



San Jacinto  
River Authority



# **FY2021 Budget**

**Approved by Board on August 27, 2020**



**San Jacinto River Authority**  
Approved Operating Budgets  
For Fiscal Year September 1, 2020 to August 31, 2021

**TABLE OF CONTENTS**

Introduction .....	3
Vision, Mission, and Principles .....	5
Organizational Structure .....	6
Budget Process and Schedule .....	9
Capital Improvements and Other Project Plan Development .....	10
General Budgetary Assumptions .....	11
Raw Water Enterprise .....	12
Raw Water Supply .....	14
Budget Summary and Details .....	19
Highlands Division .....	21
Budget Summary and Details .....	28
Lake Conroe Division .....	32
Budget Summary and Details .....	41
Fiscal Year 2021 Risk Management .....	45
Woodlands Division .....	49
Budget Summary and Detail .....	58
Fiscal Year 2021 Risk Management .....	65
GRP Division .....	67
Budget Summary and Detail .....	74
Fiscal Year 2021 Risk Management .....	77
Flood Management Division .....	78

Budget Summary and Detail .....	82
General and Administration (G&A) Division .....	84
Budget Summary and Detail .....	92
Bear Branch Reservoir System .....	96
Budget Summary and Detail .....	99
Region H Water Planning Group .....	100
Budget Summary and Detail .....	103
Capital Equipment List .....	104

# INTRODUCTION

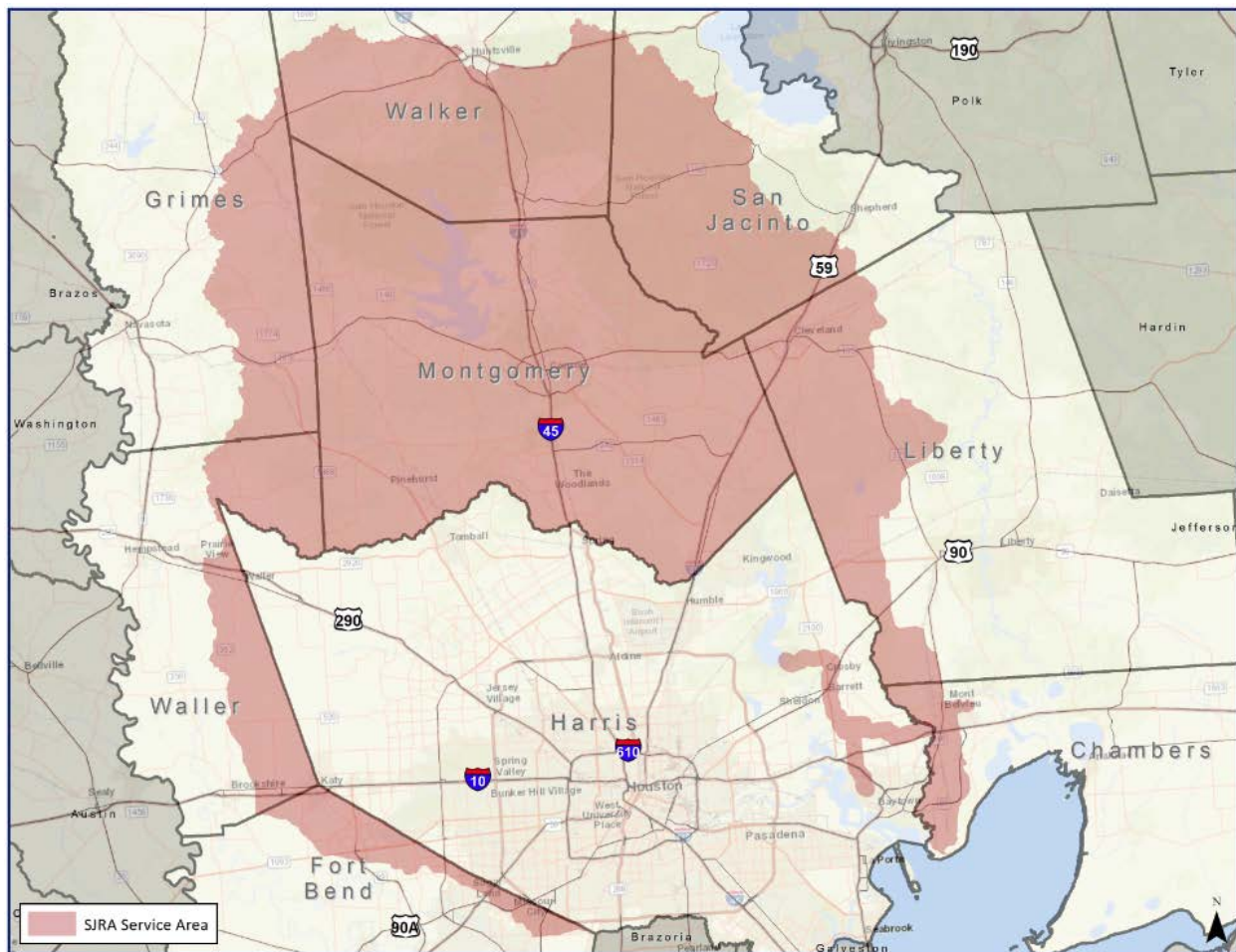


## INTRODUCTION TO SJRA

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The 45<sup>th</sup> Texas Legislature created the San Jacinto Conservation and Reclamation District in 1937 (citation – May 12, 1937, 45<sup>th</sup> Leg., R.S., ch. 426). The 52<sup>nd</sup> Texas Legislature later changed its name to the San Jacinto River Authority (“Authority”) in 1951 (citation – May 14, 1951, 52<sup>nd</sup> Leg., R.S., Ch 366). The Authority was created to develop, conserve, and protect the waters of the river basin and its tributaries, including all of Montgomery County and parts of six other counties, excluding Harris County. The Authority is one of ten major river authorities in the State of Texas, and like the other river authorities, its primary purpose is to implement long-term, regional projects related to water supply and wastewater treatment. The Authority also operates in eastern Harris County by agreement with the City of Houston to supply raw water for municipal, industrial, and irrigation needs.

### MAP OF SJRA SERVICE AREA



## VISION, MISSION, AND PRINCIPLES

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### VISION

SJRA's Vision is to be a trusted leader in the management of the water resources of the San Jacinto River Basin.

### MISSION

SJRA's Mission is to:

- assure long-term water supplies
- provide safe drinking water, raw water, and wastewater treatment services
- protect source water quality
- coordinate regional flood planning
- inform and engage the public on a wide range of water resources management topics

### PRINCIPLES

SJRA believes that the following principles are the fundamental values that guide how members of the organization conduct themselves in a pursuit of the mission and vision of the organization. The following guiding principles provide an ethical framework for decision-making and action:

- focus on our customers and stakeholders
- treat each customer, employee, and vendor with dignity and respect
- value each employee, their work, and their commitment
- be truthful, trustworthy, and transparent
- be knowledgeable and diligent in the performance of our duties
- use financial resources efficiently and responsibly
- be accountable for our performance
- continuously improve our performance
- ensure that our systems that provide our services remain viable for future generations
- be prepared for and respond effectively in emergencies
- support water conservation and environmental stewardship

## SJRA STRUCTURE

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# SJRA Board of Directors



**Lloyd B. Tisdale**  
President



**Ronnie Anderson**  
Vice-President



**Kaaren Cambio**  
Secretary



**Mark Micheletti**  
Treasurer



**Ed Boulware**  
Asst. Secretary



**Jim Alexander**  
Board Member



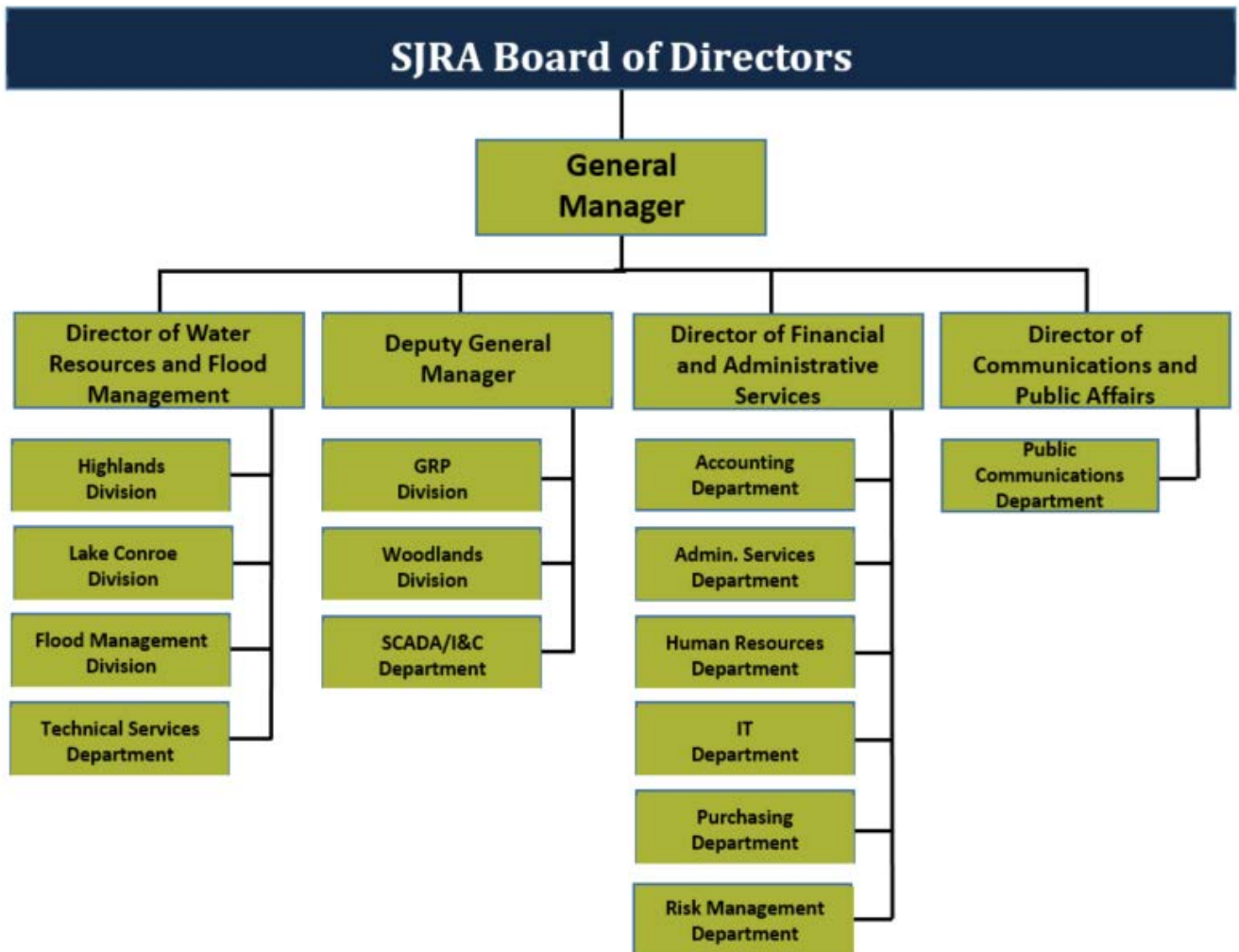
**Brenda Cooper**  
Board Member



The Authority is governed by a seven member Board of Directors, appointed by the Governor of Texas to six-year staggered terms. Section 49.057 (b), of the Texas Water Code requires the Board of Directors of the Authority to adopt an annual operating budget.

The Authority operates on a fiscal year that begins September 1<sup>st</sup> of each calendar year and ends August 31<sup>st</sup> of the next year. The Authority utilizes nine distinct enterprises to report on and budget for the same functions as business type activities. The Authority’s major enterprise funds are as follows:

- Raw Water Supply (part of overall Raw Water Enterprise)
- Highlands Division (part of overall Raw Water Enterprise)
- Lake Conroe Division (part of overall Raw Water Enterprise)
- Woodlands Division
- Groundwater Reduction Plan (GRP) Division
- Flood Management Division
- General and Administration Division
- Bear Branch
- Region H



Revenues and expenses for the separate operating divisions are for the sole use within their specific division. The Raw Water Enterprise, Woodlands Division, and GRP Division revenues and expenses are not shared between one another. The Raw Water Enterprise encompasses the revenues and expenses from the Raw Water Supply with the cost centers of the distinct Highlands and Lake Conroe Divisions. Specific expenditures for the Highlands Division and Lake Conroe Division are utilized for their direct operations. Raw Water Supply revenues are utilized to cover the remaining expenses for Highlands, Lake Conroe, Flood Management and for the remaining unallocated expenses of the G&A Division.

Post Hurricane Harvey and during FY2018, Governor Greg Abbott directed the Authority to immediately identify what can be done to prevent flood events along the West Fork of the San Jacinto River, to implement immediate and long-term solutions to protect lives and property of Texans living in the watershed, and identify funding to implement a long-term plan that better protects areas downstream of Lake Conroe so the Authority formed the Flood Management Division. For FY20, the Flood Management Division will be funded by Raw Water Enterprise.

The Authority has two distinct wholesale utility divisions in the Woodlands and GRP Divisions. The Woodlands Division is further broken down into five separate budgets: Operations, Repair & Replacement Fund, Water System Bonds, Waste Disposal Bonds, and Future Facility Bonds, discussed in more detail within the Woodlands section of this budget.

In addition to the Authority's five operating divisions, SJRA also maintains the Bear Branch Reservoir (Bear Branch) under contract with five Woodlands area Municipal Utility Districts (MUDs) and serves as the designated administrative agent for the Region H Water Planning Group (Region H) under contract with the Texas Water Development Board. The Bear Branch and Region H budgets are developed separate from normal business operations. All revenues and expenses associated with Bear Branch and Region H are utilized for those specific purposes.

## BUDGET PROCESS AND SCHEDULE

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Each year in and around November, the Authority’s management team begins the budgeting process for the next fiscal year. The process begins with updates to divisional ten-year project plans, five-year business plans, and staffing plans, adding in-depth service demand forecasting, and line-item by line-item evaluation, forecasting, and justification of expenditures. The following is a general timeline of the Authority’s budget process.

<b>FISCAL YEAR 2021 SCHEDULE</b>	
<b><i>November/December</i></b>	<ul style="list-style-type: none"> <li>• Updates to five-year business plans</li> </ul>
<b><i>November/February</i></b>	<ul style="list-style-type: none"> <li>• Updates to ten-year project plans</li> </ul>
<b><i>January</i></b>	<ul style="list-style-type: none"> <li>• Coordination with Board of Directors and customers regarding water and wastewater demand forecasting and general budgetary assumptions</li> </ul>
<b><i>March</i></b>	<ul style="list-style-type: none"> <li>• G&amp;A Department budget development</li> </ul>
<b><i>March – April</i></b>	<ul style="list-style-type: none"> <li>• Operating Division budget development</li> </ul>
<b><i>April – June</i></b>	<ul style="list-style-type: none"> <li>• Ten-year project plans for each Division presented to customers and Board of Directors</li> <li>• Senior Management review and compilation of overall budgets</li> <li>• Draft Division budget presentations to customers, participants, and the City of Houston</li> <li>• Proposed Division rate presentations to customers</li> <li>• Draft GRP budget and proposed GRP rates presentation to Finance Committee and Board of Directors</li> <li>• GRP draft budget and proposed divisional rates presentation to Board of Directors for approval</li> <li>• Draft divisional/departmental budgets presentation to Finance Committee</li> </ul>
<b><i>July</i></b>	<ul style="list-style-type: none"> <li>• Presentation of proposed overall and division budgets, and the proposed Raw Water Rate Order to Board of Directors</li> </ul>
<b><i>August</i></b>	<ul style="list-style-type: none"> <li>• Board of Directors budget approval and Raw Water Rate Order Approval</li> </ul>

## CAPITAL IMPROVEMENTS AND OTHER PROJECT PLAN DEVELOPMENT

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As part of the Authority's planning and budget process and schedule as mentioned, Capital Improvement and other Project Plans are developed for each Division for a ten-year period. The projects listed in these Plans may be funded from the annual O&M budgets, bonds, grants, and/or from appropriate contributions from customers. Projects anticipated to be funded from divisional O&M budgets are subject to available funds and may be delayed if adequate funds are not available. Projects anticipated to be funded by bonds are not a direct part of the O&M budgets, with the exception of any debt service requirements and are only included in project listings within this document to give a complete picture of planned project activity for FY2021-FY2030.



