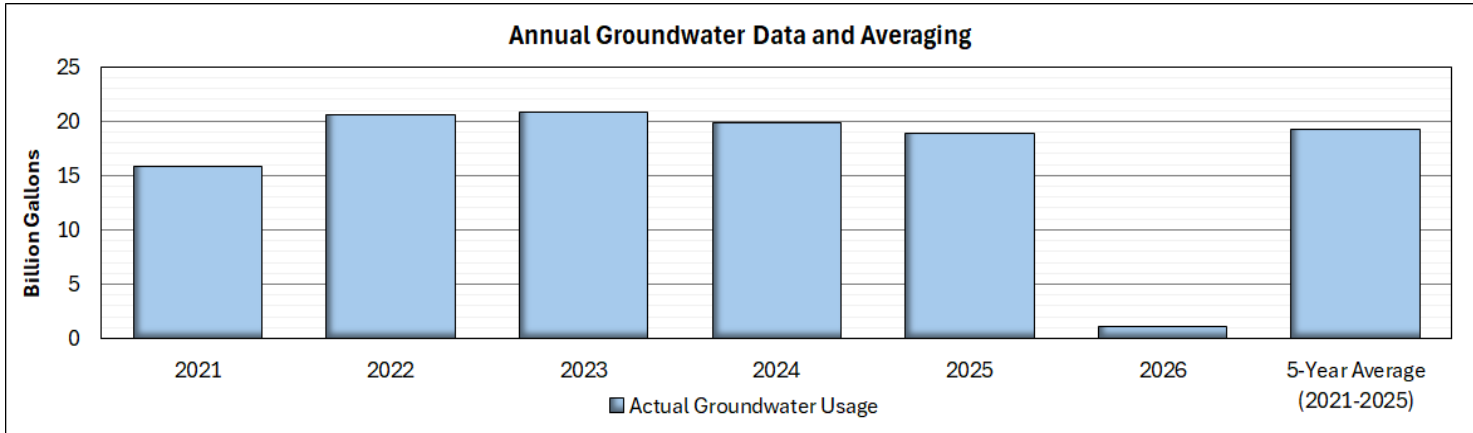


GROUNDWATER REDUCTION PLAN

MONTHLY OPERATIONS REPORT

JANUARY 2026



The graph provides groundwater withdrawals of the GRP participants from the previous five years, the current calendar year's groundwater withdrawals to date, and the previous 5-year average.

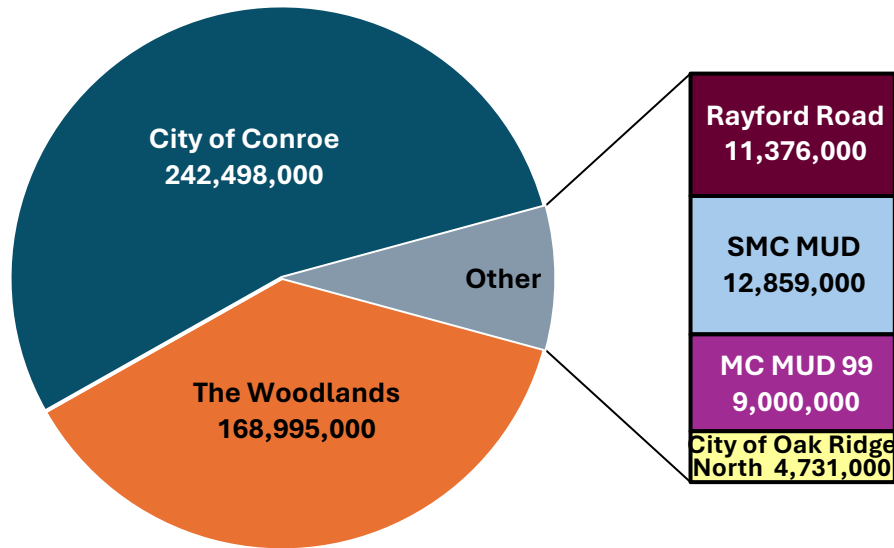
Remaining Annual Surface Water Allocation Fiscal Year 2026 (FY26: Sept 2025-Aug 2026)					
	FY26 Allocation	FY26 Actual	FY26 % Used	FY26 Remaining	FY26 % Remaining
City of Conroe	3,102,500,000	1,225,736,000	39.5%	1,876,764,000	60.5%
City of Oak Ridge North	69,350,000	29,096,000	42.0%	40,254,000	58.0%
MSEC	547,500,000	-	0.0%	547,500,000	100.0%
MUD 89*	109,500,000	-	0.0%	109,500,000	100.0%
MUD 99**	215,350,000	139,390,000	64.7%	75,960,000	35.3%
Rayford Road MUD	204,400,000	51,419,000	25.2%	152,981,000	74.8%
SMC MUD	208,050,000	66,580,000	32.0%	141,470,000	68.0%
The Woodlands	2,847,000,000	1,156,436,000	40.6%	1,690,564,000	59.4%
Total	7,303,650,000	2,668,657,000			

