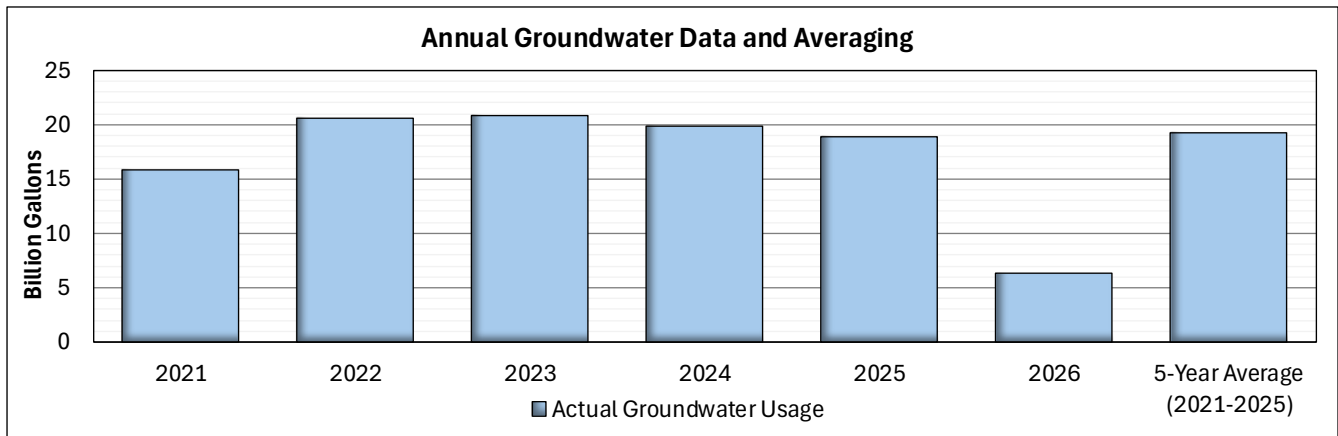


GROUNDWATER REDUCTION PLAN

MONTHLY OPERATIONS REPORT

MAY 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.

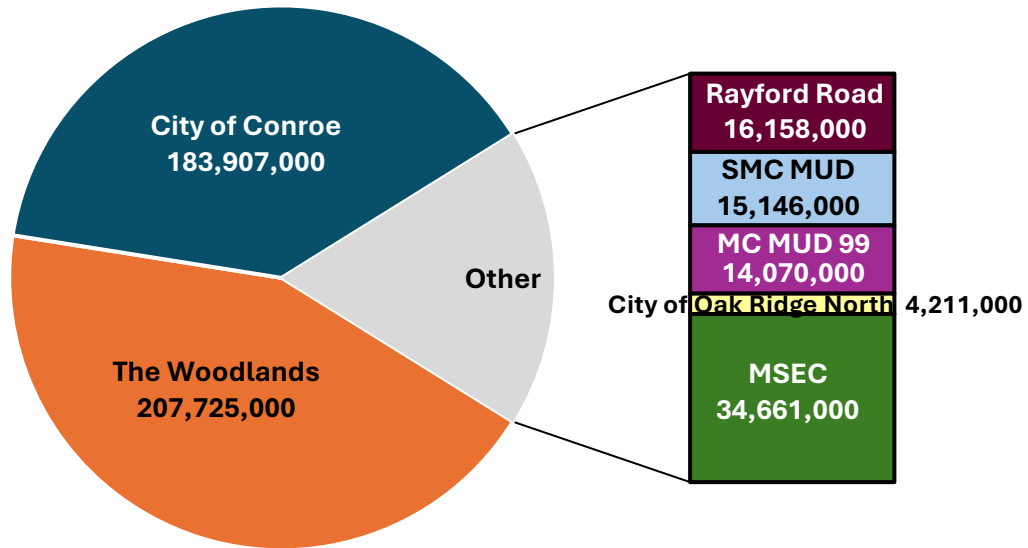
Remaining Annual Surface Water Allocation Fiscal Year 2026 (FY26: Sept 2025-Aug 2026)					
	FY26 Allocation	FY26 Actual	FY26 % Used	FY26 Remaining	FY26 % Remaining
City of Conroe	3,102,500,000	2,032,795,000	65.5%	1,069,705,000	34.5%
City of Oak Ridge North	69,350,000	45,482,000	65.6%	23,868,000	34.4%
MSEC	547,500,000	120,629,000	22.0%	426,871,000	78.0%
MUD 89*	109,500,000	-	0.0%	109,500,000	100.0%
MUD 99**	215,350,000	184,760,000	85.8%	30,590,000	14.2%
Rayford Road MUD	204,400,000	106,150,000	51.9%	98,250,000	48.1%
SMC MUD	208,050,000	123,941,000	59.6%	84,109,000	40.4%
The Woodlands	2,847,000,000	1,906,929,000	67.0%	940,071,000	33.0%
Total	7,303,650,000	4,520,686,000			

