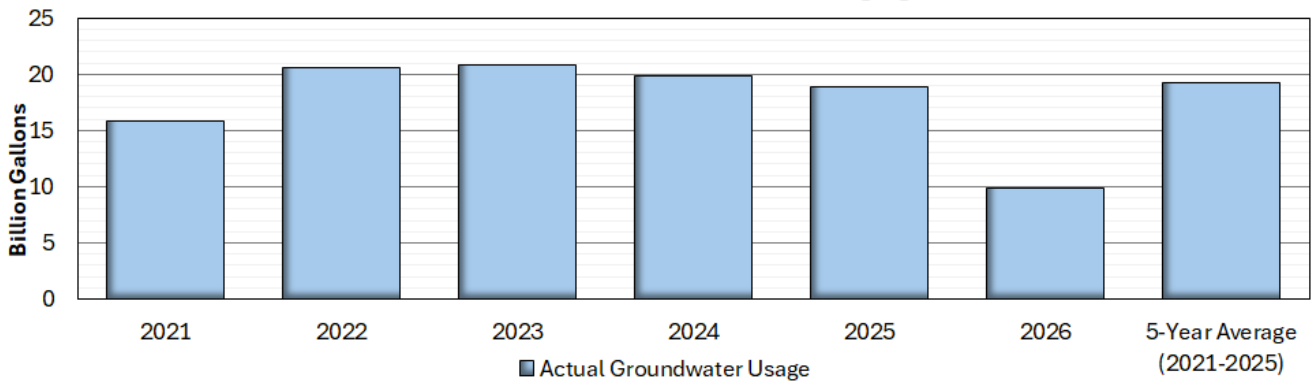


GROUNDWATER REDUCTION PLAN

MONTHLY OPERATIONS REPORT JULY 2026



Annual Groundwater Data and Averaging



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)

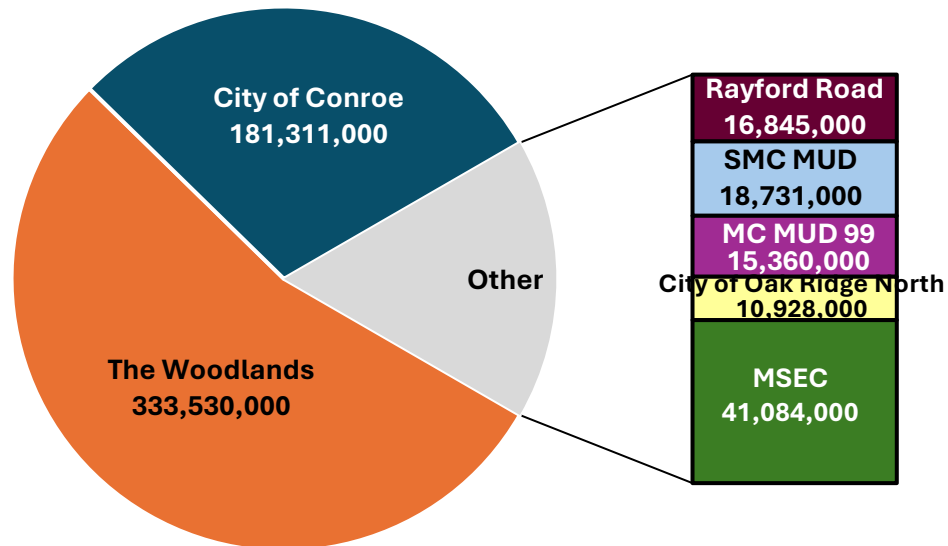
	FY26 Allocation	FY26 Actual	FY26 % Used	FY26 Remaining	FY26 % Remaining
City of Conroe	3,102,500,000	2,391,826,000	77.1%	710,674,000	22.9%
City of Oak Ridge North	69,350,000	60,717,000	87.6%	8,633,000	12.4%
MSEC	547,500,000	198,390,000	36.2%	349,110,000	63.8%
MUD 89*	109,500,000	-	0.0%	109,500,000	100.0%
MUD 99**	215,350,000	215,060,000	99.9%	290,000	0.1%
Rayford Road MUD	204,400,000	143,910,000	70.4%	60,490,000	29.6%
SMC MUD	208,050,000	159,013,000	76.4%	49,037,000	23.6%
The Woodlands	2,847,000,000	2,468,856,000	86.7%	378,144,000	13.3%
Total	7,303,650,000	5,637,772,000			