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

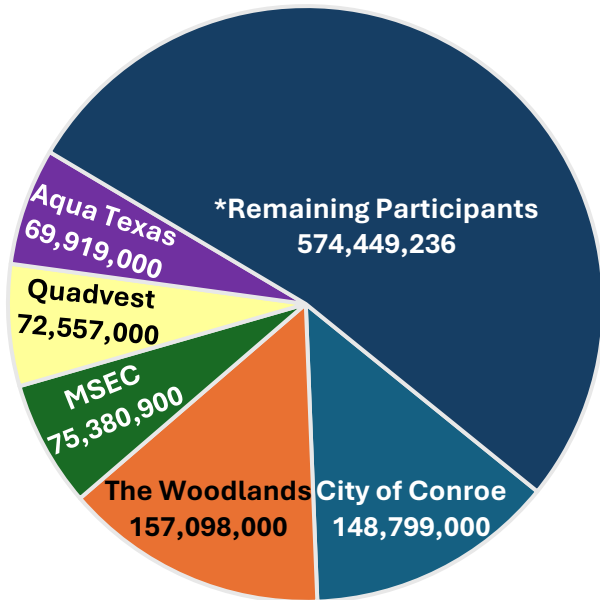
**The GRP Administrator authorized an additional 1,000 gallons per minute of water delivery for MUD 99 due to emergency conditions stemming from the unavailability of two of MUD 99's wells from August to November 2025. This increase in allocation will be sourced from unallocated usage.

OPERATIONS

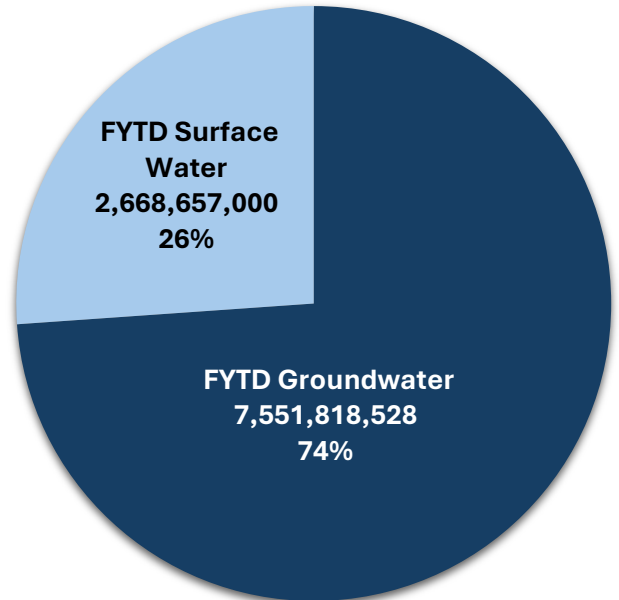
January 2026- Surface Water Usage



January 2026- Groundwater Usage



FY26 Total Demand: Sept. 1- Jan. 31, 2026



FYTD Groundwater Usage (gallons)			FYTD Surface Water Usage (gallons)		
City of Conroe	1,032,929,000	13.7%	The Woodlands	1,156,436,000	43.3%
The Woodlands	1,255,995,000	16.6%	City of Conroe	1,225,736,000	45.9%
Quadvest	597,865,000	8.0%	Rayford Road MUD	51,419,000	2.0%
MSEC	576,730,500	7.6%	SMC MUD	66,580,000	2.5%
Aqua Texas	348,287,999	4.6%	MCMUD 99	139,390,000	5.2%
			City of Oak Ridge North	29,096,000	1.1%
Remaining Participants*	3,740,011,029	49.5%	MSEC	-	0.0%
			MCMUD 89	-	0.0%
Total	7,551,818,528		Total	2,668,657,000	

* As of the preparation of this report, there are six (6) entities that have not yet submitted their pumpage. Please note that totals from previous months may be subject to adjustment as late submissions and any necessary corrections are processed.

