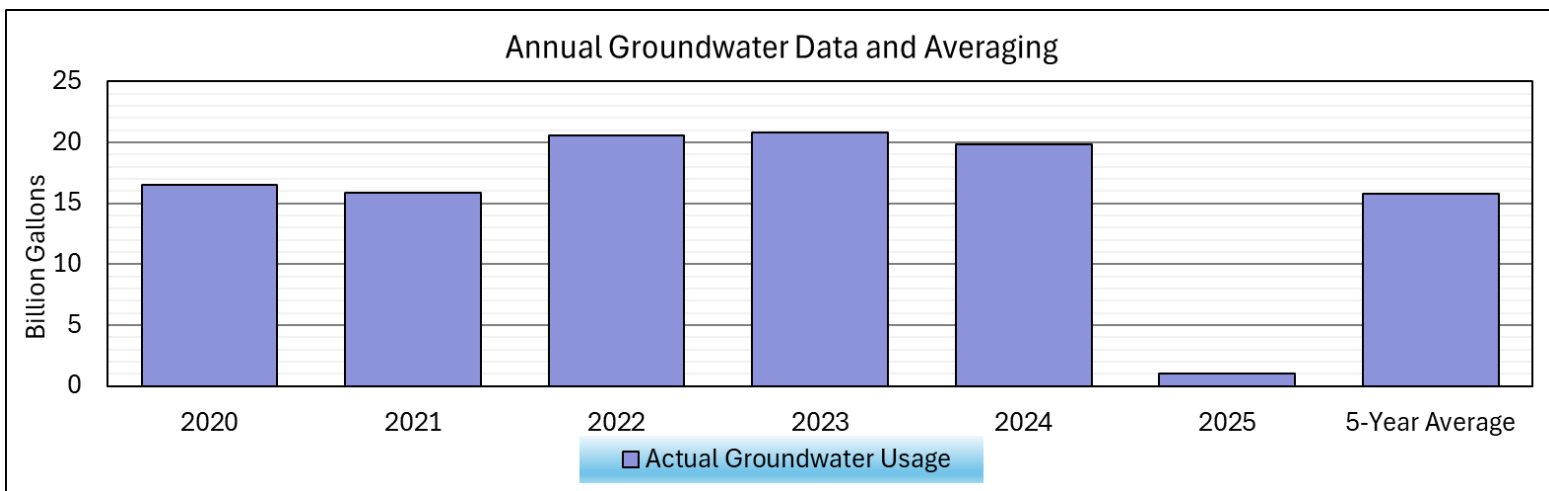


GROUNDWATER REDUCTION PLAN MONTHLY OPERATIONS REPORT JANUARY 2025



The purpose of the graph above is to track the actual groundwater withdrawal of the 149 GRP Participants. The graph provides actual groundwater withdrawals from the last five years, the current calendar year’s groundwater withdrawals to date, and the current 5-year average.