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

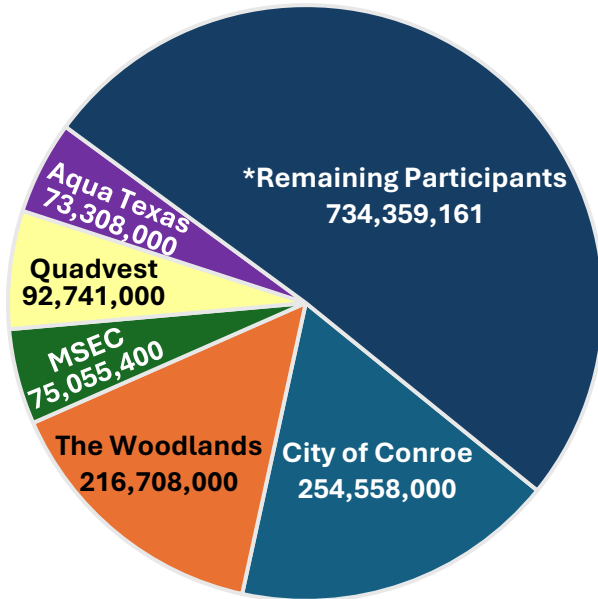
**The GRP Administrator authorized an additional 1,000 gallons per minute of water delivery for MUD 99 due to emergency conditions stemming from the unavailability of two of MUD 99's wells from August to November 2025. This increase in allocation was sourced from unallocated usage.

OPERATIONS

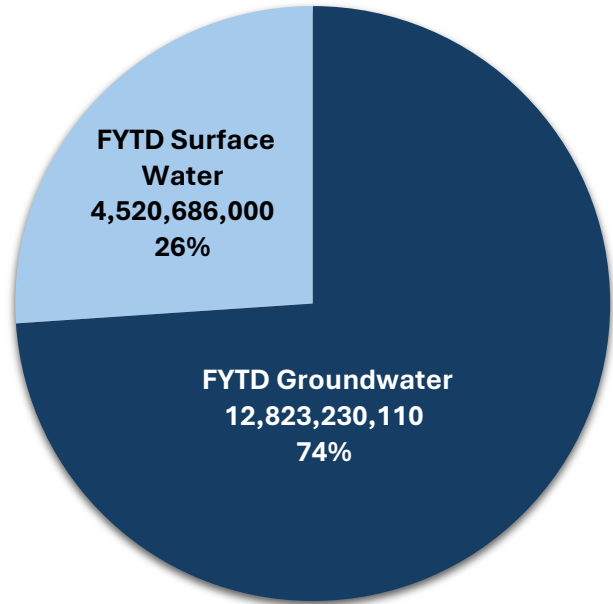
May 2026- Surface Water Usage



May 2026- Groundwater Usage



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



FYTD Groundwater Usage (gal)			FYTD Surface Water Usage (gal)		
Participant	Usage (gal)	Percentage	Participant	Usage (gal)	Percentage
Aqua Texas	637,421,999	5.0%	MCMUD 89	0	0.0%
MSEC	855,238,889	6.7%	City of Oak Ridge North	45,482,000	1.0%
Quadvest	965,620,000	7.5%	Rayford Road MUD	106,150,000	2.3%
City of Conroe	1,866,920,000	14.6%	MSEC	120,629,000	2.7%
The Woodlands	2,087,561,000	16.3%	SMC MUD	123,941,000	2.7%
Remaining Participants	6,410,468,222	49.9%	MCMUD 99	184,760,000	4.1%
Total	12,823,230,110		The Woodlands	1,906,929,000	42.2%
			City of Conroe	2,032,795,000	45.0%
			Total	4,520,686,000	