## GENERAL BUDGETARY ASSUMPTIONS

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Key assumptions affecting all SJRA divisions and departments for FY2021 are as follows:

- Staffing of 175.08 Full Time Equivalent (FTE) for FY2021
- The FY2021 budget includes no intern, part-time, or temporary positions are budgeted
- For FY2021, total salaries and benefits have been budgeted at 97%
- Salaries and wages increases are budgeted at a combined average of 3.5% for performance-based merit increases and for promotions, market adjustments, and equalizations
- Salaries and wages include an estimate of 10.5% of overtime for non-exempt (hourly) employees that have historically demonstrated a likelihood of overtime utilization
- Current types of benefits provided and offered to employees will continue
  - Healthcare benefit costs (medical only) are budgeted for a 13% increase for FY2021
  - Continue Authority health and wellness program, including participation incentives
- Retirement benefits for FY2021 are budgeted at 11.7% of salaries for employees hired prior to August 1, 2016 under the defined benefit plan and 10.7% of salaries for employees hired on or after August 1, 2016, based on the Authority's new defined contribution retirement plan
- Workers Compensation benefits are budgeted for a 5% increase for FY2021 based on a running three-year historical experience modifier
- Normal weather and operating conditions are forecast for FY2021, unless otherwise highlighted within division details
- Fuel prices per gallon for gasoline and diesel are forecasted to remain stable for FY2021 to \$2.75 and \$3.25, respectively
- Utility usage, electric, and natural gas prices are forecasted to remain stable for FY2021
- Specific division rates for FY2021
  - Raw Water = \$0.48 per 1,000 gallons through December 31, 2020, increasing to \$0.495 beginning January 1, 2021
  - Woodlands Wholesale Water = \$2.26 per 1,000 gallons
  - Woodlands Wholesale Wastewater = \$4.62 per 1,000 gallons
  - GRP Groundwater Pumpage = \$2.73 per 1,000 gallons
  - GRP Surface-water = \$3.15 per 1,000 gallons

# RAW WATER ENTERPRISE

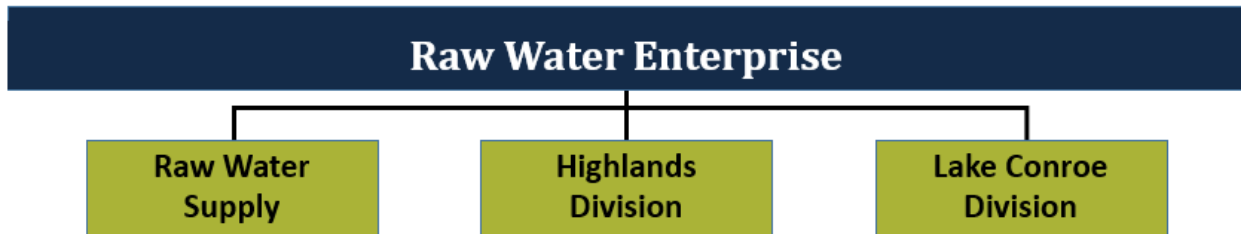




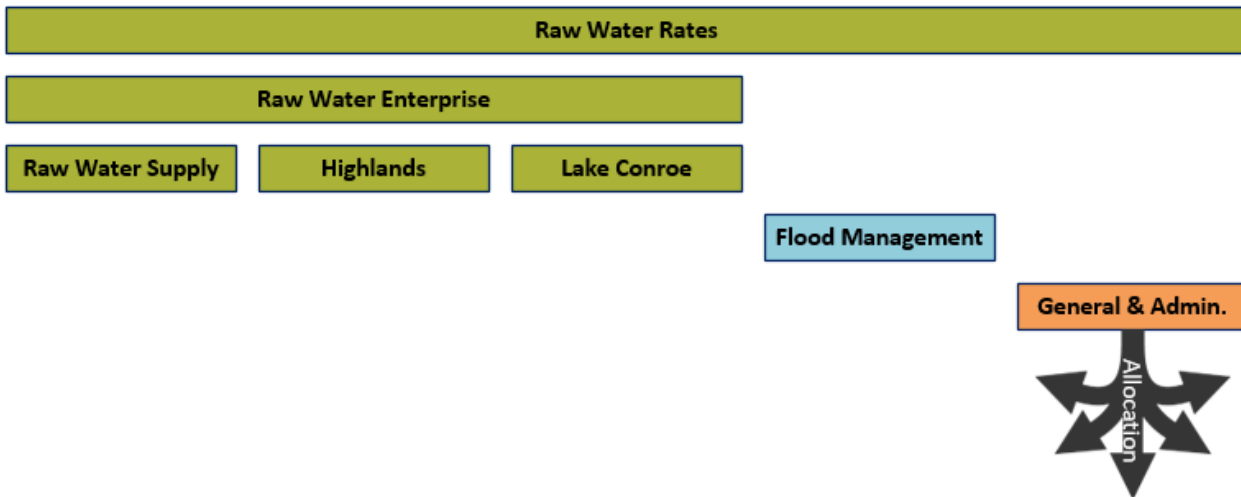
## RAW WATER ENTERPRISE

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The Raw Water Enterprise of the Authority consists of the Highlands and Lake Conroe Divisions including the revenues and expenses associated with the Authority’s overall raw water supply system that are not otherwise divisible between the Highlands and Lake Conroe Divisions.



Additionally, expenses of the Flood Management Division and any remaining expenses from the General and Administration (G&A) Division that are not otherwise allocated are covered by Raw Water Supply revenues.



For FY2021, the net balance O&M revenues, expenditures, including annual debt service payments, scheduled contributions to either of the two reserves or R&R Funds for the Raw Water Enterprise, Flood Management, City of Houston Share and G&A Allocations from the Lake Conroe R&R Fund, and any remaining expenses from the G&A Division after allocations, is \$1,126,894. The net balance is intended to cover future years where SJRA anticipates a shortfall in the pay-as-you-go R&R Funds. By building the balance slowly over time to cover these deficits, SJRA can smooth rate increases and avoid the need for significant rate spikes in future years.

# RAW WATER SUPPLY





## RAW WATER SUPPLY

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**Raw Water Supply Revenue:** The sale of all non-treated raw water for municipal, industrial, commercial, and irrigation purposes is included within the Raw Water Supply budget. Long-term water sale contracts account for the vast majority of raw water revenues. Most of these sale contracts contain annual “take or pay” provisions for set quantities of raw water, regardless of whether the water is actually used. Some of these sale agreements contain “options” and/or “reservations” for additional purchase of near-term future water supplies. SJRA supplies raw water to municipal, commercial, and industrial customers in Montgomery County and eastern Harris County from Lake Conroe, Lake Houston, and water from the Trinity River via SJRA’s water rights in the San Jacinto River, Lake Conroe, and the Trinity River. Additionally, annual residential water sale agreements are available to meet landscape irrigation demands around Lake Conroe based on metering data, or an estimate of annual usage. In all such agreements, the Authority uses one raw water rate and reserves the right from time to time to adjust its rates for the sale, reservation, or optioning of raw water.

**Major Initiatives:** During FY2020 and planned for FY2021, the Raw Water Enterprise has either completed or started a number of planning activities as outlined below, to improve the Authority’s water rights portfolio:

- 1. Water Rights Protection:** The Authority maintains significant water rights granted by the State of Texas within the San Jacinto and Trinity River Basins and often seeks to increase these supplies as opportunities to acquire additional rights or contracts for these rights become available. These existing water rights can potentially be negatively impacted by new applications for water rights by third parties; therefore, the Authority must occasionally intervene with the TCEQ to object to the issuance of such permits. The Authority maintains agreements for representation by specialized legal counsel and consultants to assist with these matters on behalf of the Authority.
- 2. Water Rights Acquisition:** The Authority successfully acquired Water Use Permit 13183, which added 11,200 acre-feet per year of water to the SJRA’s water rights portfolio. The additional water is SJRA’s surface water-based return flows discharged from the City of Conroe’s wastewater treatment plant.
- 3. Raw Water Rate Model Update:** In FY2017-18, the Authority completed as part of the Raw Water Rate Study, the development of a Raw Water Rate Model. Since the creation of this model, significant changes in operations and policies that affect the functionality of the model have occurred within the Raw Water Enterprise. Specifically, the creation of the Flood Management Division, changes in reserves policies, and the transition away from debt funding to pay-as-you-go funding strategy referred to as Repair and Replacement Funds. This model is critical to estimate future rates increases necessary to cover the long-term operational, maintenance, and capital reinvestment needs of the Raw Water Enterprise. The model requires updates to increase its functionality, and allow staff to provide accurate modeling estimates. The model will be updated in FY2021.

**Capital Improvement and Other Project Plans:** The Raw Water Supply does not maintain any physical assets except for those facilities within the Highlands and Lake Conroe Divisions; therefore, no

maintenance or construction projects exist for FY2020 or FY2021. However, the Raw Water Supply does have additional Feasibility Studies scheduled to begin in FY2021. These studies included within the Raw Water Supply Project Plan are funded from the O&M budget and may extend over multiple fiscal years.

<b>Raw Water Supply - Projects</b>	Stage	Est. FY2021 Cost	Funding Source
Raw Water Rate Model Update	Design	\$ 51,000	O&M Budget
Trinity River Interbasin Transfer Feasibility Study	Study	\$ 65,000	O&M Budget
<b>Total</b>		<b>\$ 116,000</b>	

**Total Indebtedness and Annual Debt Service:** At August 31, 2019, the Raw Water Enterprise had \$8,730,000 of total indebtedness through the issuance of bonds related to actions not otherwise divisible to the Highlands and Lake Conroe Divisions, made up of the following bond issuances:

- Series 2010 Water Revenue Refunding Bonds (Outstanding: \$6,675,000; Matures 10/1/25)
- Series 2012 Water Revenue Refunding Bonds (Outstanding: \$2,055,000; Matures 10/1/36)

Annual debt service (principal and interest) for FY2021 for the above bond issuances is \$1,867,250. Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves for the above bond issuances are fully funded.

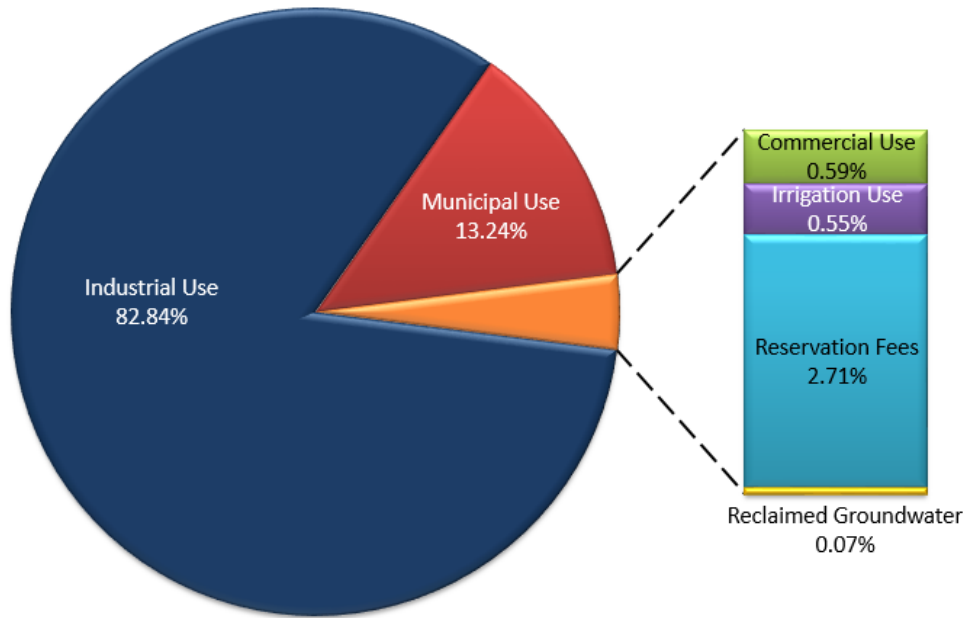
On October 2, 2019, the SJRA refunded Series 2010 and Series 2012 Bonds.

**Staffing Plans:** The Raw Water Supply's staffing plan for FY2021 includes zero direct FTE positions, with no part-time, temporary, or intern positions but the Raw Water Supply is allocated 1.45 FTEs for FY2021 from the Lake Conroe Division and G&A Departments.

**Revenues:** The raw water rate contained within the FY2021 budget and the Raw Water Rate Order passed by the Board of Directors are within the range of rates presented in the existing 2018 Raw Water Rate Study at \$0.48 per 1,000 gallons for calendar year 2020. Beginning January 1, 2021, through December 31, 2021, the raw water rate is proposed to be \$0.495 per 1,000 gallons (\$161.30 per acre-foot). Unless otherwise stipulated in a specific long-term contract, the corresponding reservation and option rates are set at 25% and 10%, respectively. For the months of September-December 2020 (the first four months of FY2020), the raw water rate will continue to be \$0.48 per 1,000 gallons (\$156.41 per acre-foot), with the corresponding reservation and option rates remaining in accordance with the approved Raw Water Rate Order.

Expected operating revenues for the Authority's Raw Water Supply for FY2021 total \$20,073,976.

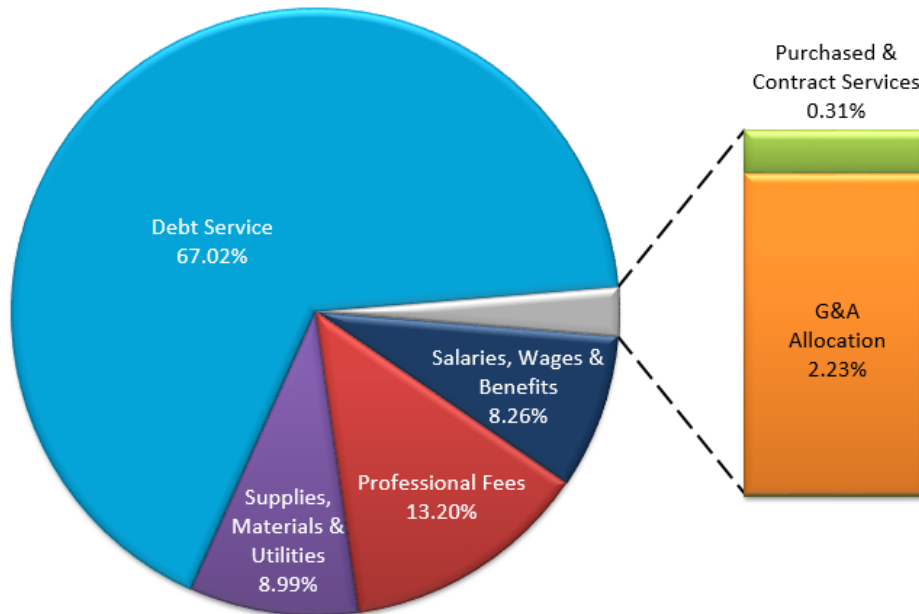
### Raw Water Supply FY2021 Total Operating Revenues:



**Expenditures:** The Raw Water Supply for FY2021 contains expenses related to the development, maintenance, and permitting of water rights necessary for the current and future water supplies. Such expenditures include Authority salaries and benefits, legal and professional fees, and debt service of purchased water rights.

Expected total expenditures for the Authority's Raw Water Supply for FY2021, including operating, debt service, capital improvements, and any other cash uses, totals \$2,786,105.

### Raw Water Supply FY2021 Total Operating Expenditures: Operating & Debt Service



**Fund Balance and Reserves:** The Authority’s General Fund Balance combines to cover the Raw Water Enterprise, which includes the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the Flood Management and G&A Divisions. The Raw Water Supply budget does not maintain any reserves.

For FY2021, the net balance of the Raw Water Supply revenues, expenditures, and bond payments is \$17,287,872. This amount will cover the Highlands and Lake Conroe Divisions’ net expenses as part of the Raw Water Enterprise, the Flood Management Division, and any remaining non-allocated net expenses of the G&A Division.

**San Jacinto River Authority - Raw Water Supply**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2019	Sept-March FY2020	April 2019-March 2020	FY2020	FY2021	
<b>OPERATING REVENUES</b>						
General Industrial Water Revenue	\$ 14,239,486	\$ 8,641,186	\$ 14,767,500	\$ 14,948,492	\$ 15,377,987	
General Industrial Water Revenue-Lake Customers	1,158,267	702,625	1,197,656	2,433,900	1,251,915	
Water Sales-Municipal	2,205,316	1,184,729	2,201,823	2,592,457	2,657,976	
Water Sales-Commercial	149,952	91,116	154,449	113,918	117,512	
Lawn Irrigation Fees	114,225	63,825	111,675	105,000	105,000	
Water Sales-Reclaimed Groundwater	16,651	5,883	14,209	-	15,000	
Water Sales-Irrigation	4,323	1,956	5,532	47,500	4,950	
Fines	779	470	899	-	-	
SJRA Reservation Fee	477,388	274,740	464,945	131,457	452,841	
Industrial Reservation Fee	475,574	345,069	549,611	108,656	46,191	
Municipal Reservation Fee	41,364	(67,488)	(49,702)	43,463	44,606	
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 18,883,324</b>	<b>\$ 11,244,110</b>	<b>\$ 19,418,598</b>	<b>\$ 20,524,844</b>	<b>\$ 20,073,976</b>	
<b>OTHER REVENUES</b>						
Interest Income	\$ 1	\$ 24	\$ 25	\$ -	\$ -	
<b>TOTAL OTHER REVENUES</b>	<b>\$ 1</b>	<b>\$ 24</b>	<b>\$ 25</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>OPERATING EXPENSES</b>						
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>						
Salary & Wage Allocation	\$ 143,822	\$ 71,191	\$ 130,842	\$ 201,714	\$ 165,349	
Group Insurance	27,226	11,876	22,540	36,204	32,996	
Group Retirement Expense	18,688	6,104	13,507	23,653	18,651	
Workers Compensation Insurance	1,064	376	700	2,684	1,606	
Social Security Taxes	9,147	4,579	8,719	13,955	11,439	
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 199,947</b>	<b>\$ 94,126</b>	<b>\$ 176,308</b>	<b>\$ 278,210</b>	<b>\$ 230,041</b>	
<b>PROFESSIONAL FEES</b>						
Legal Fees	\$ 140,844	\$ 89,170	\$ 134,099	\$ 225,000	\$ 200,000	
Disclosure Filing	-	-	-	500	500	
Arbitrage Rebate Audit	-	4,500	4,500	3,500	-	
Paying Agent Fees	1,250	2,350	3,100	1,250	1,250	
Engineering	25,467	22,267	25,030	50,000	166,000	
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 167,561</b>	<b>\$ 118,286</b>	<b>\$ 166,729</b>	<b>\$ 280,250</b>	<b>\$ 367,750</b>	
<b>PURCHASED &amp; CONTRACTED SERVICES</b>						
State Fees	\$ 6,701	\$ 6,701	\$ 6,701	\$ 15,000	\$ 8,500	
Employee Testing- New	-	-	-	15	50	
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 6,701</b>	<b>\$ 6,701</b>	<b>\$ 6,701</b>	<b>\$ 15,015</b>	<b>\$ 8,550</b>	
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>						
Training-Employee HR	\$ 324	\$ 167	\$ 333	\$ 200	\$ 100	
Additional Water Fees	237,500	237,500	237,500	250,000	250,000	
Health & Wellness Program	-	-	-	45	45	
Recruiting Expenses	109	59	109	175	350	
Software & Support	-	566	566	-	-	
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 237,933</b>	<b>\$ 238,292</b>	<b>\$ 238,508</b>	<b>\$ 250,420</b>	<b>\$ 250,495</b>	
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>						
General & Administrative Expense Allocated	\$ 41,911	\$ 26,145	\$ 43,784	\$ 74,890	\$ 62,019	
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 41,911</b>	<b>\$ 26,145</b>	<b>\$ 43,784</b>	<b>\$ 74,890</b>	<b>\$ 62,019</b>	
<b>NON-OPERATING EXPENSES</b>						
Interest Expense	\$ 336,958	\$ 160,139	\$ 298,900	\$ 285,083	\$ 232,250	
Bond Issuance Costs	-	(7,403)	(7,403)	-	-	
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 336,958</b>	<b>\$ 152,736</b>	<b>\$ 291,497</b>	<b>\$ 285,083</b>	<b>\$ 232,250</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 991,010</b>	<b>\$ 636,286</b>	<b>\$ 923,527</b>	<b>\$ 1,183,868</b>	<b>\$ 1,151,105</b>	
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 17,892,315</b>	<b>\$ 10,607,848</b>	<b>\$ 18,495,097</b>	<b>\$ 19,340,976</b>	<b>\$ 18,922,872</b>	

**San Jacinto River Authority - Raw Water Supply**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

<b>Description</b>	<b>Actuals 8/31/2019</b>	<b>Actuals Sept-March FY2020</b>	<b>Rolling 12 Mo. Actuals April 2019- March 2020</b>	<b>Budget FY2020</b>	<b>Budget FY2021</b>
<b>OTHER SOURCES (USES)*</b>					
Bond Principal				\$ (1,430,833)	\$ (1,635,000)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (1,430,833)</b>	<b>\$ (1,635,000)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 17,892,315</b>	<b>\$ 10,607,848</b>	<b>\$ 18,495,097</b>	<b>\$ 17,910,142</b>	<b>\$ 17,287,872</b>

\*Actuals intentionally left blank.