MAINTENANCE

Asset	Purpose	Issue	Out of Service	In Service	Comments
Pretreat Basin 1 mud valve	To drain and clean pretreat basin	Valve broke and would not operate properly.	Only out of service during replacement	1/21/2026	Ordered and replaced broken mud valve.
Membrane RF Pump B	Reverse flow to clean membrane filters	Bearing and seal failure	1/5/2026	1/9/2026	Rebuilt pump and returned to service.
Pretreat Sample Line	Allow for sampling of the water coming into the pretreat basin.	Line froze and broke pipe and fittings	1/28/2026	1/28/2026	Replaced pipe and fittings once the pipe thawed out.

January 2026					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	235	342.50	Corrective Maintenance (CM)	31	128.75
FY2026 (September 1 – January 31, 2026)					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	1219	1778.35	Corrective Maintenance (CM)	260	1082.75

PROJECTS

Surface Water Receiving Facility Optimization Study	Location	GRP Hydraulic Model Update		
	All surface water receiving facilities	Budget	Contract	Invoiced
		\$70,603	\$70,603	\$61,113
		Estimated Start Date:		January-25
		Completion Date:		June-25
		Preliminary Design		
		Budget	Contract	Invoiced
		\$75,000	\$71,708	\$69,856
		Estimated Start Date:		September-25
		Estimated Completion Date:		February-26
		Final Design		
		Budget	Contract	Invoiced
		\$126,000	-	-
		Estimated Start Date:		March-26
		Estimated Completion Date:		FY2027
Funding Source(s)	Construction			
R&R	Budget	Contract	Invoiced	
Phase	\$1,245,000	-	-	
Preliminary Design Procurement	Estimated Start Date:		FY2027	

Work Order No. 3 for maximum flow analysis of all eighteen (18) surface water receiving facilities was presented at the August 2025 GRP Review Committee Meeting was approved at the August 2025 SJRA Regular Board Meeting. The PO was issued on September 10, 2025, and the kick-off meeting occurred on September 25, 2025. Consultant is working to develop a model for the water receiving facilities. A progress meeting was held on November 6, 2025, to discuss preliminary results and options. The draft Technical Memorandum was received from the Consultant on November 25, 2025, reviewed by SJRA, and comments sent back to the Consultant on December 23, 2026. The final TM was received on February 12, 2026, and being reviewed by SJRA.

24-Inch GRP Water Line Relocation along SH 75 between Silver Springs Rd. and FM 830	Location	Design		
	Adjacent to West Right-of-Way of SH 75 between Silver Springs Road and FM 830	Budget	Contract	Invoiced
		-	\$96,286	\$83,507
		Estimated Start Date:		August-25
		Estimated Completion Date:		April-26
		Land Acquisition		
		Budget	Contract	Invoiced
		-	\$59,000	\$2,745
		Estimated Start Date:		December-25
	Estimated Completion Date:		June-26	
	Funding Source(s)	Construction		
	Cash (TxDOT Reimbursement)	Budget	Contract	Invoiced
Phase	-	-	-	
Design / Land Acquisition	Estimated Start Date:		FY2027	

The 90% design submittal was received from the Consultant on December 18, 2025, and SJRA provided comments on January 20, 2026. The land acquisition team had a kick-off meeting on December 23, 2025, to discuss the process of acquiring the two easements required. SJRA legal and SMT reviewing proposed easement documents.

FINANCIALS

**San Jacinto River Authority - GRP Division
Actual to Budget Comparison
For the Five Months Ending January 31, 2026**

Groundwater Pumpage \$2.62 per 1,000 gallons
Surface water rate \$3.21 per 1,000 gallons