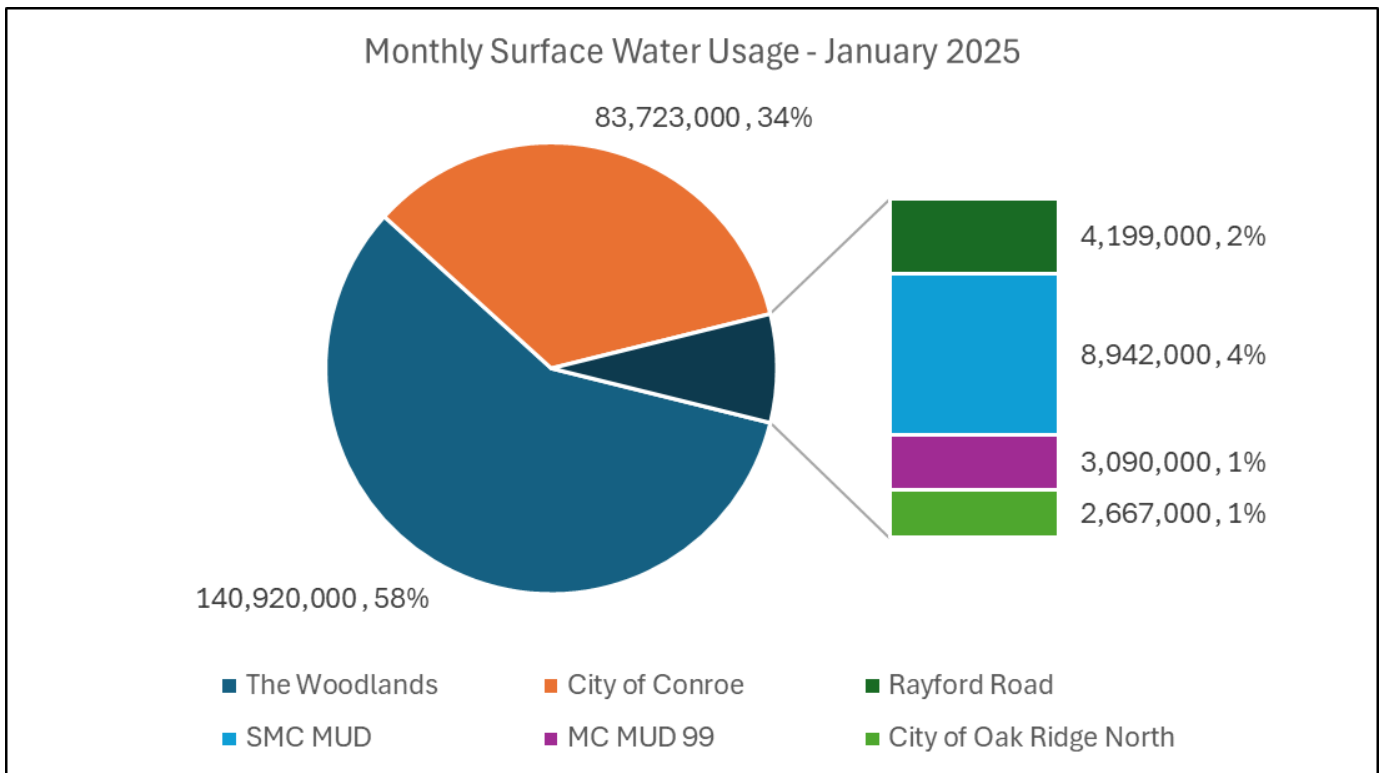
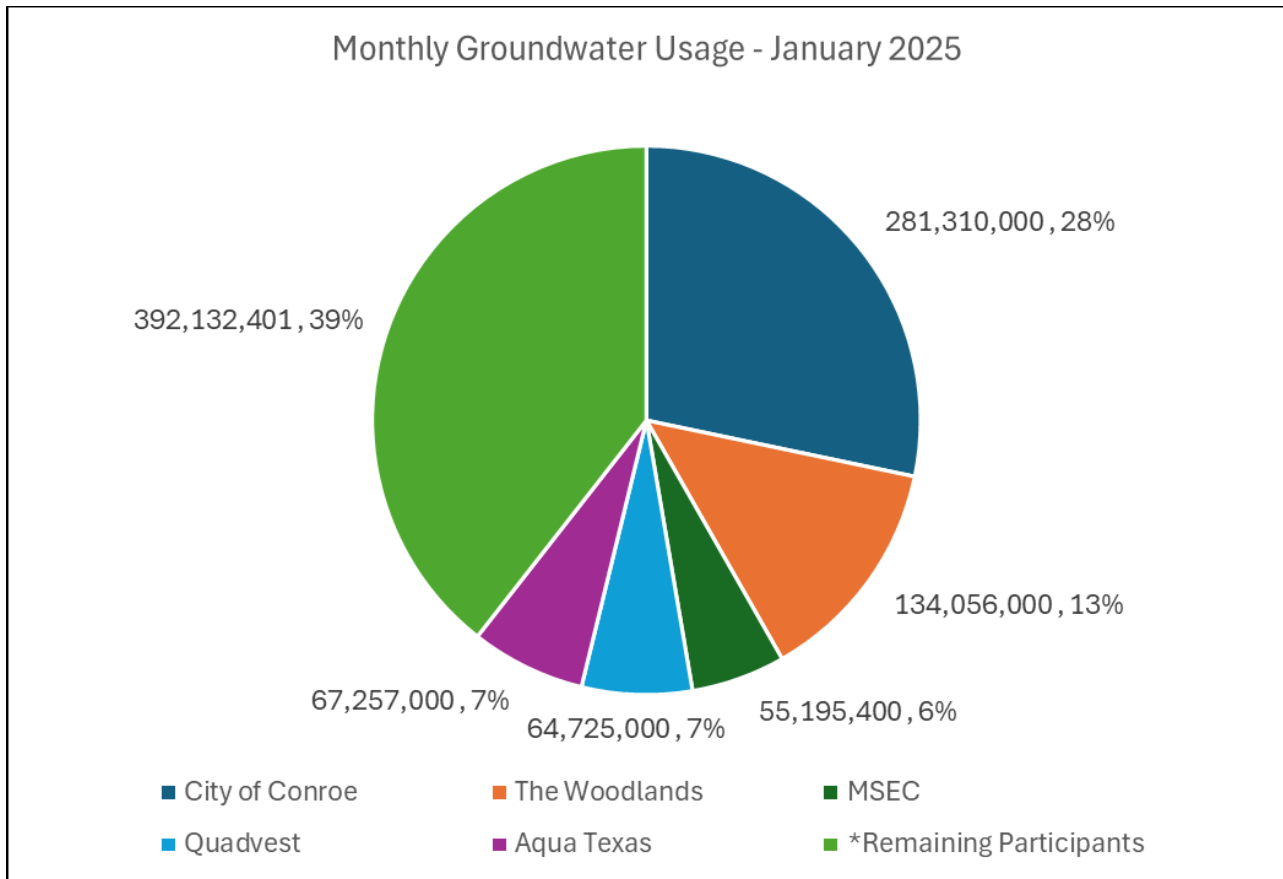
Monthly Actual vs. Budgeted – November 2024