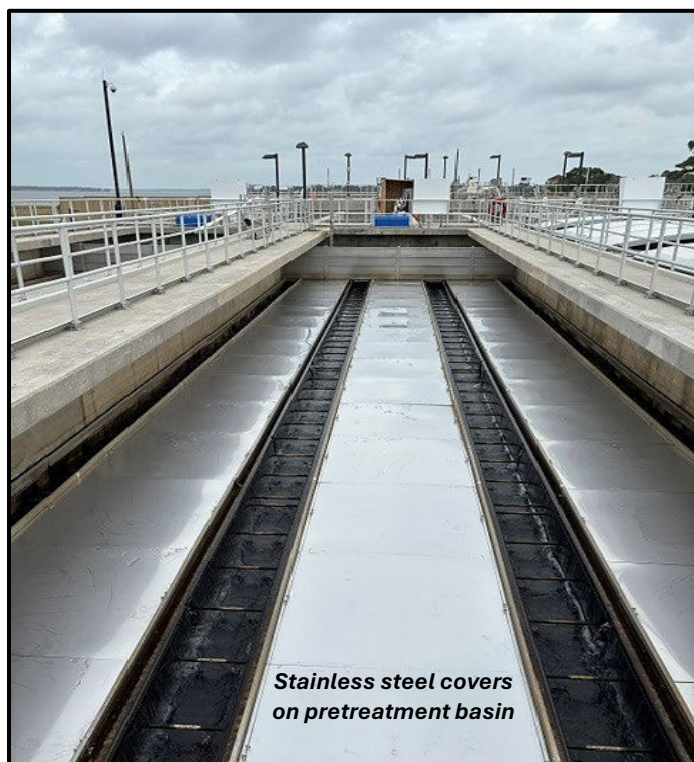
* As of the preparation of this report, there are 5 entities that have not yet submitted their pumpage. Please note that totals from previous months may be subject to adjustment as late submissions and any necessary corrections are processed.

MAINTENANCE

Asset	Purpose	Issue	Out of Service	In Service	Comments
Pretreat Basins 1 & 2	Settle out solids from raw water	Covers deteriorated and required replacement	Basins remained in service during replacement.	5/8/2026	Existing covers were replaced with new stainless steel floating covers
Pretreat Basins 3 & 4	Settle out solids from raw water	Covers deteriorated and need replacement	Basins to remain in service during replacement		Existing covers are prepped and ready for removal. Scheduling for boom truck availability
Segment C2 Transmission Line to Conroe #6	Transfer water from GRP to Conroe Water Receiving Facility #6	Line failure on east side of White Oak Creek	4/2/2026		Repair was not made. RFQ for design of line replacement was issued 5/5/26

May 2026					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	278	319.46	Corrective Maintenance (CM)	55	109.00
FY2026 (September 1 – May 31, 2026)					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	2252	3012.17	Corrective Maintenance (CM)	450	1769.95

In May 2026, the GRP Division replaced the covers of the pretreatment basins. The 12-year-old vinyl covers had deteriorated due to exposure to sun and wind, resulting in fragments falling into the pretreatment basins, which could disrupt flow and compromise water quality.



The new covers are made from high-grade chemical-resistant stainless steel, designed to float on the water surface within the basin. This innovative design prevents damage from wind and ensures that sun exposure does not lead to deterioration. Furthermore, the covers are secured with stainless steel cables that are anchored to the basin walls for added stability. The new covers can be easily removed by simply loosening the cable, allowing for efficient access during basin cleaning. The installation is anticipated to significantly reduce algae growth, addressing potential taste and odor issues in the water quality.