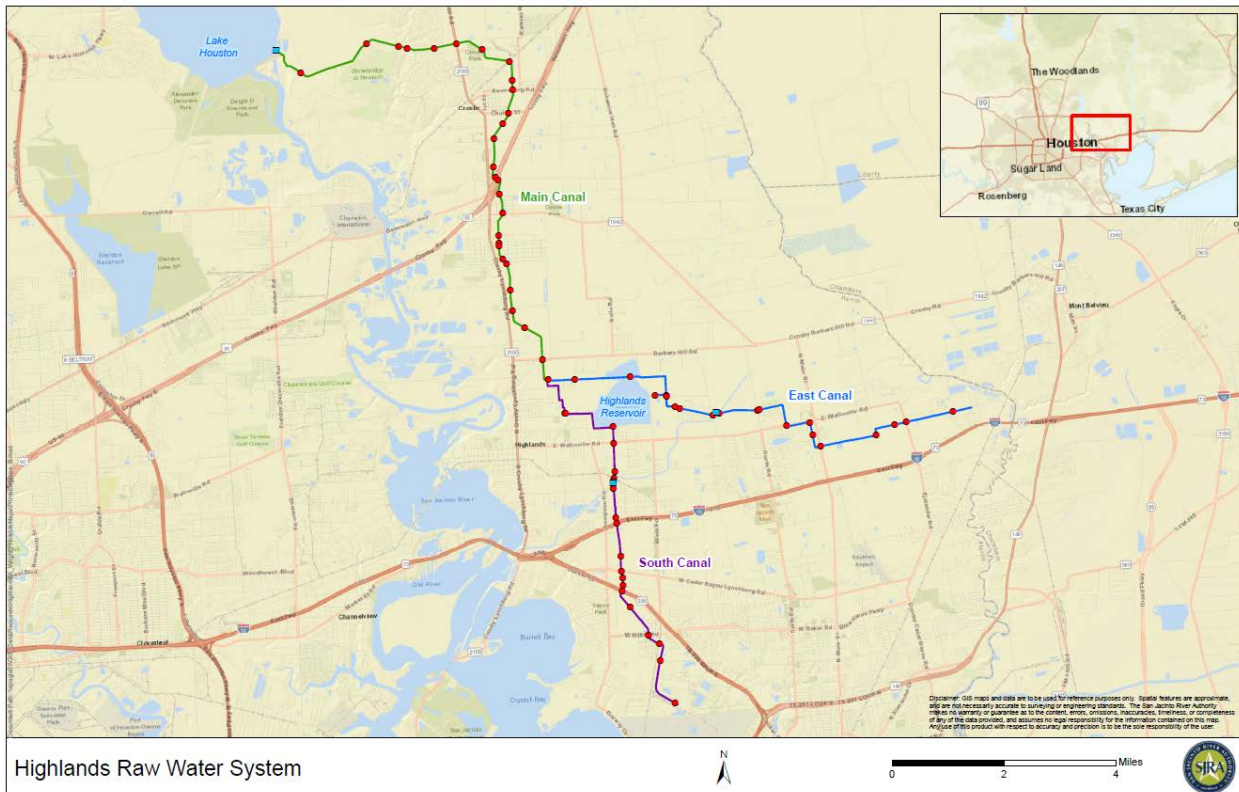
# HIGHLANDS DIVISION



# HIGHLANDS DIVISION

The Highlands Division operates and maintains the Raw Water System to supply raw water to municipal, industrial, and irrigation customers in eastern Harris County. The original canal system was developed by the Federal Works Agency as part of the industrial build-up during World War II. The Highlands Division was created in the early 1950's when the federal government sold part of the canal system, including only the East Canal to the Authority. Today the then East Canal is referred to as the SJRA's Main Canal and South Canal. The Highlands system has been the principal enterprise of the Authority for more than 75 years. The system now consists of the Lake Houston Pump Station (LHPS), an extensive 27 mile system of canals (Main, East, and South) that includes siphons crossing numerous roads, pipelines, canals, and drainage channels, the 1,400 acre Highlands Reservoir, and a transfer pump stations on the East and South Canals to divert Trinity River water from the Coastal Water Authority's Main Canal into the Highlands canals. The Highlands Division delivers more water each day than all of the other operating divisions combined.

## MAP OF HIGHLANDS RAW WATER SYSTEM – SIPHONS/CROSSINGS AND PUMP STATIONS





**Major Initiatives:** Ongoing in FY2020 and planned for FY2021, the Highlands Division has either completed or started, or will complete or start a number of major initiatives to improve the operations of the Highlands system.

- 1. In-house Project Delivery:** In FY2020 the SJRA continued its in-house project delivery capabilities to include the design and construction of small projects within the Highlands system. In past years, the design and construction of all small projects were contracted to third-party engineering and construction firms. In-house improvement projects in FY2020 included erosion repairs along the canal system, security and access improvements, and clearing of brush and easements. The Highlands Division will continue to evaluate small construction and rehabilitation projects for opportunities to utilize and expand their in-house construction capabilities with support from the Technical Services Department expertise in engineering, construction management, and inspection.
- 2. Access and Security Improvements:** The Highlands Division conducts annual field investigations to identify areas along the system where canal access could be improved and areas that require additional security to deter acts such as trespassing, trash dumping, and vandalism. Upon completion of the field investigations, staff issues work orders to address the areas identified as a priority. These efforts include construction and replacement of fencing and barrier gates, construction of maintenance roadways and drainage structures, and other similar facilities. In FY2020 staff worked with legal counsel to improve access easements to provide more suitable access to perform routine operations and maintenance along the 27-mile system. These efforts will continue in FY2021.
- 3. Coastal Water Authority's (CWA) South Canal Transfer Pump Station (SCTPS) O&M:** This pump station is located at the intersection of SJRA's South Canal and CWA's Main Canal. SJRA has a conveyance agreement with CWA which allows the SJRA to utilize its water rights in the Trinity River by transferring raw water from CWA's Main Canal to the SJRA's South Canal. Currently, the pump station is owned and operated by CWA on behalf of and at the expense of SJRA. After successful completion of land acquisition efforts in FY2019, SJRA staff and legal counsel has negotiated the transfer of ownership and operational responsibility from CWA to SJRA. With this transition, SJRA O&M staff will begin to perform all maintenance and operational tasks associated with the SCTPS. The transition is anticipated to occur late FY2020 and beginning of FY2021 pending board approval.
- 4. SCADA/I&C Improvements:** Historically, the Highlands system has been predominantly a manually operated system, with minimal remote monitoring and controls. Over the past few years the Highlands Division has installed a SCADA system to allow remote monitoring and operational control capabilities at critical points along the system. Using the SCADA infrastructure and with the support of the G&A SCADA/I&C Department, the Highlands system has been able to significantly improve operational efficiencies. SCADA is currently developing control narratives to automatically operate water control gates at siphons based on water surface elevations. In FY 2021, the Highlands Division plans to continue to install various instrumentation and control technology such as flow meters, level meters, gate actuators, etc. in order to continue to expand monitoring and control capabilities throughout the system. These improvements will increase

the reliability and functionality of operations for the entire system and enhance the responsiveness of the staff to unexpected events and fluctuating customer demands.

- 5. Transition to Remote Operations of Lake Houston Pump Station:** The Lake Houston Pump Station (LHPS) is currently operated and maintained by an onsite operator who resides on premises. This operator has expressed an intention to move offsite in the near future. Given the technology advances since this pump station was constructed, this created an opportunity to transition to remote operation of the facility through the implementation of SCADA. This transition will require improvements to the site including increased SCADA capabilities and improve reliability of communications, construction of an Emergency Operations Center, ventilation and lighting improvements, installation of an automatic transfer switch to the existing generator, and site access and security improvements.

**Capital Improvement and Other Projects Plans:** Each year the Highlands Division conducts risk and condition assessments of their infrastructure. The Highlands reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within the Highlands Project Plan may be funded from the Operations and Maintenance Budget, R&R funds, bonds, Interlocal Agreements, and/or in some limited instances from direct customer contributions. Funding for projects typically extends over multiple fiscal years. For FY2021, the following projects are slated for design and/or construction:

Highlands - Projects	Stage	Est. FY2021	
		Cost	Funding Source
Lake Houston Pump Station Intake Screen Channel Rehabilitat	Construction	\$ 232,000	R&R
Lake Houston Pump Station Campus Improvements	Design/Const	\$ 800,000	R&R
Lake Houston Pump Station Communications Tower	Construction	\$ 352,000	R&R
Highlands EOC Communications Tower	Construction	\$ 418,000	R&R
Lake Houston Pump Station Ventilation Improvements	Design/Const	\$ 199,000	R&R
Siphon 29 Improvements	Construction	\$ 3,549,000	Bonds/R&R
Wallisville Road Siphon SCADA Improvements	Design/Const	\$ 60,000	R&R
Reservoir Access Culvert	Design/Const	\$ 198,000	R&R
Bypass Canal Tree/Brush Clearing	Construction	\$ 67,000	R&R
Siphon 6 Generator	Design/Const	\$ 38,000	R&R
Pontikes Bridge SCADA Improvements	Construction	\$ 22,000	R&R
Lake Houston Pump Station Generator Auto Transfer Switch	Design/Const	\$ 132,000	R&R
Highlands Reservoir Dam Inspection	Design	\$ 33,000	R&R
Lake Houston Pump Station Security Improvements	Design/Const	\$ 102,000	R&R
South Canal Levee Improvements between Siphons 24 and 27	Design	\$ 128,000	Bonds/R&R
Siphon 25 Improvements	Design	\$ 498,000	Bonds/R&R
Siphon 26 Improvements	Design	\$ 348,000	Bonds/R&R
Emergency Operations Center Improvements	Design	\$ 104,000	R&R
Enterprise Resource Planning System	Design	\$ 125,000	R&R
Reservoir Access Road	Design	\$ 39,000	R&R
<b>Total</b>		<b>\$ 7,444,000</b>	

**Total Indebtedness and Annual Debt Service:** At August 31, 2019, the Highlands Division currently had \$56,770,000 of total indebtedness from bonds related to Highlands projects, made up of the following bond issuances:

- Series 2010 Water Revenue Bonds (Outstanding: \$19,610,000; Matures 10/1/35)
- Series 2013 Water Revenue Bonds (Outstanding: \$5,820,000; Matures 10/1/38)
- Series 2014 Water Revenue Bonds (Outstanding: \$4,880,000; Matures 10/1/39)
- Series 2015 Water Revenue Bonds (Outstanding: \$26,460,000; Matures 10/1/39)

Annual debt service (principal and interest) for FY2021 for the above bond issuances is \$4,068,800. Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves is fully funded for the above bond issuances.

On October 2, 2019, the SJRA refunded Series 2010 Bonds.

**Staffing Plans:** The Highlands Division's staffing plan for FY2021 includes 12 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 12 direct Highlands FTEs, the Highlands is allocated 15.99 FTEs for FY2021 from G&A Departments. Total staff in FY2021 associated with the Highlands Division, direct and allocated, is 27.99 FTEs.

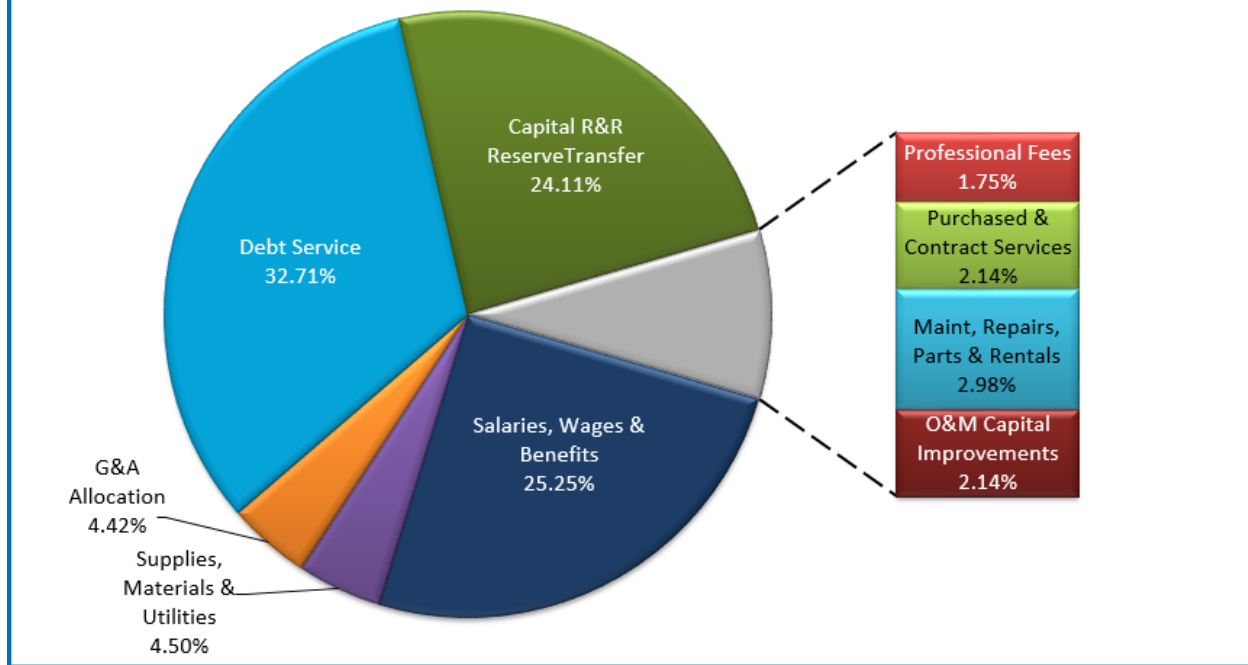
**Revenues:** The Highlands Division has no significant revenues forecast for FY2021 with \$5,767 in Operating Income for Land Use and only \$14,400 of Interest Income.

**Expenditures:** The Highlands Division for FY2021 contains regular and customary expenses related to the on-going operation and maintenance of the Highland's wholesale Raw Water System. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (principal and interest)
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (if needed)
- R&R Fund Contributions

Expected total O&M expenditures for the Highlands Division for FY2021, including operating, non-operating, debt service, capital improvements, and any other cash uses, totals \$9,440,800. Highlands expected R&R Fund operating expenses and capital improvements, totals \$6,514,000.

## Highlands FY2021 Total Operating Expenditures: Operating, Debt Service, Capital Improvements & Reserve Contributions



**Fund Balance and Reserves:** The Authority’s General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division and Flood Management Division.

As approved by the Board of Directors on July 25, 2019, the reserve policy for the Highlands Division utilizes two reserves and an R&R Fund:

1. **Operating & Rate Stabilization Reserve:** The Operating & Rate Stabilization Reserve was established to manage cash flow, and stabilize rates and revenues. The Operating & Rate Stabilization Reserve target for FY2021 for the Highlands Division is set to be an amount equal to six months of operating expenditures. Currently Highlands has met the six-month operating reserve. For FY2020, the Highlands Operating Reserve is at \$2,567,211, equivalent to six months of operating expenses. For FY2021, the Operating & Rate Stabilization Reserve is projected to be fully funded and no additional funds are budgeted.
  