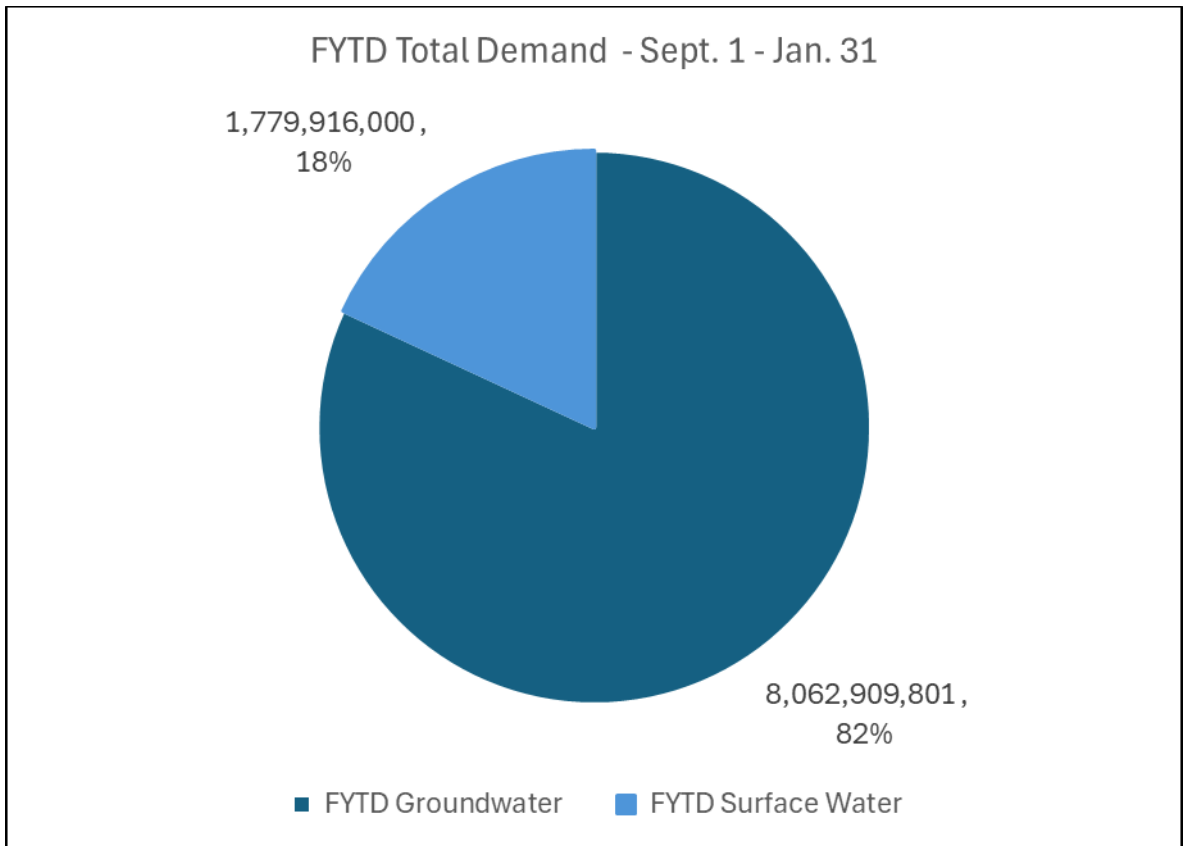
| | Actual | Budgeted | % Variance |
|----------------|-------------|-------------|------------|
| Total Revenues | \$5,616,993 | \$4,041,454 | 39.0% |
| Total Expenses | \$3,103,575 | \$2,899,006 | 7.1% |