PUBLIC COMMUNICATIONS

- Sam Houston State University Toured the GRP Surface Water Plant on 5/14/2026



FINANCIALS

San Jacinto River Authority - GRP Operating and Repair/Replacement Actual to Budget Comparison For the Eight Months Ending April 30, 2026

	April		Actual	YTD Budget	Variance	Annual Budget
	Actual	Budget				
Groundwater Pumpage \$2.51 per 1,000 gallons						
Surface water rate \$3.10 per 1,000 gallons						
OPERATING REVENUES*	\$ 5,325,719	\$ 5,054,991	\$ 43,715,815	\$ 41,443,437	\$ 2,272,379	\$ 69,072,211
OTHER REVENUES**	\$ 279,202	\$ 25,365	\$ 2,502,405	\$ 202,770	\$ 2,299,635	\$ 304,140
OPERATING EXPENSES						
Salaries, Wages, & Employee Benefits	\$ 412,247	\$ 408,615	\$ 3,465,543	\$ 3,469,974	\$ 4,431	\$ 5,305,488
Professional Fees	92,515	214,680	461,180	1,722,427	1,261,247	2,580,375
Purchased & Contracted Services	15,795	30,771	172,192	243,763	71,571	380,481
Supplies, Materials & Utilities	809,593	1,871,046	10,962,717	13,028,740	2,066,023	18,598,495
Rentals	48	334	1,258	2,667	1,408	4,000
Maintenance, Repairs & Parts	303,665	155,481	1,151,496	1,242,915	91,419	1,864,280
General & Administrative Expenses	36,416	47,466	247,078	379,840	132,762	569,817
TOTAL OPERATING EXPENSES	\$ 1,670,279	\$ 2,728,393	\$ 16,461,464	\$ 20,090,326	\$ 3,628,862	\$ 29,302,935
NON-OPERATING EXPENSES	\$ 1,238,436	\$ 1,203,056	\$ 10,017,212	\$ 9,964,230	\$ (52,982)	\$ 14,775,072
TOTAL EXPENSES	\$ 2,908,715	\$ 3,931,449	\$ 26,478,676	\$ 30,054,556	\$ 3,575,880	\$ 44,078,008
NET REVENUES OVER EXPENSES	\$ 2,696,206	\$ 1,148,907	\$ 19,739,544	\$ 11,591,651	\$ 8,147,893	\$ 25,298,343
CAPITAL IMPROVEMENTS	\$ 141,345	\$ 220,343	\$ 724,729	\$ 2,241,360	\$ 1,516,631	\$ 3,121,939
OTHER SOURCES (USES)*						
Cash Balance Forward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,762,000
Bond Principal	(1,489,167)	(1,489,167)	(30,266,250)	(30,266,250)	-	(36,222,917)
Operating Reserve Fund	-	-	18,746,970	18,746,970	-	18,666,499
Debt Service Reserve Fund	-	-	(1,302,167)	(1,302,167)	-	(1,302,167)
Transfer to Repair and Replacement Fund	-	-	(3,830,820)	(3,830,820)	-	(4,330,820)
Incoming to Repair and Replacement Fund	-	-	3,760,000	3,760,000	-	4,260,000
Accounts Receivable-Uncollected***	(691,410)	-	70,248	-	70,248	-
TOTAL OTHER SOURCES (USES)	\$(2,180,577)	\$(1,489,167)	\$ (12,822,019)	\$ (12,892,267)	\$ 70,248	\$ (12,167,405)
NET CASH BASIS SOURCES (USES)	\$ 374,284	\$ (560,603)	\$ 6,192,796	\$ (3,541,976)	\$ 9,734,772	\$ 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 4/30/26 \$ 6,153,024

GRP Division-Special Project Revenue Bonds: Post-Defeasance (2/1/2026) *Monthly Debt service is ~\$2.66million (Principal & Interest)