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

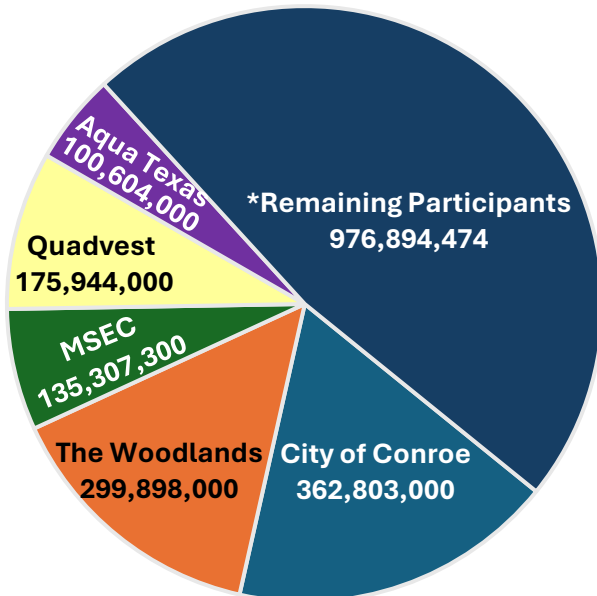
**The GRP Administrator authorized an additional 1,000 gallons per minute of water delivery for MUD 99 due to emergency conditions stemming from the unavailability of two of MUD 99's wells from August to November 2025. This increase in allocation was sourced from unallocated usage.

OPERATIONS

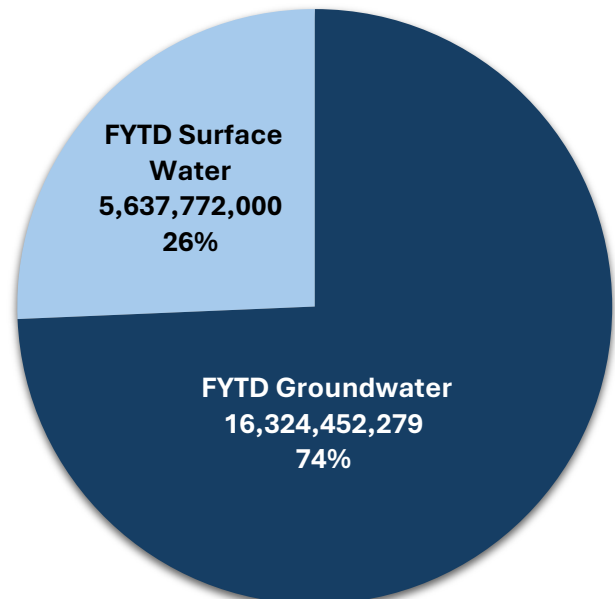
July 2026- Surface Water Usage



July 2026- Groundwater Usage



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



FYTD Groundwater Usage (gal)			FYTD Surface Water Usage (gal)		
Participant	Usage (gal)	Percentage	Participant	Usage (gal)	Column1
Aqua Texas	816,168,998	5.0%	MCMUD 89	0	0%
MSEC	1,072,226,189	6.6%	City of Oak Ridge North	60,717,000	1.1%
Quadvest	1,244,259,000	7.6%	Rayford Road MUD	143,910,000	2.6%
City of Conroe	2,496,171,000	15.3%	SMC MUD	159,013,000	2.8%
The Woodlands	2,592,222,000	15.9%	MSEC	198,390,000	3.5%
Remaining Participants	8,103,405,092	49.6%	MCMUD 99	215,060,000	3.8%
Total	16,324,452,279		City of Conroe	2,391,826,000	42.4%
			The Woodlands	2,468,856,000	43.8%
			Total	5,637,772,000	

* As of the preparation of this report, there are 14 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 3 & 4	Settle out solids from raw water	Covers deteriorated and need replacement	Basins to remain in service during replacement	7/08/26	Finish install of new floating covers. All basin covers are complete.
Pretreat Basin 3	Settle out solids from raw water	Valve not working	Basin 3 remained in service. Valve would not close. 7/8/26	7/20/26	Replace plug valve and operator. Basin back in full operational service.

July 2026					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	254	284.10	Corrective Maintenance (CM)	43	147.50
FY2026 (September 1 – July 31, 2026)					
Work Orders	# of Work Orders	Hours Spent	Work Orders	# of Work Orders	Hours Spent
Preventive Maintenance (PM)	2765	3652.11	Corrective Maintenance (CM)	523	2136.45

PUBLIC COMMUNICATIONS

- On July 30, 2027, Woodlands MUD Directors toured the GRP Surface Water Treatment Plant.