| | |
|---|--------------|
| Operating Fund Balance | \$25,683,817 |
| Operating and Rate Stabilization Fund Balance | \$6,360,537 |
| Months of Budgeted Operating Funds | 15.04 |
| Change from Previous Month | \$2,083,782 |
| Interest & Principal Payment Due 10/1/2025 | \$25,943,368 |
| Interest Payment Due 4/1/2025 | \$8,758,368 |
| Balance in Debt Service Fund as of Month End | \$6,805,902 |

*Monthly debt service is ~\$2.9 million

Operations





| Fiscal Year to Date (September 1- January 31) | | | | | |
|--|---------------|------|--------------------------------------|---------------|------|
| Groundwater Usage (gallons) | | | Surface Water Usage (gallons) | | |
| City of Conroe | 1,804,803,000 | 22% | The Woodlands | 1,176,908,000 | 66% |
| The Woodlands | 1,156,807,000 | 14% | City of Conroe | 453,451,000 | 25% |
| Quadvest | 615,567,000 | 8% | Rayford Road MUD | 47,462,000 | 3% |
| MSEC | 542,643,100 | 7% | SMC MUD | 48,784,000 | 3% |
| Aqua Texas | 409,476,000 | 5% | MCMUD 99 | 33,430,000 | 2% |
| Remaining Participants | 3,533,613,701 | 44% | City of Oak Ridge North | 19,881,000 | 1% |
| | | | MSEC | - | 0% |
| Total | 8,062,909,801 | 100% | Total | 1,779,916,000 | 100% |

| Remaining Annual Surface Water Allocation | | | | | |
|---|----------------------|-------------------------------------|-------------|----------------------|------------------|
| As of January 31, 2025 | FY25 Allocation | FY25 Actual | FY25 % Used | FY25 Remaining | FY25 % Remaining |
| City of Conroe | 1,410,548,067 | 453,451,000 | 32% | 957,097,067 | 68% |
| City of Oak Ridge North | 36,592,700 | 19,881,000 | 54% | 16,711,700 | 46% |
| MUD 99 | 100,471,500 | 33,430,000 | 33% | 67,041,500 | 67% |
| MSEC | 250,185,920 | Allocation removed by MSEC request. | | | |
| Rayford Road MUD | 112,335,700 | 47,462,000 | 42% | 64,873,700 | 58% |
| The Woodlands | 2,789,067,300 | 1,176,908,000 | 42% | 1,612,159,300 | 58% |
| SMC MUD | 119,680,100 | 48,784,000 | 41% | 70,896,100 | 59% |
| Total | 4,818,881,287 | 1,779,916,000 | 37% | 3,038,965,287 | 63% |