2. **Emergency Reserve:** The Emergency Reserve was established to provide for a full or partial source of funds for unplanned or emergency repair or replacement of Authority capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance for the General Fund was established to be a total of \$5,500,000, which is based on estimate amounts of \$2,500,000 for Lake Conroe, \$2,500,000 for the Highlands, and \$500,000 for the G&A Division. The Emergency Reserve target is set to an amount equal to \$2,500,000. For FY2021, the Highlands

Emergency Reserve is fully funded and no additional funds were budgeted for the Emergency Reserve.

- 3. *Repair & Replacement (R&R Fund):*** The Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met. The R&R Fund for the Highlands Division was prefunded by the existing Capital R&R Reserve and Unrestricted Cash. A contribution to the R&R fund of \$3,000,000 was budgeted for FY2021.

For FY2021, the net balance between O&M revenues and expenditures for the Highlands Division, including annual debt service and scheduled contributions to any of the two reserves or R&R Fund, is (\$12,421,033). This amount will be covered by the Raw Water Supply revenues, as provided by the Raw Water Enterprise.

**San Jacinto River Authority - Highlands**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	8/31/2019	Sept-March FY2020	April 2019-March 2020	FY2020	FY2020	Budget FY2021
<b>OPERATING REVENUES</b>						
Capital Contributions	\$ 1,259,375	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,259,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER REVENUES</b>						
Interest Income	\$ 501,817	\$ 256,415	\$ 493,782	\$ 14,400	\$ 14,000	\$ 14,000
Land Use Agreements	5,675	5,767	11,442	5,675	5,767	5,767
FEMA Grant Revenue	15,883	-	15,883	-	-	-
Proceeds From Sale Of Assets	-	18,158	18,158	-	-	-
Other Gains & Losses	3,352	1,794	3,422	-	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 526,726</b>	<b>\$ 282,134</b>	<b>\$ 542,686</b>	<b>\$ 20,075</b>	<b>\$ 19,767</b>	<b>\$ 19,767</b>
<b>OPERATING EXPENSES</b>						
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>						
Salaries & Wages	\$ 676,492	\$ 390,627	\$ 681,792	\$ 754,253	\$ 755,345	\$ 755,345
Salary & Wage Allocation	1,212,210	679,734	1,234,213	1,531,988	1,396,688	1,396,688
Staffing Services	4,051	7,185	11,236	-	-	-
Compensated Absences	(10,500)	-	(10,500)	-	-	-
Group Insurance	364,420	194,876	342,063	474,080	489,211	489,211
Group Insurance - Retirees	15,531	6,863	12,221	18,784	18,062	18,062
Group Insurance - Retiree OPEB	(1,941)	-	(1,941)	70,000	50,000	50,000
Group Retirement Expense	229,957	128,373	224,902	264,683	228,784	228,784
Workers Compensation Insurance	41,635	26,264	40,883	67,667	42,716	42,716
Social Security Taxes	134,143	76,213	138,022	168,527	160,540	160,540
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 2,665,998</b>	<b>\$ 1,510,134</b>	<b>\$ 2,672,892</b>	<b>\$ 3,349,982</b>	<b>\$ 3,141,346</b>	<b>\$ 3,141,346</b>
<b>PROFESSIONAL FEES</b>						
Legal Fees	\$ 14,688	\$ 781	\$ 12,432	\$ 25,000	\$ 20,000	\$ 20,000
Disclosure Filing	-	-	-	500	500	500
Legal Fees-Crossings	1,792	4,814	6,495	10,000	15,000	15,000
Annual Financial Audit	8,900	6,840	7,980	9,000	12,000	12,000
Arbitrage Rebate Audit	-	6,500	6,500	8,500	3,250	3,250
Paying Agent Fees	2,750	1,750	3,250	6,000	6,000	6,000
Engineering	184,917	41,804	154,211	190,000	140,000	140,000
Crane Inspections	1,531	-	1,071	2,400	2,600	2,600
Safety Inspections & Testing	1,940	1,570	1,570	2,700	2,700	2,700
Siphon & Pipe Inspections	-	5,943	5,943	10,000	10,000	10,000
Graphic Design	-	-	-	5,000	6,000	6,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 216,517</b>	<b>\$ 70,001</b>	<b>\$ 199,451</b>	<b>\$ 269,100</b>	<b>\$ 218,050</b>	<b>\$ 218,050</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>						
Waste Disposal Services	\$ 5,929	\$ 2,768	\$ 5,365	\$ 6,500	\$ 6,500	\$ 6,500
State Fees	125	125	125	125	125	125
Patrolling & Security Services	69,281	34,698	63,518	70,908	-	-
Employee Testing- New	1,735	377	817	2,545	2,800	2,800
Janitorial Services	5,885	3,745	6,420	7,000	7,000	7,000
Stream Gauging & Water Quality-USGS	14,942	9,508	16,300	17,115	17,115	17,115
South Canal CWA Water Conveyance	111,699	65,256	116,376	145,000	130,000	130,000
East Canal CWA Water Conveyance	71,542	36,633	66,307	120,000	90,000	90,000
Trucking	750	-	250	3,000	3,000	3,000
Public Relations Expense	-	-	-	2,000	1,000	1,000
Water Conservation & Public Education	-	-	-	6,000	6,000	6,000
Meeting Expenses	2,534	2,756	4,273	1,900	2,500	2,500
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 284,422</b>	<b>\$ 155,867</b>	<b>\$ 279,751</b>	<b>\$ 382,093</b>	<b>\$ 266,040</b>	<b>\$ 266,040</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>						
Office Supplies & Printing	\$ 2,840	\$ 1,493	\$ 3,064	\$ 5,500	\$ 4,500	\$ 4,500
Other Office Expense	2,101	684	1,554	2,000	3,000	3,000
Travel	-	94	94	3,000	3,000	3,000
Automobile & Truck Expense	13,878	6,176	14,964	23,800	23,800	23,800
Postage	707	173	655	900	900	900
Property Insurance	15,409	10,387	17,087	15,677	19,000	19,000
Auto Insurance	14,662	10,602	17,195	18,336	19,500	19,500

**San Jacinto River Authority - Highlands**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12	Budget	Budget
	Actuals 8/31/2019	Sept-March FY2020	Mo. Actuals April 2019- March 2020	FY2020	FY2021
Liability Insurance	10,133	9,766	12,159	19,476	20,500
Small Tools Purchases	3,056	1,272	2,795	10,000	7,500
Training-External	2,228	1,290	1,615	4,000	4,500
Training-Internal	100	-	-	1,000	1,000
Training-Employee HR	2,429	1,250	2,500	3,250	1,625
Managers Expense	242	255	497	2,000	500
Employee Relations	2,361	2,903	4,790	2,100	2,500
Fuel	25,894	12,546	24,923	44,000	44,000
Uniform Services	3,773	4,593	4,593	5,000	5,000
Operations Supplies	9,885	3,996	6,844	15,500	14,000
Memberships & Professional Dues	375	551	926	450	675
Signage	615	854	1,381	3,000	1,000
Janitorial Supplies	762	151	501	1,500	1,500
Copier, Scanner & Fax	10,641	4,012	9,031	11,500	10,000
Utilities-Electric	9,520	4,271	7,714	15,500	13,500
Utilities-Natural Gas	2,558	2,231	3,214	5,500	4,000
Utilities-Water	858	573	1,021	1,000	1,200
Utilities-Electric-LHPS Pumping Costs-Direct	93,447	46,477	92,673	132,000	120,000
Utilities-Electric-ECTPS Pumping Costs-Direct	12,829	13,667	19,891	24,000	28,000
Utilities-Electric-SCTPS Pumping Costs-Direct	19,410	6,179	16,338	18,000	22,000
Pumping Costs-Indirect	13,287	7,830	13,356	19,000	19,000
Personal Protective Equipment	3,607	2,864	5,162	5,500	4,500
Safety Equipment & Meetings	786	163	636	3,900	3,200
Health & Wellness Program	24	-	11	660	660
Recruiting Expenses	1,968	3,439	4,951	2,625	5,250
Computer Hardware	6,764	7,002	10,358	19,529	22,966
Software & Support	23,267	17,377	27,889	41,896	36,919
Software Maintenance	19,790	8,053	14,617	20,500	37,000
Imagery & Data Sets	-	-	-	-	5,000
Network Communications	4,399	3,027	4,883	6,960	15,840
Publications & Subscriptions	-	210	210	500	300
Newspaper Ads	2,925	2,990	3,965	12,000	8,000
Wireless Devices & Services	14,921	10,000	15,990	20,160	21,480
Emergency Operations Communications	351	757	933	684	684
Landline Telephone Services	1,755	299	960	2,400	2,400
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 354,558</b>	<b>\$ 210,455</b>	<b>\$ 371,939</b>	<b>\$ 544,302</b>	<b>\$ 559,899</b>
<b>RENTALS</b>					
Equipment Rentals	\$ 4,101	\$ 4,842	\$ 6,891	\$ 30,000	\$ 25,000
<b>TOTAL RENTALS</b>	<b>\$ 4,101</b>	<b>\$ 4,842</b>	<b>\$ 6,891</b>	<b>\$ 30,000</b>	<b>\$ 25,000</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Office, Furniture, & Fixtures	\$ 2,210	\$ 3,619	\$ 5,516	\$ 6,100	\$ 2,000
Buildings & Grounds Maintenance	11,923	10,741	17,206	60,000	50,300
Security System Monitoring	360	360	360	500	500
Generators	223	1,644	1,712	4,000	7,500
Machinery, Tools, & Implements	66,129	8,216	32,124	65,000	58,000
Instrumentation Equipment & Parts	31,256	26,891	52,545	40,000	90,000
Bridges, Culverts, & Siphons	891	1,154	1,289	45,000	20,000
Networking and Communications - SCADA	8,510	387	7,883	7,100	2,500
Canals, Levees, & Dams-Maintenance & Repairs	112,885	113	112,831	110,000	45,000
Invasive Species Management	94	803	897	30,000	15,000
Streets & Roads	30,420	-	30,420	15,000	10,000
Lake Houston Pump Station Maintenance & Repairs	1,097,813	1,417	659,763	130,000	20,000
East Canal Pump Station Maintenance & Repairs	6,560	2,849	4,898	25,000	10,000
South Canal Pump Station Maintenance & Repairs	6,947	1,799	4,104	20,000	15,000
Pump Station Equipment	317	-	317	-	-
Inventory Gains and Losses	4,670	51	4,720	-	-
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 1,381,207</b>	<b>\$ 60,045</b>	<b>\$ 936,586</b>	<b>\$ 557,700</b>	<b>\$ 345,800</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ 399,870	\$ 206,587	\$ 394,427	\$ 583,510	\$ 549,540
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 399,870</b>	<b>\$ 206,587</b>	<b>\$ 394,427</b>	<b>\$ 583,510</b>	<b>\$ 549,540</b>

**San Jacinto River Authority - Highlands**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>NON-OPERATING EXPENSES</b>					
Interest Expense	\$ 2,190,070	\$ 1,203,823	\$ 2,114,930	\$ 2,136,692	\$ 1,998,800
Bond Issuance Costs	-	385,927	385,927	-	-
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 2,190,070</b>	<b>\$ 1,589,749</b>	<b>\$ 2,500,857</b>	<b>\$ 2,136,692</b>	<b>\$ 1,998,800</b>
<b>TOTAL EXPENSES</b>	<b>\$ 7,496,743</b>	<b>\$ 3,807,681</b>	<b>\$ 7,362,794</b>	<b>\$ 7,853,380</b>	<b>\$ 7,104,475</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ (5,710,641)</b>	<b>\$ (3,525,547)</b>	<b>\$ (6,820,108)</b>	<b>\$ (7,833,305)</b>	<b>\$ (7,084,708)</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Office Buildings				\$ -	\$ 20,000
Highlands Improvements				60,000	-
Maintenance Equipment				311,000	70,000
Transportation Equipment				80,000	-
Software				480	483
Computer Equipment				151,971	175,842
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 603,451</b>	<b>\$ 266,325</b>
<b>OTHER SOURCES (USES)*</b>					
Bond Principal				\$ (2,130,833)	\$ (2,070,000)
Repair and Replacement Transfers				-	(3,000,000)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (2,130,833)</b>	<b>\$ (5,070,000)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ (5,710,641)</b>	<b>\$ (3,525,547)</b>	<b>\$ (6,820,108)</b>	<b>\$ (10,567,589)</b>	<b>\$ (12,421,033)</b>

\*Actuals intentionally left blank.



**San Jacinto River Authority - Highlands Repair and Replacement  
Actual to Budget Comparison  
FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OTHER REVENUES</b>					
Interest Income	\$ 221	\$ 55,800	\$ 56,021	\$ -	\$ -
<b>TOTAL OTHER REVENUES</b>	<b>\$ 221</b>	<b>\$ 55,800</b>	<b>\$ 56,021</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Engineering	\$ -	\$ 33,576	\$ 33,576	\$ 110,000	\$ 33,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ -</b>	<b>\$ 33,576</b>	<b>\$ 33,576</b>	<b>\$ 110,000</b>	<b>\$ 33,000</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Canals, Levees, & Dams-Maintenance & Repairs	\$ -	\$ 487,164	\$ 487,164	\$ 552,000	\$ 67,000
Lake Houston Pump Station Maintenance & Repairs	-	32,192	32,192	263,000	232,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ -</b>	<b>\$ 519,356</b>	<b>\$ 519,356</b>	<b>\$ 815,000</b>	<b>\$ 299,000</b>
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 552,931</b>	<b>\$ 552,931</b>	<b>\$ 925,000</b>	<b>\$ 332,000</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 221</b>	<b>\$ (497,131)</b>	<b>\$ (496,910)</b>	<b>\$ (925,000)</b>	<b>\$ (332,000)</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Office Buildings				\$ -	\$ 104,000
Highlands Improvements				1,587,500	5,453,000
Software				-	125,000
Radio Communications Equipment				-	500,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 1,587,500</b>	<b>\$ 6,182,000</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 11,797,784	\$ 10,600,000
Repair and Replacement Transfers				-	3,000,000
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 11,797,784</b>	<b>\$ 13,600,000</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 221</b>	<b>\$ (497,131)</b>	<b>\$ (496,910)</b>	<b>\$ 9,285,284</b>	<b>\$ 7,086,000</b>

\*Actuals intentionally left blank.

# LAKE CONROE DIVISION



## LAKE CONROE DIVISION

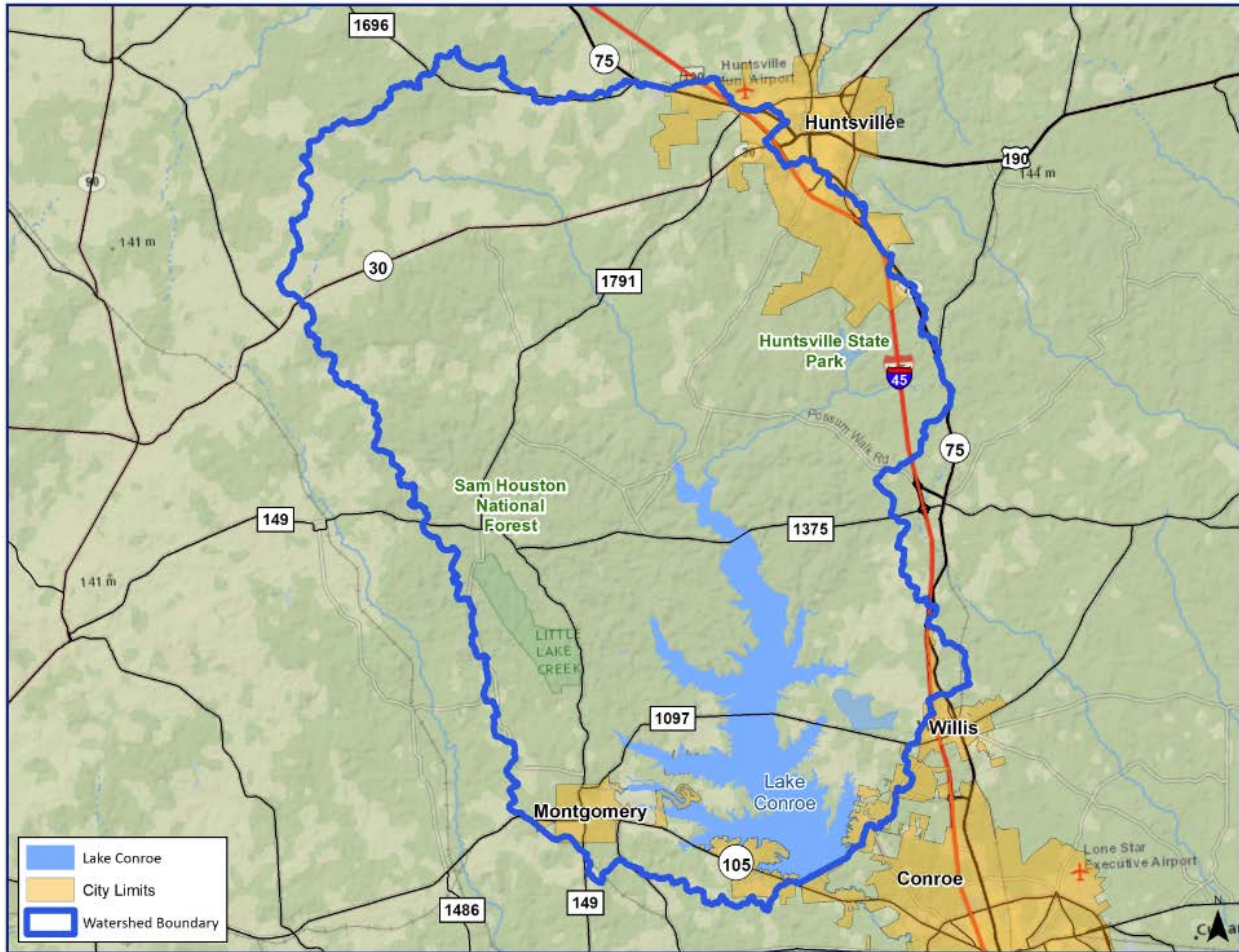
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The Lake Conroe Division is responsible for managing the resources of the Lake Conroe dam and reservoir. Completed in 1973, Lake Conroe is funded through a joint venture partnership between the Authority and the City of Houston, and was constructed as a long-term water supply reservoir. The Authority holds water rights for 1/3 of the annual yield of Lake Conroe, while the City of Houston holds the other 2/3 of the water rights. As a 2/3 owner in Lake Conroe, the City of Houston reimburses roughly 2/3 of the Lake Conroe Division expenses. The Lake Conroe Division's primary responsibilities are:

- operate and maintain the Lake Conroe dam, spillway structure, and service outlet,
- handle all monitoring functions related to water quality, including permitting and inspection of on-site sewage systems around Lake Conroe,
- administer licensing programs for residential docks, piers, marinas, commercial operations, all for the purpose of ensuring navigation and recreation safety,
- maintain an invasive aquatic vegetation control program,
- monitor the construction of permanent structures and other encroachments onto Authority lands including the reservoir, and
- administer the rules and regulations for the Lake Conroe reservoir.