FINANCIALS

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

Groundwater Pumpage \$2.51 per 1,000 gallons
Surface water rate \$3.10 per 1,000 gallons

	June		YTD				Annual
	Actual	Budget	Actual	Budget	Variance		Budget
OPERATING REVENUES*	\$ 5,191,167	\$ 6,705,290	\$ 53,998,605	\$ 53,955,107	\$ 43,498	\$	69,072,211
OTHER REVENUES**	\$ 282,213	\$ 25,335	\$ 3,066,195	\$ 253,440	\$ 2,812,755	\$	304,140
OPERATING EXPENSES							
Salaries, Wages, & Employee Benefits	\$ 406,704	\$ 408,617	\$ 4,275,556	\$ 4,287,207	\$ 11,651	\$	5,305,488
Professional Fees	190,442	214,423	734,508	2,151,273	1,416,765		2,580,375
Purchased & Contracted Services	15,696	32,839	196,386	308,657	112,271		380,481
Supplies, Materials & Utilities	1,300,098	1,538,856	13,019,469	15,714,116	2,694,647		18,598,495
Rentals	-	333	1,258	3,333	2,075		4,000
Maintenance, Repairs & Parts	59,900	155,295	1,300,835	1,553,505	252,670		1,864,280
General & Administrative Expenses	48,170	47,523	329,516	474,829	145,313		569,817
TOTAL OPERATING EXPENSES	\$ 2,021,010	\$ 2,397,886	\$ 19,857,528	\$ 24,492,920	\$ 4,635,392	\$	29,302,935
NON-OPERATING EXPENSES	\$ 1,167,677	\$ 1,203,056	\$ 12,352,566	\$ 12,370,343	\$ 17,777	\$	14,775,072
TOTAL EXPENSES	\$ 3,188,687	\$ 3,600,942	\$ 32,210,094	\$ 36,863,263	\$ 4,653,169	\$	44,078,008
NET REVENUES OVER EXPENSES	\$ 2,284,693	\$ 3,129,683	\$ 24,854,706	\$ 17,345,284	\$ 7,509,422	\$	25,298,343
CAPITAL IMPROVEMENTS	\$ 110,135	\$ 220,079	\$ 847,717	\$ 2,681,517	\$ 1,833,800	\$	3,121,939
OTHER SOURCES (USES)*							
Cash Balance Forward	\$ -	\$ -	\$ -	\$ -	\$ -	\$	6,762,000
Bond Principal	(1,489,167)	(1,489,167)	(33,244,583)	(33,244,583)	-		(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	-	-	(4,330,820)	(4,330,820)	-		(4,330,820)
Incoming to Repair and Replacement Fund	-	-	4,260,000	4,260,000	-		4,260,000
Accounts Receivable-Uncollected***	(978,252)	-	90,830	-	90,830		-
TOTAL OTHER SOURCES (USES)	\$ (2,467,419)	\$ (1,489,167)	\$ (15,779,771)	\$ (15,870,601)	\$ 90,830	\$	(12,167,405)
NET CASH BASIS SOURCES (USES)	\$ (292,861)	\$ 1,420,437	\$ 8,227,218	\$ (1,206,834)	\$ 9,434,052	\$	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 Month End: \$ 6,173,606

GRP Division-Special Project Revenue Bonds: Post-Defeasance (2/1/2026)

	Original Issuance	Principal Balance	Principal due 10/1/26	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		

*Monthly Debt service is ~\$2.66million (Principal & Interest)

PROJECTS

24-Inch GRP Water Line Relocation along SH 75 between Silver Springs Rd. and FM 830 - GSW75R	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:		August-26
		Land Acquisition		
		Budget	Contract	Invoiced
		-	\$ 59,000	\$19,394
		Start Date:		December-25
		Estimated Completion Date:		March-27
	Funding Source(s)	Construction		
	Cash (TxDOT Reimbursement)	Budget	Contract	Invoiced
	Phase	-	-	-
	Design / Land Acquisition	Estimated Start Date:		June-27

TxDot's expansion to widen SH75 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. The draft SUA was submitted to TxDOT on July 10, 2026, for their review. TxDOT sent comments to SJRA on August 10, 2026. SJRA is reviewing and working to address the comments. 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-GSWMRO	Location	Design		
	SJRA Surface Water Treatment Plant (11998 Pine Valley Dr., Conroe, Texas 77304)	Budget	Contract	Invoiced
		\$4,314,672	\$199,971	\$135,275
		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

Stress Testing Protocol Workshop held on August 6, 2026 and consultant discussed the draft version of the Protocol which SJRA staff had provided comments on. Consultant is now working on developing the Draft Technical Memorandum which will ultimately be the final deliverable of this stage of the project.

White Oak Creek 12-inch Water Line Replacement- GSWWOR	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 (HPDE) 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 staff scored and ranked these SOQs on June 15, 2026. SJRA is working with the consultant to finalize the contract and fee for preliminary design. This contract will not require SJRA board approval.

GRP ACRONYMS AND DEFINITIONS

Acronyms

FY	Fiscal year
FYTD	Fiscal year to date
GRP	Groundwater Reduction Plan
SJRA	San Jacinto River Authority

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