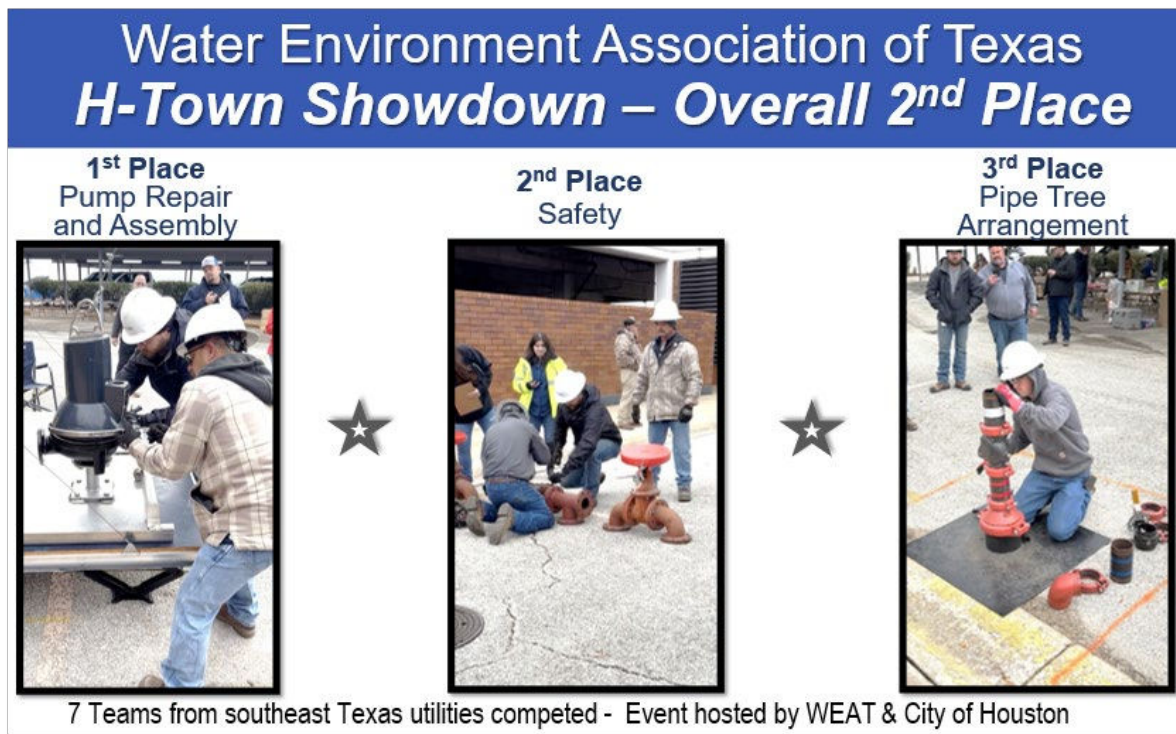
	January		YTD			Annual Budget
	Actual	Budget	Actual	Budget	Variance	
OPERATING REVENUES*	\$ 4,462,282	\$ 4,086,762	\$ 29,491,996	\$ 27,864,540	\$ 1,627,456	\$ 69,072,211
OTHER REVENUES**	\$ 358,782	\$ 25,365	\$ 1,701,577	\$ 126,735	\$ 1,574,842	\$ 304,140
OPERATING EXPENSES						
Salaries, Wages, & Employee Benefits	\$ 579,314	\$ 609,664	\$ 2,246,515	\$ 2,244,127	\$ (2,388)	\$ 5,305,488
Professional Fees	45,645	214,680	264,321	1,078,402	814,081	2,580,375
Purchased & Contracted Services	16,392	26,798	115,345	155,788	40,443	380,481
Supplies, Materials & Utilities	2,154,438	2,915,689	8,343,249	8,666,221	322,972	18,598,495
Rentals	-	334	522	1,667	1,145	4,000
Maintenance, Repairs & Parts	67,937	155,481	624,362	776,846	152,484	1,864,280
General & Administrative Expenses	26,566	47,466	134,456	237,386	102,930	569,817
TOTAL OPERATING EXPENSES	\$ 2,890,292	\$ 3,970,112	\$ 11,728,770	\$ 13,160,437	\$ 1,431,667	\$ 29,302,935
NON-OPERATING EXPENSES	\$ 1,273,815	\$ 1,203,056	\$ 6,443,422	\$ 6,355,061	\$ (88,361)	\$ 14,775,072
TOTAL EXPENSES	\$ 4,164,107	\$ 5,173,168	\$ 18,172,192	\$ 19,515,498	\$ 1,343,306	\$ 44,078,008
NET REVENUES OVER EXPENSES	\$ 656,957	\$ (1,061,041)	\$ 13,021,381	\$ 8,475,777	\$ 4,545,604	\$ 25,298,343
CAPITAL IMPROVEMENTS	\$ 18,131	\$ 220,343	\$ 154,418	\$ 1,480,860	\$ 1,326,442	\$ 3,121,939
OTHER SOURCES (USES)*						
Cash Balance Forward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,762,000
Bond Principal	(19,899,167)	(19,899,167)	(25,798,750)	(25,798,750)	-	(36,222,917)
Operating Reserve Fund	18,746,970	18,746,970	18,746,970	18,746,970	-	18,666,499
Debt Service Reserve Fund	(1,302,167)	(1,302,167)	(1,302,167)	(1,302,167)	-	(1,302,167)
Transfer to Repair and Replacement Fund	(860,000)	(860,000)	(930,820)	(930,820)	-	(4,330,820)
Incoming to Repair and Replacement Fund	860,000	860,000	860,000	860,000	-	4,260,000
Accounts Receivable-Uncollected***	(1,740,705)	-	959,447	-	959,447	-
TOTAL OTHER SOURCES (USES)	\$ (4,195,069)	\$ (2,454,364)	\$ (7,465,321)	\$ (8,424,767)	\$ 959,447	\$ (12,167,405)
NET CASH BASIS SOURCES (USES)	\$ (3,556,243)	\$ (3,735,748)	\$ 5,401,642	\$ (1,429,850)	\$ 6,831,493	\$ 10,009,000