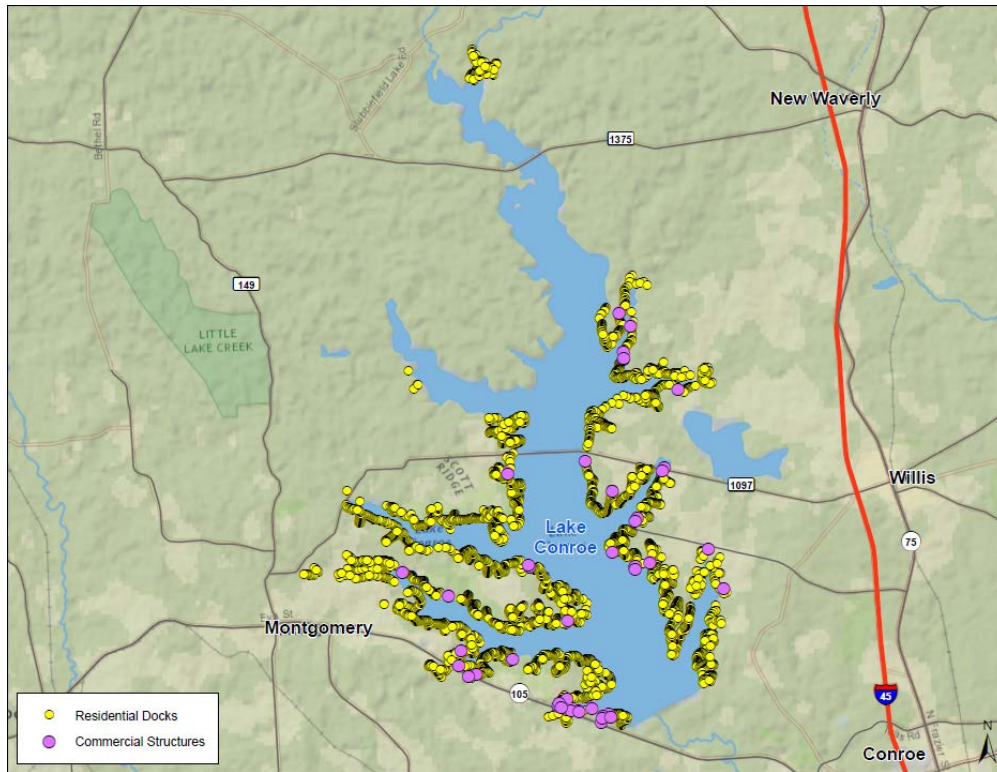
## MAP OF LAKE CONROE WATERSHED



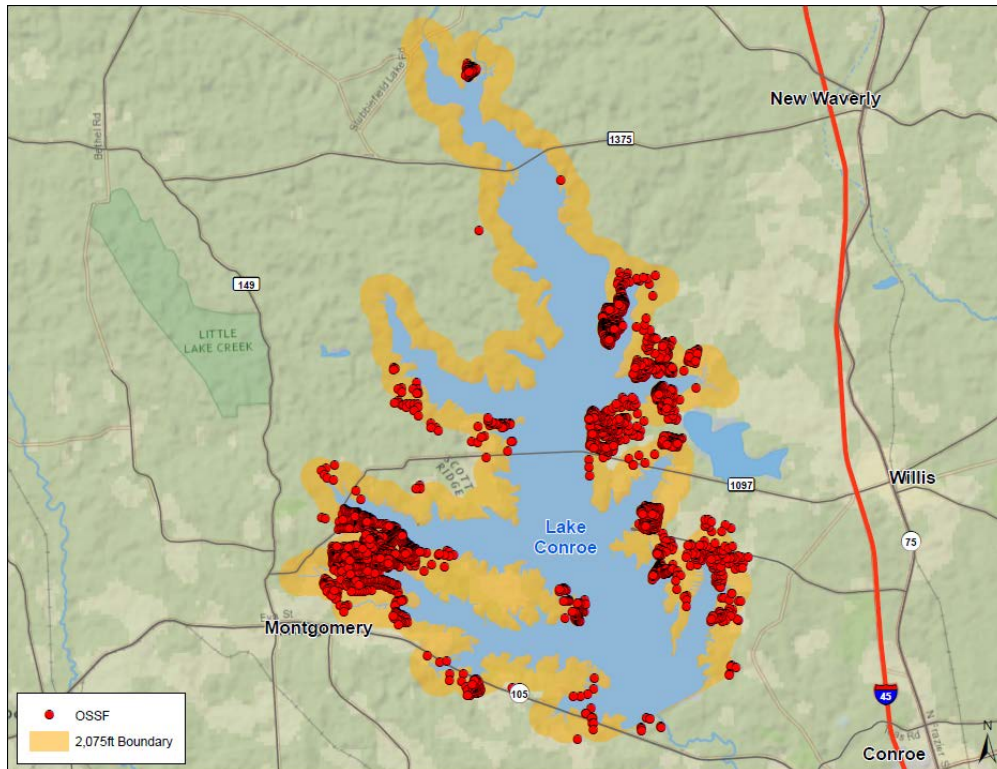
As permitted by the State of Texas, the annual yield of Lake Conroe is 100,000 acre-feet, with the Authority's portion being 33,333 acre-feet (ac-ft) and the City of Houston's portion being 66,667 ac-ft. Lake Conroe was formed by the creation of a 2.2 mile long earthen dam and gated spillway on the West Fork of the San Jacinto River. The reservoir covers an area of roughly 19,640 acres within Montgomery and Walker Counties. When full (201 feet above mean sea-level) the reservoir contains approximately 400,000 acre-feet of water. There are about 4,500 commercial and residential dock structures currently permitted on Lake Conroe and 2,500 on-site sewage systems (OSSFs) permitted within a 2,075 feet perimeter around the shoreline of the reservoir.



### MAP OF RESIDENTIAL AND COMMERCIAL DOCKS ON LAKE CONROE



### MAP OF ON-SITE SEWAGE FACILITIES (OSSFS) ON LAKE CONROE



**Major Initiatives:** During FY2020 and planned for FY2021, the Lake Conroe Division has either completed or started, or will complete or start a number of major initiatives to improve the operations and maintenance of the Lake Conroe Dam.

- 1. Westside Diversion Channel Improvements:** The Division is currently in the design phase of a project to repair and mitigate future sloughing/erosion of the embankments of the Westside Diversion Channel. The Westside Diversion Channel is a critical component of the dam's west-embankment drainage system, which serves to reduce sub-surface water-pore pressures that might otherwise jeopardize the stability of the dam. Project may include slope regrading, silt/material removal near culverts under Dam Site Road, riprap placement, structural wall installation, and/or other improvements. This effort will ensure reliable operation of the Westside Diversion Channel, help prevent additional erosion from extending beyond SJRA's easement, and prolong the useful life of the Westside Diversion Channel. The project is planned to be completed in FY2022.
- 2. Service Outlet Conduit Joint and Weir-Wall Repairs:** The Division is currently in the design phase of a project to repair separated/displaced joints within the Lake Conroe Dam service outlet discharge conduit. Repairs to voids in the outlet's rectangular-weir wall will also be included. These repairs will result in increased reliability of dam operations and extend the life of service outlet components. Project is scheduled to be completed in FY2021.
- 3. Reservoir Forecasting Tool:** In 2018 SJRA applied for and was awarded a \$150,000 grant from the Texas Water Development Board (TWDB), pursuant to which SJRA is contracting with a consultant to develop a reservoir forecasting tool. The tool will utilize observed and forecasted rainfall, current lake levels, and other criteria to provide predictions of Lake Conroe levels and releases during major storm events. The project was initiated in March 2019, significant progress has been made in FY2020, and the project is expected to be completed by early calendar year 2021.
- 4. Spillway Gate Roller Replacement:** Rollers on the backside of the Lake Conroe Dam primary spillway gates help guide the gates as they travel through their range of motion while opening and closing. The current rollers have deteriorated over time and need to be replaced. New rollers were fabricated in FY2020 based on an improved, maintenance-free design. Installation will be performed in-house and is expected to be completed in FY2021. Project is currently on hold due to safety concerns regarding the COVID-19 virus and the inability of staff to maintain proper social distancing during installation.
- 5. Lake Conroe Volumetric and Sedimentation Survey:** The Division has contracted with the Texas Water Development Board (TWDB) to perform a Volumetric and Sedimentation Survey of Lake Conroe. The purpose of the project is to acquire data necessary to develop an updated elevation-area-capacity table. Data will also be used to determine an estimate of accumulation and location of sedimentation. TWDB will deliver a report documenting the results of the survey, which will include topographic maps of the lake bottom. The report is expected to be completed in FY2021.

6. **Dam Inspection:** Title 30, Chapter 299 of the Texas Administrative Code contains the rules and regulations relevant to the operation and maintenance of Dams and Reservoirs in Texas. As the agency charged with administering and regulating Dam Safety, the Texas Commission on Environmental Quality (TCEQ) requires an engineering inspection be performed on the Lake Conroe Dam once every five years. The most recent inspection was completed in September of 2015. During FY2021, the Division plans to contract with a professional engineering firm to perform the required inspection. The project will include, among other activities, a settlement survey and replacement of survey benchmarks. Recommendations derived from this inspection will help determine the extent and timing of future maintenance and repair projects.
  
7. **Maintenance Facility Improvements:** The Division’s current Maintenance Facility was fabricated during the original construction of the dam and is in disrepair. During FY2021, the Division plans to design a new Maintenance Facility to be constructed near the existing facility. The new facility is planned to provide sufficient workspace, equipment storage, and additional functionality for emergency operations and is expected to increase efficiency, safety, and maintenance capabilities of the Lake Conroe Division staff. The project may consist of demolition or repurposing of the failing existing facility.
  
8. **Hurricane Harvey Litigation:** Harvey related lawsuits have been filed against the Authority. Lake Conroe’s FY2021 budget for legal expenses includes \$1,500,000 to continue addressing the Harvey lawsuits. Actual expenses for litigation to date as of June 30, 2020 for Harvey lawsuits have been \$3,777,624. If the case activity increases beyond the budget for FY2021 of \$1,500,000, the Authority would ask for a budget revision from the Board.

**Capital Improvement and Other Projects Plans:** Each year the Lake Conroe Division conducts risk assessments and evaluations of their infrastructure. The Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within Lake Conroe’s Projects Plan for FY2021 are to be funded from R&R funds and Texas Water Development Board (TWDB) grants and may extend over multiple fiscal years. The Lake Conroe Division included the following projects in the FY2021 budget for design and/or construction:

Lake Conroe - Projects	Stage	Est. FY2021 Cost	Funding Source
Westside Diversion Channel Improvements	Construction	\$ 1,022,000	R&R
Reservoir Forecasting Tool	Design	\$ 70,000	R&R/TWDB
West End Facility Improvements	Design/Const	\$ 95,000	R&R
Lake Conroe Dam Inspection	Design	\$ 51,000	R&R
Maintenance Facilities Improvements	Design	\$ 215,000	R&R
Enterprise Resource Planning System	Design	\$ 125,000	R&R
<b>Total</b>		<b>\$ 1,578,000</b>	

**Total Indebtedness and Annual Debt Service:** The Lake Conroe Division does not have any indebtedness as of FY2020 and no plans for future indebtedness in FY2021 or beyond.

**Staffing Plans:** The Lake Conroe Division's staffing plan for FY2021 includes 13 direct FTE positions, with no part-time, temporary, or intern positions. Of these 13 direct FTE positions, Lake Conroe allocates 0.32 FTEs to other divisions, leaving 12.69 FTEs allocated directly to Lake Conroe. In addition to these 12.69 FTEs, the Division is allocated 14.73 FTEs for FY2021 from G&A Departments. The net total FY2021 FTEs associated with the Lake Conroe Division, direct and allocated, is 27.41 FTEs. During FY2020, 1 direct FTE for the Lake Conroe Division transferred into the Accounting Department to handle billing previously performed within the Division.

**Revenues:** Since the City of Houston is a 2/3 partner with the Authority in the annual operation and maintenance of Lake Conroe, the City of Houston's 2/3 reimbursement of normal and customary O&M expenses for FY2021 is \$3,738,484.

Additionally, the Lake Conroe Division issues licenses for commercial businesses operating on the lake, permits for commercial and residential docks, and permits for the installation of OSSFs. Annual permits are required for all boat docks on Lake Conroe. The Division forecasts the number and size of commercial and residential docks each year based on historical permits. Docks fees are expected to remain the same for FY2021 at \$0.188 per square-foot. Revenue from dock fees and other residential and commercial licensing and permitting activities on the lake is projected to be \$1,104,279. In accordance with TCEQ rules, any installation of an OSSF within 2,075 feet of the reservoir shoreline requires a permit from the Authority. Revenues generated by OSSF permits is forecasted to be \$20,600 for FY2021.

Expected total revenues for the Lake Conroe Division for FY2021 totals \$4,863,363.

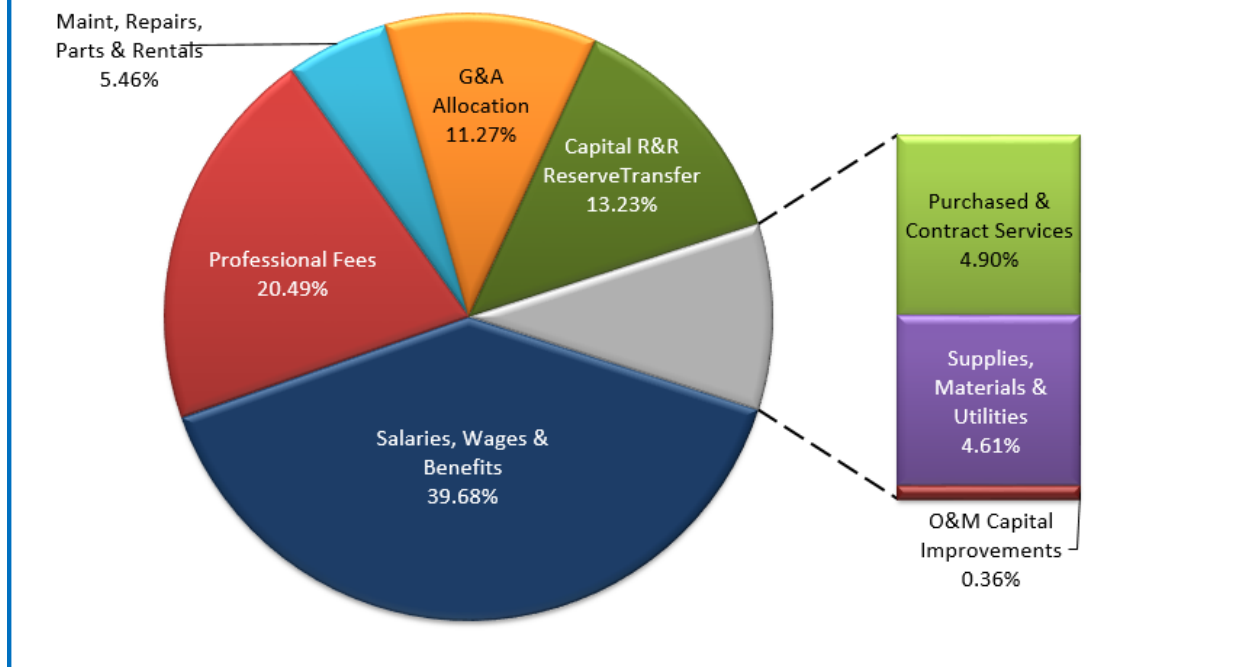
**Expenditures:** The Lake Conroe Division for FY2021 contains regular and customary expenses related to the on-going operation and maintenance of the Lake Conroe reservoir. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (if needed)
- R&R Fund Contributions

Expected total O&M expenditures for the Lake Conroe Division for FY2020, including operating, capital improvements, and any other cash uses, totals \$6,847,368. Lake Conroe expected R&R Fund operating expenses and capital improvements, totals \$1,478,033.



## Lake Conroe FY2021 Total Operating Expenditures: Operating, Capital Improvements & Reserve Contributions



**Fund Balance and Reserves:** The Authority’s General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division.

As approved by the Board of Directors on July 25, 2019, the reserve policy for the Lake Conroe Division utilizes two reserves and an R&R Fund: It should be noted that the two reserves for Lake Conroe are based on the Authority’s 1/3 portion of the Lake Conroe Division excluding the City of Houston’s 2/3 portion.