	Original Issuan	Principal Balance	Principal due 10/1	Final Payment	Rate Ranges
Series 2009	21,500,000	5,905,000	1,920,000	10/1/2028	2.463%-2.661%
Series 2011	83,155,000	52,850,000	3,320,000	10/1/2037	4.50%-5.00%
Series 2011A	67,470,000	36,740,000	2,980,000	10/1/2035	4.17%-4.97%
Series 2012	175,000,000	103,805,000	6,780,000	10/1/2037	3.87%-4.62%
Series 2012A	165,000,000	97,270,000	1,505,000	10/1/2039	3.97%-4.61%
Series 2013	39,850,000	22,420,000	1,290,000	10/1/2038	4.19%-4.76%
Series 2016	2,305,000	1,370,000	75,000	10/1/2039	3.00%-4.00%
Totals:	554,280,000	320,360,000	17,870,000		

PROJECTS

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
		-	\$108,986	\$100,321
		Start Date:		August-25
		Estimated Completion Date:		June-26
		Land Acquisition		
	Budget	Contract	Invoiced	
	-	\$59,000	\$19,394	
	Start Date:		December-25	
	Estimated Completion Date:		August-26	
	Funding Source(s)	Construction		
Cash (TxDOT Reimbursement)	Budget	Contract	Invoiced	
Phase	-	-	-	
Design / Land Acquisition	Estimated Start Date:		FY2027	

TxDot’s expansion to widen SHR75 includes the acquisition of approximately 40 feet of additional right-of-way on the west side of the highway, which consequently impacts SJRA's existing exclusive easement. SJRA will acquire a new 20-foot exclusive easement beyond the proposed SH 75 right-of-way line and intends to relocate the GRP 24-inch water line within this new easement. TxDOT has agreed to reimbursing SJRA of all incurred costs. The 100% design submittal was received from the Consultant on March 23, 2026, and SJRA provided remaining comments on April 6, 2026. The final design submittal was received on April 30, 2026, for SJRA to review. SJRA is working with TxDOT to complete the Standard Utility Agreement (SUA) which will allow reimbursement to SJRA for the project costs. SJRA has requested to know if in-house personnel time can be reimbursed. SJRA has received informal appraisals on the two easements required; however, finalization of the appraisals is on hold until the SUA is executed.

Surface Water Treatment Plant Membrane Replacement and Optimization	Location	Design		
	SJRA Surface Water Treatment Plant (11998 Pine Valley Dr., Conroe, Texas 77304)	Budget	Contract	Invoiced
		\$4,314,672	\$199,971	\$41,411
		Estimated Start Date:		May-26
		Estimated Completion Date:		FY2029
	Funding Source(s)	Construction		
	R&R Funds	Budget	Contract	Invoiced
Phase	\$14,312,000	-	-	
Preliminary Design	Estimated Start Date:		FY2029	

Work Order No.1 project kick-off occurred on May 12, 2026, which included a comprehensive tour of the facility and data acquisition. Consultant has been reviewing data provided by SJRA and will go over findings at the first workshop scheduled for June 23, 2026.

White Oak Creek 12-inch Water Line Replacement	Location	Design		
	Across White Oak Creek north of SH105, between FM3083 and Longmire Rd.	Budget	Contract	Invoiced
		\$339,000	-	-
		Estimated Start Date:		August-26
		Estimated Completion Date:		April-28
		Land Acquisition		
		Budget	Contract	Invoiced
	\$27,000	-	-	
	Estimated Start Date:		April-27	
	Estimated Completion Date:		January-28	
	Funding Source(s)	Construction		
	R&R Funds	Budget	Contract	Invoiced
Phase	\$2,481,000	-	-	
Procurement for Design	Estimated Start Date:		FY2028	

In August 2025, a failure occurred on the 12-inch transmission line on the west bank of White Oak Creek. The transmission line was repaired, however in April 2026, a second failure occurred approximately 300 feet east on the opposite creek bank. Both breaks occurred on a high density polyethylene (HDPE) water line segment installed in 2015 by horizontal direction drill (HDD). Following the second failure, the reliability of this section of transmission pipe section is in question, so it was determined to procure a consulting engineering firm to provide options on replacement of the HDD installed segment. An RFQ was issued on May 5, 2026, and the pre-submittal meeting was held on May 14, 2026. On June 3, 2026, thirteen statements of qualifications (SOQs) were received. SJRA will score and rank these SOQs on June 15, 2026.

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, the management, administration, and operation and maintenance of the surface water facilities and surface water transmission system