*Revenues include actual billings including short-pays and failure to pays.
**Includes interest & penalty on Past Due Accounts Receivable. Majority of the balance remains uncollected.
*** Total Past Due Receivables 60+ days at 1/31/2026 \$ 7,042,222

GRP Division-Special Project Revenue Bonds:	Post-Defeasance (2/1/2026)			
	Original Issuance	Principal Balance	Principal due 10/1/2	Final Payment
Series 2009	21,500,000	5,905,000	1,920,000	10/1/2028
Series 2011	83,155,000	52,850,000	3,320,000	10/1/2037
Series 2011A	67,470,000	36,740,000	2,980,000	10/1/2035
Series 2012	175,000,000	103,805,000	6,780,000	10/1/2037
Series 2012A	165,000,000	97,270,000	1,505,000	10/1/2039
Series 2013	39,850,000	22,420,000	1,290,000	10/1/2040
Series 2016	2,305,000	1,370,000	75,000	10/1/2041
Totals:	554,280,000	320,360,000	17,870,000	

PUBLIC COMMUNICATIONS

- No tours were held in January.
- In December, operations staff from the Woodlands and GRP Divisions competed in the **H-Town Showdown**, an operations skills challenge modeled after the competitions held at the Texas Water Annual Conference. Once again, the SJRA team performed exceptionally well, earning a 2nd-place overall ranking. The team is now preparing for the Texas Water competition in April.



GRP ACRONYMS AND DEFINITIONS

Acronyms

FY	Fiscal year
FYTD	Fiscal year to date
GPY	Gallons per year
GRP	Groundwater Reduction Plan
SJRA	San Jacinto River Authority
TCEQ	Texas Commission on Environmental Quality

Definitions

Groundwater Management Area 14

Joint planning group created by the Texas state legislation to provide consideration for the conservation, preservation, protection, recharging, and prevention of waste of the groundwater, and of groundwater reservoirs or their subdivisions, and to control subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution.

Groundwater Reduction Plan

The document developed and filed with the LSGCD indicating SJRA's plan to reduce groundwater pumpage. The GRP is administered by the SJRA, including any supplements, revisions, or amendments.

GRP Administrator

The SJRA General Manager's designee who administers the SJRA Groundwater Reduction Plan and GRP Contract with GRP Participants.

GRP Contract

Contract between the SJRA and a Participant to be included in the SJRA's efforts to conserve groundwater.

Participant(s)

Regulated User(s) that enters into and remains subject to a written agreement with the SJRA to be included in the SJRA's GRP and includes the legal successors or assigns of Participant(s).

Regulated User(s)

Any public or private entity or person that is or becomes subject to the District Regulatory Plan established by the LSGCD and includes any amendments, revisions or supplements thereto as June be adopted by the LSGCD.

SJRA GRP Division

Division of the SJRA responsible for GRP compliance, and the management, administration, operation and maintenance of the surface water facilities and surface water transmission system