1. **Operating & Rate Stabilization Reserve:** The Operating & Rate Stabilization Reserve was established to manage cash flow, and stabilize rates and revenues. The Operating & Rate Stabilization Reserve target for FY2021 for the Lake Conroe Division is set to be an amount equal to six months of operating expenditures. Currently Lake Conroe has met the six-month operating reserve. For FY2020, the Lake Conroe Operating Reserve is at \$968,765, equivalent to six months of operating expenses. For FY2021, the Operating & Rate Stabilization Reserve is projected to be fully funded and no additional funds are budgeted.
  
2. **Emergency Reserve:** The Emergency Reserve was established to provide for a full or partial source of funds for unplanned or emergency repair or replacement of Authority capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance was established to be a total of \$5,500,000, which is based on estimate amounts of \$2,500,000 for Lake Conroe, \$2,500,000 for the Highlands, and \$500,000 for the G&A Division. The Emergency Reserve target

for Lake Conroe is set to an amount equal to \$2,500,000. For FY2021, the Lake Conroe Emergency Reserve is fully funded and no funds were budgeted for the Emergency Reserve.

- 3. *Repair & Replacement (R&R Fund):*** The Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met. The R&R Fund for the Lake Conroe Division was prefunded by the existing Capital R&R Reserve and Unrestricted Cash. A contribution of \$1,043,797 to the R&R Fund was budgeted for FY2021.

For FY2021, the net balance between O&M revenues and expenditures for the Lake Conroe Division, including scheduled contributions to any of the two reserves and an R&R Fund, is (\$3,027,803). This amount will be covered by the Raw Water Supply revenues, as provided by the Raw Water Enterprise.

**San Jacinto River Authority - Lake Conroe**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2019	Sept-March FY2020	April 2019-March 2020	FY2020	FY2021	
<b>OPERATING REVENUES</b>						
Permits, Licenses, & Fees - Residential	\$ 682,419	\$ 341,936	\$ 674,107	\$ 661,856	\$ 661,856	
Permits, Licenses & Fees - Commercial	512,718	245,736	495,909	442,423	442,423	
Fines	8,848	5,004	9,539	-	-	
Septic Tank Licenses	22,580	11,460	18,980	20,600	20,600	
City of Houston Share of Lake Conroe Operations	3,314,511	2,427,805	4,245,497	3,368,635	3,738,484	
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,541,078</b>	<b>\$ 3,031,942</b>	<b>\$ 5,444,033</b>	<b>\$ 4,493,514</b>	<b>\$ 4,863,363</b>	
<b>OTHER REVENUES</b>						
Interest Income	\$ 465	\$ 25,328	\$ 25,560	\$ -	\$ -	
FEMA Grant Revenue	72,054	-	72,054	-	-	
Grant Revenue	119,510	21,976	113,187	-	-	
Proceeds From Sale Of Assets	204,737	91,772	247,071	-	-	
Other Gains & Losses	5,858	3,959	7,844	-	-	
<b>TOTAL OTHER REVENUES</b>	<b>\$ 402,623</b>	<b>\$ 143,035</b>	<b>\$ 465,715</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>OPERATING EXPENSES</b>						
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>						
Salaries & Wages	\$ 786,089	\$ 468,715	\$ 809,453	\$ 863,864	\$ 804,145	
Salary & Wage Allocation	1,088,191	561,912	1,047,021	1,262,071	1,296,924	
Compensated Absences	(2,993)	-	(2,993)	-	-	
Group Insurance	412,665	227,849	400,186	478,626	524,634	
Group Insurance - Retirees	23,306	13,725	23,467	25,046	36,124	
Group Insurance - Retiree OPEB	(3,639)	-	(3,639)	80,000	50,000	
Group Retirement Expense	237,964	123,847	222,741	248,535	230,874	
Workers Compensation Insurance	33,882	20,437	32,283	48,426	31,833	
Social Security Taxes	132,960	73,611	133,472	157,496	156,612	
Employee Benefits Allocation	3,125	-	-	-	-	
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 2,711,551</b>	<b>\$ 1,490,097</b>	<b>\$ 2,661,991</b>	<b>\$ 3,164,063</b>	<b>\$ 3,131,145</b>	
<b>PROFESSIONAL FEES</b>						
Legal Fees	\$ 777,630	\$ 1,860,208	\$ 2,491,581	\$ 3,060,000	\$ 1,535,000	
Legal Fees-Enforcement	11,692	1,832	10,079	30,000	30,000	
Annual Financial Audit	1,854	1,425	1,663	6,000	12,000	
Engineering	338,877	2,722	182,853	50,000	25,000	
Crane Inspections	3,610	1,805	3,610	5,800	6,000	
Safety Inspections & Testing	942	936	936	3,000	3,000	
Graphic Design	2,382	-	2,236	5,000	6,000	
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 1,136,986</b>	<b>\$ 1,868,928</b>	<b>\$ 2,692,957</b>	<b>\$ 3,159,800</b>	<b>\$ 1,617,000</b>	
<b>PURCHASED &amp; CONTRACTED SERVICES</b>						
Waste Disposal Services	\$ 6,149	\$ 5,303	\$ 8,266	\$ 8,000	\$ 8,000	
State Fees	640	270	500	1,380	1,500	
Patrolling & Security Services	274,790	129,400	247,592	278,000	286,340	
Employee Testing- New	508	177	312	2,225	2,475	
Janitorial Services	4,128	3,053	4,773	5,000	5,000	
Stream Gauging & Water Quality-USGS	67,558	40,771	69,000	82,155	75,000	
Public Relations Expense	-	-	-	3,000	2,000	
Water Conservation & Public Education	2,751	-	2,751	6,000	6,000	
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 356,524</b>	<b>\$ 178,974</b>	<b>\$ 333,195</b>	<b>\$ 385,760</b>	<b>\$ 386,315</b>	
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>						
Office Supplies & Printing	\$ 11,689	\$ 3,486	\$ 13,470	\$ 9,000	\$ 9,000	
Other Office Expense	1,797	1,139	1,802	3,500	3,500	
Travel	2,573	1,475	2,407	5,500	8,320	
Automobile & Truck Expense	20,516	7,741	18,977	22,000	27,000	
Postage	12,534	6,484	12,203	14,100	14,100	
Property Insurance	9,581	5,765	9,793	9,997	11,500	
Auto Insurance	10,849	8,002	12,921	15,405	15,400	
Liability Insurance	8,998	5,737	9,118	14,882	15,800	
Training-External	5,802	3,256	5,784	3,500	6,653	
Training-Internal	-	-	-	800	500	
Training-Employee HR	2,267	1,167	2,333	3,075	1,550	

**San Jacinto River Authority - Lake Conroe**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals			Rolling 12	Budget	Budget
	8/31/2019	Sept-March FY2020	Mo. Actuals April 2019- March 2020	Mo. Actuals April 2019- March 2020	FY2020	FY2021
Managers Expense	2,829	1,328	2,573		3,300	3,300
Fuel	25,620	11,308	24,360		28,200	27,625
Uniform Services	691	3,758	4,087		4,975	4,600
Supplies - Lab	284	328	458		4,500	4,500
Operations Supplies	6,738	561	2,663		10,750	6,950
Memberships & Professional Dues	1,175	410	1,508		2,275	1,257
Signage	1,061	153	1,215		2,000	2,000
Janitorial Supplies	481	368	669		1,000	1,000
Copier, Scanner & Fax	5,045	2,982	4,988		7,000	5,876
Utilities-Electric	14,370	8,980	15,938		18,000	18,000
Utilities-Natural Gas	2,889	1,601	2,687		3,000	3,000
Personal Protective Equipment	3,092	1,668	2,943		5,850	5,550
Safety Equipment & Meetings	2,820	2,682	3,050		7,700	7,700
Health & Wellness Program	24	-	14		625	625
Recruiting Expenses	1,321	429	978		2,475	4,950
Computer Hardware	12,894	14,827	18,877		25,065	41,161
Software & Support	96,534	45,922	78,632		84,660	84,331
Software Maintenance	836	620	968		1,500	4,200
Network Communications	4,813	1,360	3,366		2,868	2,709
Newspaper Ads	2,860	-	975		5,000	3,000
Wireless Devices & Services	14,035	8,772	15,695		15,726	15,576
Phone System-Install, Maintenance, & Changes	-	-	-		455	-
Landline Telephone Services	2,570	1,754	2,761		2,636	2,489
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 289,590</b>	<b>\$ 154,063</b>	<b>\$ 278,215</b>		<b>\$ 341,319</b>	<b>\$ 363,722</b>
<b>RENTALS</b>						
Equipment Rentals	\$ 1,891	\$ 141	\$ 1,667		\$ 20,000	\$ 20,000
Office Rent	17,632	10,503	18,517		29,235	25,206
Rent-U.S. Forest Lands	15,305	9,740	16,697		17,000	17,000
<b>TOTAL RENTALS</b>	<b>\$ 34,828</b>	<b>\$ 20,384</b>	<b>\$ 36,881</b>		<b>\$ 66,235</b>	<b>\$ 62,206</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>						
Instrumentation	\$ 19,468	\$ 3,178	\$ 8,696		\$ 21,000	\$ 20,000
Office, Furniture, & Fixtures	1,028	2,239	2,867		7,000	600
Buildings & Grounds Maintenance	64,688	29,509	42,635		75,000	75,000
Generators	2,128	3,234	5,306		5,000	5,000
Machinery, Tools, & Implements	34,878	9,648	24,066		35,250	36,250
Boat Maintenance & Repairs	5,681	12,631	15,231		20,000	13,000
Instrumentation Equipment & Parts	12,643	7,096	19,033		15,000	15,000
Networking and Communications - SCADA	9,050	64	8,644		4,000	4,000
Canals, Levees, & Dams-Maintenance & Repairs	1,009,458	7,055	764,800		80,000	80,000
Clearing	800	600	600		10,000	10,000
Invasive Species Management	5,256	15,208	20,208		82,400	80,000
Streets & Roads	185	-	-		15,000	15,000
Ayer Island Maint & Repair	14,300	-	14,300		10,000	10,000
Fencing & Security Repairs	254	4,422	4,422		5,000	5,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 1,179,817</b>	<b>\$ 94,884</b>	<b>\$ 930,809</b>		<b>\$ 384,650</b>	<b>\$ 368,850</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>						
General & Administrative Expense Allocated	\$ 875,317	\$ 571,113	\$ 1,051,579		\$ 825,274	\$ 889,386
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 875,317</b>	<b>\$ 571,113</b>	<b>\$ 1,051,579</b>		<b>\$ 825,274</b>	<b>\$ 889,386</b>
<b>TOTAL EXPENSES</b>	<b>\$ 6,584,614</b>	<b>\$ 4,378,443</b>	<b>\$ 7,985,626</b>		<b>\$ 8,327,101</b>	<b>\$ 6,818,624</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ (1,640,913)</b>	<b>\$ (1,203,466)</b>	<b>\$ (2,075,879)</b>		<b>\$ (3,833,587)</b>	<b>\$ (1,955,262)</b>

**San Jacinto River Authority - Lake Conroe**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

<b>Description</b>	<b>Actuals 8/31/2019</b>	<b>Actuals Sept-March FY2020</b>	<b>Rolling 12 Mo. Actuals April 2019- March 2020</b>	<b>Budget FY2020</b>	<b>Budget FY2021</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Maintenance Equipment				\$ 4,167	\$ 20,667
Transportation Equipment				15,667	2,000
Software				187	175
Computer Equipment				4,789	5,903
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 24,809</b>	<b>\$ 28,744</b>
<b>OTHER SOURCES (USES)*</b>					
Repair and Replacement Transfers				\$ -	\$ (1,043,797)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ -</b>	<b>\$ (1,043,797)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ (1,640,913)</b>	<b>\$ (1,203,466)</b>	<b>\$ (2,075,879)</b>	<b>\$ (3,858,396)</b>	<b>\$ (3,027,803)</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority - Lake Conroe Repair and Replacement  
Actual to Budget Comparison  
FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
City of Houston Share of Lake Conroe Operations	\$ -	\$ 112,478	\$ 112,478	\$ 444,600	\$ 867,133
<b>TOTAL OPERATING REVENUES</b>	<b>\$ -</b>	<b>\$ 112,478</b>	<b>\$ 112,478</b>	<b>\$ 444,600</b>	<b>\$ 867,133</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 58	\$ 23,719	\$ 23,777	\$ -	\$ -
Grant Revenue	-	406	406	-	9,000
<b>TOTAL OTHER REVENUES</b>	<b>\$ 58</b>	<b>\$ 24,124</b>	<b>\$ 24,183</b>	<b>\$ -</b>	<b>\$ 9,000</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Engineering	\$ -	\$ 18,602	\$ 18,602	\$ 152,000	\$ 51,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ -</b>	<b>\$ 18,602</b>	<b>\$ 18,602</b>	<b>\$ 152,000</b>	<b>\$ 51,000</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Canals, Levees, & Dams-Maintenance & Repairs	\$ -	\$ 109,721	\$ 109,721	\$ 331,000	\$ 1,022,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ -</b>	<b>\$ 109,721</b>	<b>\$ 109,721</b>	<b>\$ 331,000</b>	<b>\$ 1,022,000</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ -	\$ 41,425	\$ 41,425	\$ 183,900	\$ 236,700
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ -</b>	<b>\$ 41,425</b>	<b>\$ 41,425</b>	<b>\$ 183,900</b>	<b>\$ 236,700</b>
<b>TOTAL EXPENSES</b>	<b>\$ -</b>	<b>\$ 169,748</b>	<b>\$ 169,748</b>	<b>\$ 666,900</b>	<b>\$ 1,309,700</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 58</b>	<b>\$ (33,145)</b>	<b>\$ (33,087)</b>	<b>\$ (222,300)</b>	<b>\$ (433,567)</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Office Buildings				\$ -	\$ 71,667
Dam Rehabilitation				166,667	31,667
Software				81,000	65,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 247,667</b>	<b>\$ 168,333</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 2,908,419	\$ 2,206,000
Repair and Replacement Transfers				-	1,043,797
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 2,908,419</b>	<b>\$ 3,249,797</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 58</b>	<b>\$ (33,145)</b>	<b>\$ (33,087)</b>	<b>\$ 2,438,452</b>	<b>\$ 2,647,897</b>

\*Actuals intentionally left blank.

## SJRA FY2021 Raw Water Enterprise Risk Management – July 2020

Risk	Probability	Management Method
<b>Revenue</b>		
Revenue from raw water sales and reservations less than projected	Low	<ul style="list-style-type: none"> <li>• Long-term raw water supply contracts for industrial and most municipal users are currently take-or-pay so will have limited risk.</li> <li>• Raw water supply contracts for some irrigators are on an annual usage basis, and can be impacted by weather; however, contracted water amounts are very small.</li> <li>• Long-term GRP contracts with Participants.                             <ul style="list-style-type: none"> <li>○ GRP take-or-pay amount will fluctuate based on demand and impact of weather. Estimates for budget are conservative.</li> <li>○ Reservation fees are paid by GRP for all SJRA water in Lake Conroe that is not used.</li> </ul> </li> </ul>
Revenue from dock, marina, OSSF, etc. permitting/licensing less than projected	Low	<ul style="list-style-type: none"> <li>• Collection rate in budget assumed at 95%.</li> <li>• If licensed facilities are damaged and unusable due to storm events, we offer owners the opportunity to defer licensing fees until the facility is repaired.</li> </ul>
Delayed payments from large raw water customers	Low	<ul style="list-style-type: none"> <li>• Billing collection process in place to identify late payments and work with customers to obtain payments.</li> <li>• Working Capital Reserve Funds available to cover shortfalls.</li> </ul>
Delayed payments from City of Houston	High	<ul style="list-style-type: none"> <li>• The City of Houston has stopped making payments pending the approval of an Operating Agreement for the Lake Conroe Dam and Reservoir. The last invoice paid was for August 2019 in April 2020.</li> <li>• Operating &amp; Rate Stabilization Reserve Funds available to cover delayed payments.</li> </ul>
<b>Labor (Staffing)</b>		
Inability to recruit and retain qualified, motivated staff	High	<ul style="list-style-type: none"> <li>• Conducting annual research regarding competitive compensation and benefits, including health benefits.</li> <li>• Offering flexible work hours and schedules.</li> </ul>
<b>Professional, Construction and Miscellaneous Services</b>		
Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services	Low	<ul style="list-style-type: none"> <li>• SJRA staff in key management positions to oversee/ drive progress for timely completion.</li> <li>• Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk for professional services.</li> <li>• All contracts contain termination clauses.</li> </ul>

Risk	Probability	Management Method
		<ul style="list-style-type: none"> <li>• All professional services contracts are work order based which only authorize work one phase at a time allowing opportunity to adjust services provided.</li> <li>• Standardization of construction contract front-end documents and specifications.</li> <li>• Use Competitive Sealed Proposals (CSP) method for obtaining qualified and experienced contractors for performing all major construction.</li> </ul>
<p>Limited numbers of qualified firms resulting in high proposed costs for construction services</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>• Maintain adequate Contingency Funds in project construction cost estimates for projects with a high degree of difficulty or requiring technical expertise.</li> <li>• Purchasing is making concerted efforts to interest more qualified construction contractors in SJRA projects.</li> <li>• Use of CSP method allows negotiation and Value Engineering analysis with selected contractors when appropriate.</li> </ul>
<p><b>Operations and Maintenance Costs</b></p>		
<p>Operations costs greater than budgeted</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>• Operations costs based on historic expenditures with reasonable contingency.</li> <li>• Commodity costs such as fuel and power are susceptible to spikes in prices, and are therefore estimated conservatively.</li> <li>• Extreme events, such as a hurricane occurring in the area, are included in contingency plans.</li> <li>• Operating &amp; Rate Stabilization Reserve Funds are available.</li> </ul>
<p>Failure of, or damages to, a key system component requiring immediate repair and/or increased maintenance costs greater than budgeted for Highlands Division</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• Most facilities in Highlands have been in service 60 or more years; therefore, a comprehensive assessment of the Highlands system components that are in need of repair/rehabilitation have been used to prioritize and develop a phased capital improvement program (CIP). System rates are adjusted regularly to fund the necessary improvements using cash and appropriate bond revenues.</li> <li>• Emergency Reserve Funds are available for critical and immediate repair of failed system components.</li> <li>• A methodical asset management program that includes preventative maintenance of all key components is scheduled within a computerized maintenance management system. Many components of the system can be maintained and repaired with in-house staff and equipment.</li> </ul>