Maintenance

| Asset | Purpose | Issue | Out of Service | In Service | Comments |
|---|---------------------------------------|-------------------------------------|---|---------------|--|
| High Service Pump Station (HSPS) Variable Frequency Drives (VFD's) 10 year PM | Surface Water Transmission | 10yr PM | No more than one out of service at a time, starting 12/9/2024 | Completed | Major PM performed on the VFD's for the HSPS |
| Air solenoid valves on membrane racks | Open and close valves on membranes | Leaking valves causing malfunctions | One rack at a time, all done in January | Completed | All valves were replaced. |
| High Service altitude valve | Maintain equalized pressure on piping | Failed to close | Mid-January | February 2025 | Parts were ordered and have arrived. |

| January 2025 | | | | | |
|---------------------------------|------------------|-------------|-----------------------------|------------------|-------------|
| Work Orders | # of Work Orders | Hours Spent | Work Orders | # of Work Orders | Hours Spent |
| Preventive Maintenance (PM) | 231 | 445.85 | Corrective Maintenance (CM) | 36 | 106.00 |
| FYTD (September 1 – January 31) | | | | | |
| Work Orders | # of Work Orders | Hours Spent | Work Orders | # of Work Orders | Hours Spent |
| Preventive Maintenance (PM) | 1200 | 1571.45 | Corrective Maintenance (CM) | 198 | 884.25 |

GRP Public Activities

- **January Events**
 - Aubrey Spear, P.E. presented at the Woodforest Area Republican meeting
- **Upcoming Events**
 - Berkshire Hathaway Premier Properties
 - Texas Water conference tour

Projects

| | | | | | |
|---|--|-----------------------------|-----------------|-----------------|--|
| Process Water Discharge Optimization | Location | Design | | | SJRA and Plummer completed Workshop 3. Plummer is working on developing Draft report to be submitted by end of February. |
| | GRP Surface Water Treatment Facility (Membranes) | Budget | Contract | Invoiced | |
| | | \$431,000 | \$213,848 | \$136,163 | |
| | | Estimated Completion | April 2025 | | |
| | Funding Source(s) | Construction | | | |
| | R&R | Budget | Contract | Invoiced | |
| | Phase | \$2,498,000 | - | - | |
| Study | Estimated Start | FY2027 | | | |

| | | | | | |
|--|--|-----------------------------|-----------------|-----------------|--|
| Membrane Replacement & Capacity Study | Location | Design | | | Ardurra is preparing final draft of both reports for submission to SJRA by mid-February. |
| | GRP Surface Water Treatment Facility (Membranes) | Budget | Contract | Invoiced | |
| | | \$350,000 | \$299,824 | \$299,824 | |
| | | Estimated Completion | November 2024 | | |
| | Funding Source(s) | Construction | | | |
| | R&R | Budget | Contract | Invoiced | |
| | Phase | \$5,400,000 | - | - | |
| Study | Estimated Start | FY2027 | | | |

| | | | | | |
|--|--|-----------------------------|-------------------|-----------------|---|
| Surface Water Receiving Facility Optimization Study | Location | PER & Design | | | GRP's water model needs to be updated prior to PER and design. GRP water model verification and updating Notice to Proceed (NTP) issued January 30, 2025. |
| | All surface water receiving facilities | Budget | Contract | Invoiced | |
| | | \$271,000 | \$70,603 | \$0 | |
| | | Estimated Completion | PER – August 2025 | | |
| | Funding Source(s) | Construction | | | |
| | R&R | Budget | Contract | Invoiced | |
| | Phase | \$1,245,000 | - | - | |
| Study | Estimated Start | FY2027 | | | |

Financials

San Jacinto River Authority – GRP Operating and Repair/Replacement Actual to Budget Comparison FYTD Ending November 30, 2024

