

**December 8, 2025**

- SJRA's Bond Counsel discussed lawsuit with AG and determined the refunding would not be approved by the AG's office at this time

**December 11, 2025**

- SJRA Board meeting: Continuing with the Defeasance was the only way SJRA could achieve as much as possible from the Review Committee's recommendation at this time. Refunding still being pursued.

# GRP Debt Defeasance Recap

## Based on:

- **Payoff \$18,697,833**
- **FY2026 GRP expenses**
  - One penny = \$248,100 in expense

GRP Division				
Comparison of Defeasance of GRP Bonds				
FY2026				
Payoff				FY26 expense to penny ratio
\$ 18,697,833				\$ 248,100
		Overall Savings	Average Annual Savings	Estimated Rate Reduction
Maximum Savings		\$ 11,612,550	\$ 829,468	\$ 0.03
			\$ 829,468	\$ 0.03
			\$ 829,468	\$ 0.03
			\$ 829,468	\$ 0.03
			\$ 829,468	\$ 0.03
			\$ 829,468	\$ 0.03

# 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. 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 by \$2.9M for budget total \$3.8M**

## Proposed Budget Amendment – see Option 1 and Option 2 following

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 from debt defeasance**
- **Increase to R&R contribution from defeasance**

# Proposed FY2026 GRP Budget Amendment #2

Item	Approved FY26 Amended Budget	Option 1 Proposed Budget Amendment #2	Proposed Revised FY26 Budget
Operating Revenues	\$ (67,811,728)	\$ 311,126	\$ (67,500,602)
Interest Expense	\$ 15,341,139	\$ (566,066)	\$ 14,775,073
Bond Principal	\$ (17,812,917)	\$ (18,410,000)	\$ (36,222,917)
General Fund Use	\$ (989,119)	\$ 19,457,227	\$ 18,468,108
Debt Service Reserve	\$ -	\$ (1,302,167)	\$ (1,302,167)
R&R Transfer	\$ (3,830,820)	\$ -	\$ (3,830,820)

# Proposed FY2026 GRP Budget Amendment #2

## OPTION 1

- **Operating Revenues** decrease \$ 311,126  
*(additional \$0.03 rate reduction, total \$0.13 rate reduction)*
- **Interest Expense** decrease \$ 566,066
- **Bond Principal** increase \$18,410,000
- **General Fund use** increase \$19,457,227
- **Debt Service Reserve** increase \$ 1,302,167



# Proposed FY2026 GRP Budget Amendment #2

Item	Approved FY26 Amended Budget	Option 2 Proposed Budget Amendment #2	Proposed Revised FY26 Budget
Operating Revenues	\$ (67,811,728)	\$ 9,517	\$ (67,802,211)
Interest Expense	\$ 15,341,139	\$ (566,066)	\$ 14,775,073
Bond Principal	\$ (17,812,917)	\$ (18,410,000)	\$ (36,222,917)
General Fund Use	\$ (989,119)	\$ 19,655,618	\$ 18,666,499
Debt Service Reserve	\$ -	\$ (1,302,167)	\$ (1,302,167)
R&R Transfer	\$ (3,830,820)	\$ (500,000)	\$ (4,330,820)

# Proposed FY2026 GRP Budget Amendment #2

## OPTION 2

- **Operating Revenues** decrease \$ 9,517  
*(additional \$0.01 rate reduction, total \$0.11 rate reduction)*
- **Interest Expense** decrease \$ 566,066
- **Bond Principal** increase \$18,410,000
- **General Fund use** increase \$19,655,618
- **Debt Service Reserve** increase \$ 1,302,167
- **R&R Transfer** increase \$ 500,000

# Proposed FY26 GRP R&R Projects

## *(Information from the October 2025 Meeting)*

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					

# Proposed FY2026 GRP Rates – OPTION 1

- **Rates – January 2026 meeting with Budget Amendment**

- **Rate reduction**

- \$0.10 for September budget amendment for increased demand
- \$0.03 from debt defeasance (no additional R&R contribution)

		Rate Reduction
	Current rates	\$ 0.13
GW	\$2.62	4.96%
SW	\$3.21	4.05%

- GRP groundwater **\$2.49 (Decrease from \$2.62)**
- GRP Surface water **\$3.08 (Decrease from \$3.21)**

# Proposed FY2026 GRP Rates – OPTION 2

- **Rates – January 2026 meeting with Budget Amendment**

		Rate Reduction
	Current rates	\$ 0.11
GW	\$2.62	4.20%
SW	\$3.21	3.43%

- **Rate reduction**

- \$0.10 for September budget amendment for increased demand
- \$0.01 from debt defeasance (*offset \$0.02 after R&R contribution \$500,000*)

- GRP groundwater **\$2.51 (Decrease from \$2.62)**

- GRP Surface water **\$3.10 (Decrease from \$3.21)**

# Questions?

# Recommendation

Item 4.2 Recommendation to the SJRA Board of Directors  
relating to the adoption of an amended  
Fiscal Year 2026 Operating Budget

Item 4.3 Recommendation to the SJRA Board of Directors  
relating to the adoption of an amended  
Fiscal Year 2026 GRP Rate Order

## 5. Future GRP Review Committee Meeting Agenda Items

Feb-26							Mar-26							Apr-26						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
							1	2	3	4	5	6	7				1	2	3	4
1	2	3	4	5	6	7	8	9	10	11	12	13	14	5	6	7	8	9	10	11
8	9	10	11	12	13	14	15	16	17	18	19	20	21	12	13	14	15	16	17	18
15	16	17	18	19	20	21	22	23	24	25	26	27	28	19	20	21	22	23	24	25
22	23	24	25	26	27	28	29	30	31					26	27	28	29	30		
	GRP Review Committee Meeting																			
	SJRA Board Meeting																			
	Holiday - SJRA Closed																			



# **6. Adjourn**