Risk	Probability	Management Method
<p>Failure of a key system component requiring immediate repair and/or maintenance costs greater than budgeted for Lake Conroe Division</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• Lake Conroe dam has been in service for over 40 years. A dam safety inspection is conducted every five years and any deficiencies are identified and prioritized in a recommended CIP. System rates are adjusted regularly to fund any critical improvements using operating funds. Emergency Reserve Funds are also available for critical and immediate repair of failed system components.</li> <li>• Emergency Reserve Funds are available for critical and immediate repair of failed system components.</li> <li>• A methodical asset management program that includes preventative maintenance of all key components is scheduled within a computerized maintenance management system. Many components of the system can be maintained and repaired with in-house staff and equipment.</li> </ul>
<p><b>Capital Outlay</b></p>		
<p>Capital improvement program (CIP) project costs greater than budgeted</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• SJRA staff in key management positions to oversee/ drive progress for most timely completion.</li> <li>• Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk.</li> <li>• Phased execution of construction projects allows a modification to CIP plan prior to commitment of funds.</li> <li>• Commodity costs such as fuel and construction materials are susceptible to spikes in prices; therefore, these costs are estimated conservatively.</li> </ul>
<p>Harris County and TxDOT continue to implement roadway improvements over/through SJRA Highlands Division siphons</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• SJRA staff meets periodically with TxDOT and Harris County to discuss infrastructure planning and schedule for proposed roadway improvements. CIP projects can sometimes be shifted to address the scheduled roadway improvements, especially if roadway agency funding is available to offset the accelerated cost.</li> </ul>
<p>Existing or new customers required additional water supply which exceeds the available supplies of the Authority or the delivery capacity of the current system</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• The Authority developed a long-term raw water master plan for development of additional permanent supplies for the RWE over a 50-year timeframe.</li> <li>• Engineering analysis of the Highlands System delivery capacity has been developed and customized models can now be used to determine how best to expand the capacity when required. Before executing new delivery contracts, SJRA professional staff evaluates the required</li> </ul>

<b>Risk</b>	<b>Probability</b>	<b>Management Method</b>
		<p>modifications, and may require the customer to fund the cost of the capacity improvements, depending on the extent of the system-wide benefit.</p> <ul style="list-style-type: none"><li>• Since all available supplies in Lake Conroe are committed to existing customers, any requests for additional capacity must be met in the short-term by use of long-term committed but currently unused supplies or by immediately acquiring new supplies from other existing sources.</li></ul>

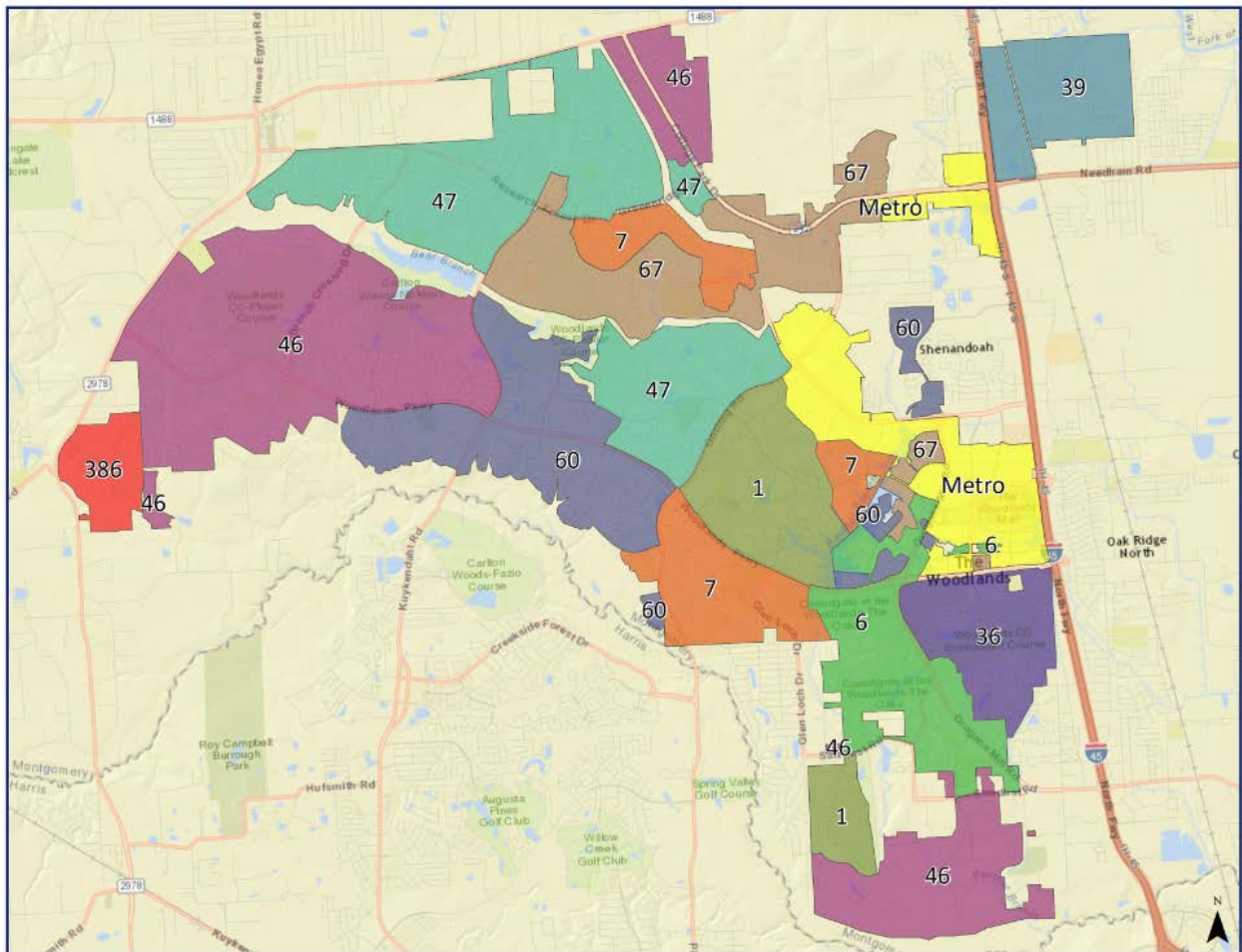
# WOODLANDS DIVISION



## WOODLANDS DIVISION

The Woodlands Division was created in 1975 to operate and maintain wholesale water supply and wastewater treatment systems for the Woodlands area that is made up of eleven Municipal Utility Districts (MUDs) in southern Montgomery County. The Woodlands Division works in coordination with the eleven MUDs, ten of which are operated by the Woodlands Water Agency (WWA) and the other operated by a third-party for the Montgomery County portion of MUD 386, to provide services to a population in excess of 100,000 people.

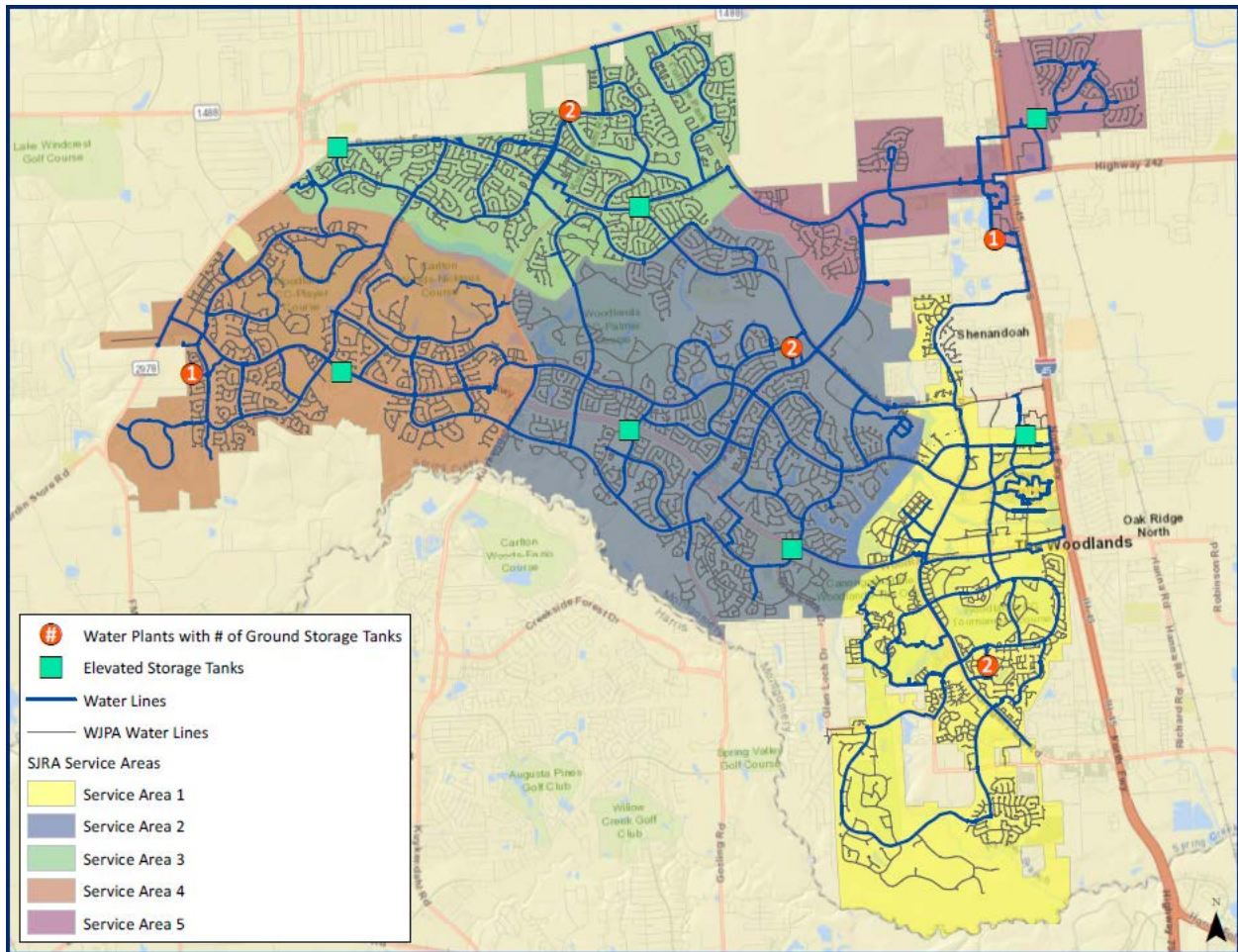
### MAP OF WOODLANDS MUDS



The Woodlands' wholesale water system consists of thirty-eight water wells drilled into the Evangeline and Jasper aquifers, five water plants, six elevated storage tanks, eight ground storage tanks, and 120 miles of potable water transmission lines of ten inches or greater. The Woodlands' wholesale wastewater system consists of thirty lift stations, three regional wastewater treatment plants, 50 miles of wastewater gravity lines fourteen inches or greater, and 20 miles of force mains. In addition to the wholesale water and wastewater services, the Woodlands Division ensures compliance with applicable local, state and

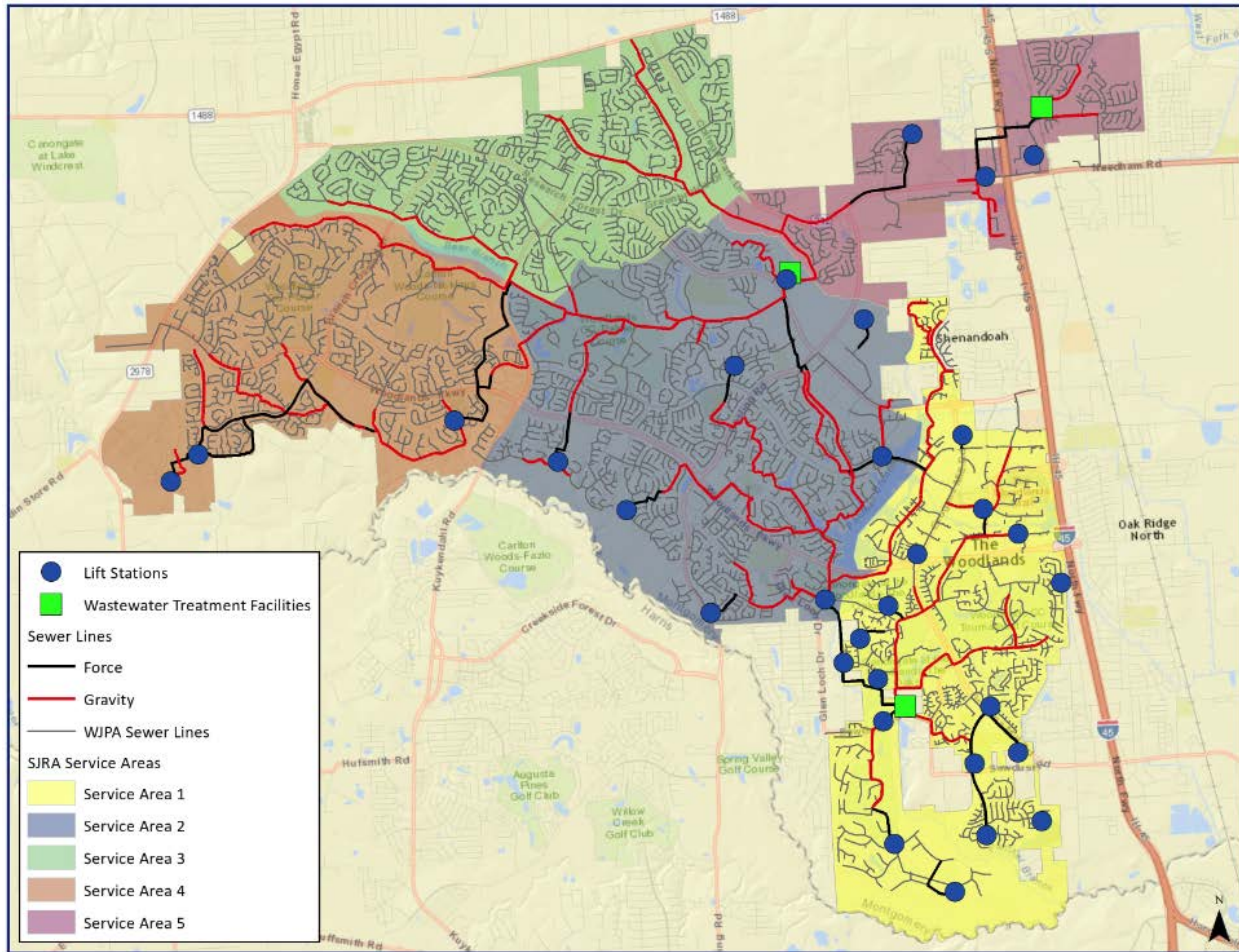
federal regulations for grease traps and industrial pre-treatment. There are roughly 450 commercial establishments and four voluntarily issued industrial users permitted through the Environmental Department of the Woodlands Division.

### MAP OF THE WOODLANDS WHOLESALE WATER SYSTEM





## MAP OF WOODLANDS WHOLESALE WASTEWATER SYSTEM



The Woodlands Division is a separate enterprise fund of the Authority. Based on the eleven contractual agreements, the Woodlands Division is comprised of five unique budgets:

- **Operations and Maintenance (O&M):** Consists of the wholesale water and wastewater revenues, as well as any revenues from industrial and commercial permitting; and regular and customary expenses associated with operations and maintenance of the wholesale water and wastewater systems, and environmental activities
- **Repair & Replacement (R&R Fund):** Funded by annual contributions from the O&M budget for capital improvement projects related to the repair and replacement of existing infrastructure and construction of new non-capacity related infrastructure
- **Water System Bonds:** Revenue and expenses associated with the issuance and repayment of bonds issued solely for water capacity related projects as authorized by the MUDs utilizing bond financing and not making cash contributions
- **Waste Disposal Bonds:** Revenue and expenses associated with the issuance and repayment of bonds issued solely for wastewater capacity related projects as authorized by the MUDs utilizing bond financing and not making cash contributions

- **Future Facilities:** Revenue and expenses associated with “new” capacity and infrastructure necessary to support development projections approved and funded by the MUDs through “interim accounting” processes

**Major Initiatives:** Since FY2019 and planned through FY2022, The Woodlands Division has either completed or started, or will complete or start a number of major initiatives to improve the operations related to the Woodlands.

