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SJRA Board Approves Additional Reduction in Wholesale Water Rates

Conroe, Texas— The San Jacinto River Authority (SJRA) Board of Directors approved a rate order amendment to further *reduce* both the groundwater and surface water wholesale water rates for those customers that are participants in SJRA's Groundwater Reduction Plan (GRP). This is the third rate reduction since September 2024. The new rates began February 1, 2026.

GRP participants' groundwater rate will be *reduced* from \$2.62 to **\$2.51** per 1,000 gallons of groundwater pumped by GRP Participants.

The surface water rate will be *reduced* from \$3.21 to **\$3.10** per 1,000 gallons of treated surface water delivered from Lake Conroe to participants.

“These rate decreases are made possible by a settlement agreement reached with the City of Conroe in 2025 ending their litigation related to the GRP contract,” SJRA General Manager Aubrey Spear, said. “Putting this litigation behind us is best for all GRP participants and their rate payers. With Conroe’s settlement payment along with savings on legal fees, SJRA can further reduce the wholesale water rates. Ending the litigation also strengthens our partnership with Conroe to continue supplying water to its growing population.”

Timeline

Effective September 2024: Rates reduced to \$2.67 for groundwater pumpage/\$3.26 for treated surface water

- \$12 million was refunded/credited to SJRA wholesale water customers after two non-paying GRP customers paid money that was owed to SJRA and the Lake Conroe Water Treatment Plant had an unanticipated increase in revenue due to recent droughts in the area.
- The plan provided an early payment on outstanding bonds secured in 2012 and 2013 to construct the Lake Conroe Water Treatment Plant and the related transmission lines and facilities.

Effective September 2025: Rates reduced to \$2.62 for groundwater pumpage/\$3.21 for treated surface water due to plant efficiencies including reduction in chemical, operational, and staffing costs.

Effective February 2026: Rates reduced to \$2.51 for groundwater pumpage/\$3.10 for treated surface water after the legal settlement with the City of Conroe.

- In the settlement agreement, the City of Conroe agreed to pay the full amount that it had been short-paying SJRA from September 2016 to August 2025.. Conroe also agreed to begin paying the current rate for treated surface water from Lake Conroe and the current groundwater pumpage fee going forward.
- In addition, SJRA began supplying additional surface water to the City of Conroe increasing the plant production and revenues which decreased the unit cost to participants.

The SJRA GRP has 80 customers under contract, of which seven receive surface water. The SJRA's GRP participants are area retail water providers including cities, municipal utility districts, and independently owned utilities.

The 80 customers are represented by a GRP Review Committee that meets monthly to determine expectations and make policy recommendations regarding the GRP. The recommendations are then presented to the SJRA Board of Directors for approval.

SJRA does not set the retail rates charged to individual retail customers. That is the responsibility of the retail water provider or municipality. For more information on household bills, individuals are urged to contact their retail provider.

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