Groundwater Pumpage \$2.67 per 1,000 gallons
Surface water rate \$3.26 per 1,000 gallons

| | November | | YTD | | Variance | Annual |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|
| | Actual | Budget | Actual | Budget | | Budget |
| OPERATING REVENUES* | \$ 5,102,657 | \$ 4,030,749 | \$ 19,619,575 | \$ 16,647,463 | \$ 2,972,112 | \$ 60,299,118 |
| OTHER REVENUES** | \$ 514,336 | \$ 10,705 | \$ 1,590,204 | \$ 32,115 | \$ 1,558,089 | \$ 128,460 |
| OPERATING EXPENSES | | | | | | |
| Salaries, Wages, & Employee Benefits | \$ 366,509 | \$ 391,141 | \$ 1,131,444 | \$ 1,173,422 | \$ 41,978 | \$ 5,099,605 |
| Professional Fees | 135,663 | 217,351 | 441,443 | 652,054 | 210,611 | 2,608,225 |
| Purchased & Contracted Services | 18,292 | 23,129 | 67,299 | 81,589 | 14,290 | 310,336 |
| Supplies, Materials & Utilities | 1,079,682 | 569,649 | 2,554,000 | 2,709,750 | 155,750 | 13,918,705 |
| Rentals | - | 333 | 1,431 | 1,000 | (431) | 4,000 |
| Maintenance, Repairs & Parts | 77,627 | 246,252 | 385,394 | 738,757 | 353,363 | 2,955,030 |
| General & Administrative Expenses | 19,801 | 45,150 | 68,813 | 135,441 | 66,628 | 546,246 |
| TOTAL OPERATING EXPENSES | \$ 1,697,574 | \$ 1,493,005 | \$ 4,649,824 | \$ 5,492,013 | \$ 842,189 | \$ 25,442,147 |
| NON-OPERATING EXPENSES | \$ 1,406,001 | \$ 1,406,001 | \$ 4,113,480 | \$ 4,271,081 | \$ 157,601 | \$ 16,925,086 |
| TOTAL EXPENSES | \$ 3,103,575 | \$ 2,899,006 | \$ 8,763,304 | \$ 9,763,094 | \$ 999,790 | \$ 42,367,234 |
| NET REVENUES OVER EXPENSES | \$ 2,513,418 | \$ 1,142,448 | \$ 12,446,475 | \$ 6,916,484 | \$ 5,529,991 | \$ 18,060,344 |
| CAPITAL IMPROVEMENTS | \$ - | \$ 105,604 | \$ 8,055 | \$ 255,812 | \$ 247,757 | \$ 664,261 |
| OTHER SOURCES (USES)* | | | | | | |
| Bond Principal | \$ (1,432,083) | \$ (1,432,083) | \$ (4,240,833) | \$ (4,240,833) | \$ - | \$ (17,129,583) |
| Bond Funds | - | - | - | - | - | - |
| Operating Reserve Fund | - | - | - | - | - | (244,000) |
| Transfer to Repair and Replacement Fund | (1,781,500) | - | (1,781,500) | - | (1,781,500) | (1,781,500) |
| Incoming to Repair and Replacement Fund | 1,759,000 | - | 1,759,000 | - | 1,759,000 | 1,759,000 |
| Accounts Receivable-Uncollected*** | 1,649,070 | - | (1,150,305) | - | (1,150,305) | - |
| TOTAL OTHER SOURCES (USES) | \$ 194,487 | \$ (1,432,083) | \$ (5,413,638) | \$ (4,240,833) | \$ (1,172,805) | \$ (17,396,083) |
| NET CASH BASIS SOURCES (USES) | \$ 2,707,905 | \$ (395,239) | \$ 7,024,782 | \$ 2,419,839 | \$ 4,604,944 | \$ (0) |

*Revenues include actual billings including short-pays

**Includes interest & penalty on Past Due Accounts Receivable. Majority of the balance remains uncollected.

*** Total Past Due Receivables 60+ days at 11/30/202 \$27,338,072

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. |