1. **Sixth and Final Accounting Capacity Projects:** Starting in 1983, the Woodlands Division has undertaken “interim accounting” procedures roughly every five years to ensure equitable sharing of capacity costs associated with residential and commercial development within the eleven MUDs. The process utilizes re-evaluations of each MUD’s current and projected development and re-balances projected capacity costs based on required system increases and development growth results of the interim accounting findings. As the Woodlands area nears ultimate development, in FY2018 the Woodlands Division received approval for the sixth and “final” accounting. This “final” accounting determined projected development and associated costs for capacity needs through 2027, ultimate build-out of The Woodlands service area. After 2027, the individual MUDs will be responsible for financing capacity needs within their service area. Starting in FY2019 and projected to be completed in FY2022, new capacity projects will be designed and constructed to serve future developments.
2. **Sanitary Sewer Transmission and Rehabilitation Program (SSTAR):** The SSTAR Program is a community-wide, comprehensive assessment of the aging wastewater collection system in The Woodlands. The SSTAR Program is being conducted in two steps. The first step uses flow meters installed in pipes and rainfall monitoring to identify and quantify inflow and infiltration (I&I) in the system. The second step is a visual condition assessment of the wholesale system to assist with prioritizing rehabilitation projects for pipes, manholes, and pump stations by determining when rehabilitation is needed. These two steps will assist in prioritizing areas for further inspection and rehabilitation, and ultimately repairing those areas to improve the Woodlands system. By maintaining the system before it fails, there will be a reduced chance for sewage overflows into homes, businesses, and the environment. Although there are no funds related to studying I&I in the wholesale system in FY2021, the information gathered during the study will assist in directing future wastewater repair and replacement projects in the wholesale system. Additionally, we will coordinate and assist the MUDs in reviewing and assessing their retail systems.
3. **Operational Efficiencies:** The Division continues efforts to improve efficiency and effectiveness and reduce costs. Included in those efforts are: 1) annual reviews to all standard operating procedures to ensure best practices, compliance with safety requirements, and more consistent and improved operations, 2) refinements to demand forecasting based on recent historical averages while incorporating growth projections from the Final Accounting efforts, 3) finalize the conversion from paper records to electronic records with a process to maintain a current database, and 4) finalize clean-up of line easements, ensuring the Authority has accurate and documented easements for all water and wastewater lines.



4. **Asset Management:** The Woodlands Division will be focused on improving the management of their assets through the revision and expansion of their current asset management program. The Woodlands has embraced the use of the Authority's new Enterprise Asset Management and Computerized Maintenance Management System (EAM/CMMS). The EAM/CMMS system allows for the tracking of assets throughout the asset's lifetime, tracking planned and corrective maintenance, and assisting in determining the appropriate time to replace assets.
5. **LSGCD Changes:** As part of the legislative changes to the Lone Star Groundwater Conservation District (LSGCD), relative to the transition of their Board of Directors from appointed to elected positions, the Woodlands Division will monitor LSGCD rules and regulations and adapt operations and assess infrastructure to best service the Woodlands area.

**Capital Improvement and Other Projects Plans:** Each year the Woodlands Division conducts risk and condition assessments of their infrastructure following the steps identified in the Asset Management Program. The Woodlands reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. Projects included within the Woodlands' Projects Plan may be funded with bonds, capacity charges to MUDs, and/or R&R funds and may extend over multiple fiscal years. In FY2020, the Woodlands Division conducted their assessments and prioritized the following projects for the start of or continuation of design and/or construction in FY2021:

<b>Woodlands - Projects</b>	<b>Stage</b>	<b>Est. FY2021 Cost</b>	<b>Funding Source</b>
Elevated Storage Tank No. 1 Rehabilitation	Construction	\$ 733,000	R&R
Water Well No. 23 Rehabilitation	Design/Const	\$ 325,000	R&R
Water Line Renewal	Design	\$ 439,000	R&R
Enterprise Software	Design	\$ 125,000	R&R
Lift Station No. 13 Rehabilitation	Construction	\$ 2,635,000	R&R
Wastewater Treatment Facility No. 2 Digester Nos. 1, 2 and 3	Construction	\$ 1,270,000	R&R
WWTF No. 2 Tertiary Filter Improvements (2nd and 3rd Filter)	Design/Const	\$ 917,000	R&R
Lift Station Rehabilitation	Design/Const	\$ 159,000	R&R
LS No. 8 Rehabilitation and Forcemain Replacement	Design/Const	\$ 992,000	R&R
Gravity Main Rehabilitation	Design	\$ 984,577	O&M/Bonds
<b>Total</b>		<b>\$ 8,579,577</b>	

**Total Indebtedness and Annual Debt Service:** At August 31, 2019, the Woodlands Division had \$74,970,000 of total indebtedness, made up of the following bond issuances:

- Series 2010 Special Project Rev. Refunding Bonds (Outstanding: \$1,035,000: Matures 10/1/20)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$8,825,000: Matures 10/1/30)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$22,215,000: Matures 10/1/33)
- Series 2017 Special Project Rev. Bonds (Outstanding: \$42,895,000: Matures 10/01/42)

Total annual debt service (principal and interest) for FY2021 for the existing bond issuances listed above is \$5,473,679.

Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. The Woodlands Division maintains a debt service reserve for the Series 2017 Special Project Revenue Bond.

**Staffing Plans:** The Woodlands Division's staffing plan for FY2021 includes 41 direct FTE positions, with no part-time, temporary, or intern positions. Of the 41 direct Woodlands Division FTEs, 2.5 are allocated to the GRP division due to the Utility Enterprise which was created January 26, 2020. In addition to the 41 direct Woodlands Division FTEs, the Division is allocated 25.07 FTEs for FY2021 from G&A Departments and .55 FTEs from other Divisions. The total net FY2021 FTEs associated with the Woodlands Division, direct and allocated, is 64.12 FTEs.

**Revenues:** One of the first budgeting activities of the Woodlands Division is to forecast total water demands and estimate the amount of wastewater that will be treated for the upcoming year. The Woodlands utilized the 12-month actual data as the basis of the FY2021 water and wastewater demands. Based on varying weather conditions for the past 3-5 years, utilizing the most recent actuals appeared to reflect a more relevant demand pattern based on weather variations in previous fiscal years. For wastewater, the WWA uses a three month "winter" average of wastewater demand. The winter average approach creates a cap on residential wastewater fees for the upcoming year based on wastewater flows during the months of December, January, and February. By taking a winter average approach, a more accurate estimate of in-home residential wastewater demand is expected to be obtained, subtracting the impacts of water used for summertime irrigation. MUD 386 does not utilize a winter averaging methodology, using 51% of the water demand each month as their wastewater demand billing formula.

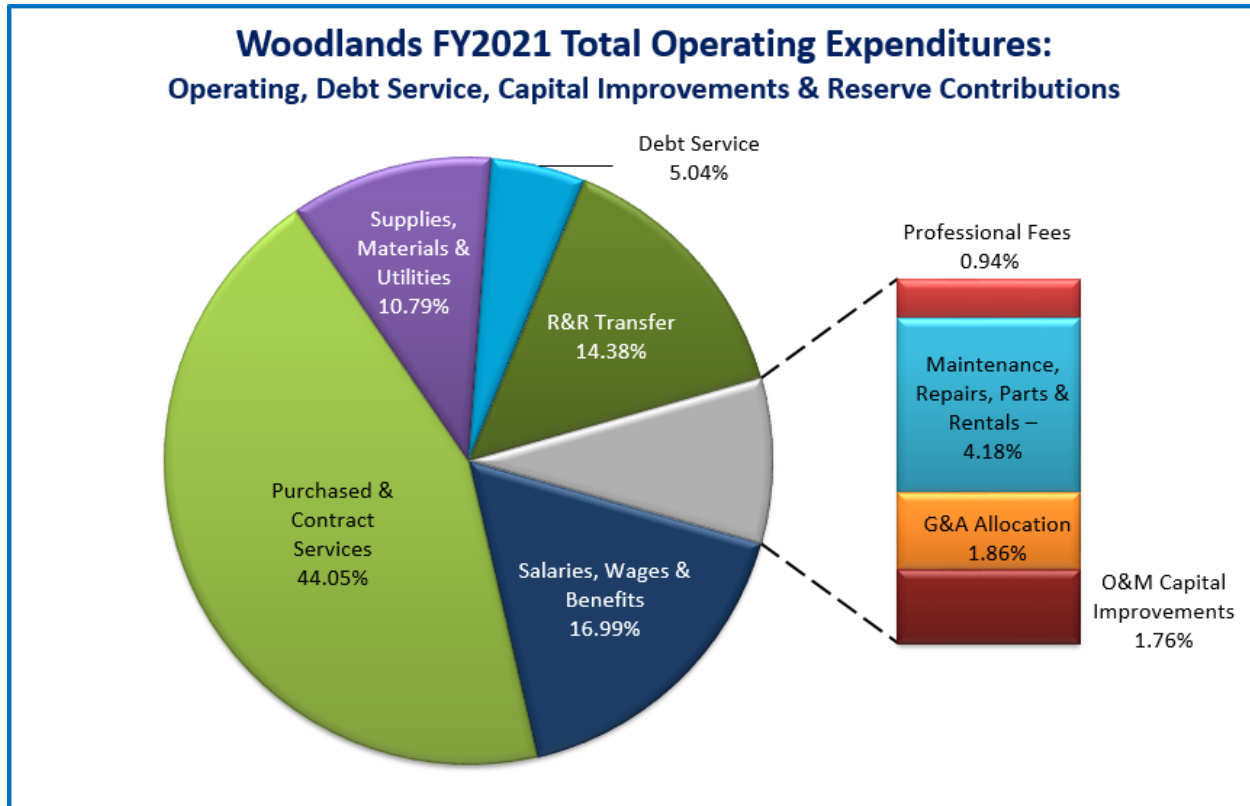
For FY2021, the Woodlands is forecasting no change in water sales nor in wastewater sales when comparing to FY2020 projections. The wholesale water rate to the MUDs for FY2021 is \$2.26 per 1,000 gallons, resulting in wholesale water sales totaling \$12,267,280. The wholesale wastewater rate to the MUDs for FY2021 is \$4.62, resulting in wholesale wastewater sales totaling \$13,398,000. The WWA directed the Woodlands Division to utilize a blended groundwater/surface-water GRP rate based on the anticipated FY2021 groundwater to surface-water usage ratio within the Woodlands system. The blended GRP rate for FY2021 is \$2.88 and will be passed-through directly to the Woodlands MUDs as GRP Pumping Fees, not as part of the Woodlands wholesale water rate. Revenues from the GRP Pumping Fees for FY2021 are anticipated to be \$15,632,640 and will be offset by GRP Pumping Fee and Surface Water Fee expenses. Additionally, the Woodlands anticipates receiving revenues from the sale of direct effluent reuse water, fees from commercial environmental licenses, and Industrial sampling fees, totaling \$245,100.

Expected O&M Operating and Other Revenues for the Woodlands Division for FY2021 total \$41,573,020. Woodlands expected Operating, Other Revenues, and Other Cash Sources for the R&R Fund total \$14,422,620: \$96,000 from interest income, \$8,346,699 from cash sources, and 5,979,921 from inter-division transfer from O&M. Woodlands expected Operating, Other Revenues, and Other Cash Sources for Water Bonds, Wastewater Bonds, and Future Facility are \$2,395,199, \$986,550, and \$36,000, respectively.

**Expenditures:** The Woodlands Division O&M Budget for FY2021 contains regular and customary expenses related to the on-going operation and maintenance of the Woodlands’ wholesale water and wastewater systems. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (interest and bond issuance costs)
- O&M Capital Improvements (non-bond related)
- R&R Fund Contributions

Expected total O&M expenditures for the Woodlands Division for FY2021, including operating, debt service, capital improvements, and contributions to the R&R Fund, totals \$41,573,020. Woodlands expected R&R Fund operating expenses, and capital improvements, totals \$7,595,000. Woodlands expected operating and debt service expenditures for Water Bonds and Wastewater Bonds are \$2,395,199 and \$986,550, respectively. Woodlands has no budgeted expenditures for Future Facilities in FY2021; however, expenditures are expected to occur to spend the capacity contributions funded by the 6<sup>th</sup> and Final Interim Accounting.



**Fund Balance and Reserves:** As approved by the Board of Directors and by the Woodlands MUDs, the Woodlands Division utilizes two reserves and an R&R Fund:

**Operating Reserve:** The Operating Reserve was established for cash flow management, and rate and revenue stabilization. The Operating Reserve target for the Woodlands Division is set to be approximately three months of operating expenditures. For FY2020, the Woodlands Division has met a three-month Operating Reserve target at \$4,516,324, equivalent to three months of operating expenses. For FY2021, the Operating Reserve is projected to be \$4,397,456, equivalent to three months of operating expenses.

**Repair & Replacement (R&R Fund):** The Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating Reserve requirements are met. Based on the Woodlands project plan for FY2021, the contribution to the R&R Fund is estimated to be \$5,979,921.

**Emergency Reserve:** The Emergency Reserve (contractually labeled as Contingency Reserve) was established to provide for a full or partial source of funding for unplanned or emergency repair or replacement of Woodlands Division capital asset. The Emergency Reserve target was established at \$2,000,000, with the ability to increase based on inflationary factors, if approved, and determined by the Engineering News Record Construction for Construction Cost. The Emergency Reserve is considered fully funded for FY2020 and no contributions are budgeted in FY2021.

For FY2021, the net between O&M revenues and expenditures, including annual debt service and scheduled contributions to any of the two reserves and the R&R fund, is \$0.

**San Jacinto River Authority - Woodlands Operating**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12	Budget	Budget
	8/31/2019	Sept-March FY2020	Mo. Actuals April 2019-March 2020	FY2020	FY2021
<b>OPERATING REVENUES</b>					
Water Sales-Woodlands MUD's	\$ 9,534,666	\$ 5,584,189	\$ 10,730,268	\$ 11,887,320	\$ 12,267,280
Wastewater Treatment Fees	12,135,765	7,465,571	12,871,816	13,021,000	13,398,000
Direct Reuse Water	30,000	17,500	30,000	30,000	30,000
Permits, Licenses & Fees - Commercial	207,100	-	207,100	205,100	205,100
GRP Pumping Fees	12,440,469	7,347,043	14,061,451	15,632,640	15,632,640
Sampling	-	-	-	15,000	10,000
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 34,347,999</b>	<b>\$ 20,414,303</b>	<b>\$ 37,900,634</b>	<b>\$ 40,791,060</b>	<b>\$ 41,543,020</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 1,208,232	\$ 929,294	\$ 1,441,105	\$ 36,000	\$ 30,000
FEMA Grant Revenue	163,067	-	163,067	-	-
Proceeds From Sale Of Assets	17,233	31,000	31,750	-	-
Other Gains & Losses	10,461	11,713	21,305	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 1,398,994</b>	<b>\$ 972,007</b>	<b>\$ 1,657,228</b>	<b>\$ 36,000</b>	<b>\$ 30,000</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>					
Salaries & Wages	\$ 2,504,497	\$ 1,417,385	\$ 2,525,650	\$ 2,726,878	\$ 2,503,469
Salary & Wage Allocation	2,103,037	1,258,790	2,204,416	2,201,755	2,298,753
Staffing Services	25,533	-	-	-	-
Compensated Absences	(5,010)	-	(5,010)	-	-
Group Insurance	1,014,956	564,661	985,900	1,153,821	1,178,768
Group Insurance - Retirees	5,827	3,431	5,867	6,261	9,031
Group Insurance - Retiree OPEB	(3,851)	-	(3,851)	120,000	100,000
Group Retirement Expense	579,983	334,585	581,149	582,017	516,739
Workers Compensation Insurance	111,289	74,095	112,563	154,486	96,486
Social Security Taxes	328,917	193,157	342,259	368,807	359,782
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 6,665,178</b>	<b>\$ 3,846,105</b>	<b>\$ 6,748,943</b>	<b>\$ 7,314,025</b>	<b>\$ 7,063,029</b>
<b>PROFESSIONAL FEES</b>					
Legal Fees	\$ 50,066	\$ 21,756	\$ 60,186	\$ 170,000	\$ 90,000
Annual Financial Audit	43,891	36,510	40,595	48,000	36,000
Paying Agent Fees	750	750	1,500	750	750
Engineering	99,049	23,582	86,439	200,000	244,980
Safety Inspections & Testing	6,699	3,651	3,651	11,700	11,700
Graphic Design	348	900	900	5,000	7,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 200,802</b>	<b>\$ 87,149</b>	<b>\$ 193,271</b>	<b>\$ 435,450</b>	<b>\$ 390,430</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>					
Waste Disposal Services	\$ 53,944	\$ 37,317	\$ 65,065	\$ 91,000	\$ 85,000
Sampling-Reimbursible	-	-	-	15,000	10,000
Sludge Disposal	547,133	239,889	516,575	495,000	516,249
Meter Calibration Services	985	3,030	3,107	5,500	3,000
Commercial Laboratory Fees	168,195	69,661	158,060	155,000	174,600
State Fees	91,177	90,577	91,077	100,300	100,200
Groundwater District Fees-GRP	452,297	128,080	346,828	402,675	325,975
Employee Testing- New	2,906	909	2,211	9,655	10,900
GRP Pumpage Fees	8,654,179	4,692,706	9,763,169	10,469,550	10,469,550
GRP Surface Water Fees	5,067,378	3,423,193	5,762,465	6,504,750	6,504,750
Janitorial Services	27,094	14,035	25,089	29,000	29,000
Stream Gauging & Water Quality-USGS	62,463	39,147	64,743	60,000	70,000
Public Relations Expense	-	-	-	2,000	2,000
Water Conservation & Public Education	-	-	-	7,000	7,000
Document Retention/Destruction	2,203	762	1,805	6,000	5,000
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 15,129,955</b>	<b>\$ 8,739,306</b>	<b>\$ 16,800,195</b>	<b>\$ 18,352,430</b>	<b>\$ 18,313,224</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>					
Office Supplies & Printing	\$ 9,679	\$ 3,328	\$ 9,561	\$ 19,000	\$ 19,500
Travel	750	50	800	3,000	4,000
Office Furnishings	10,664	50	8,993	2,000	5,000
Automobile & Truck Expense	80,418	49,111	106,079	90,000	78,500
Postage	1,589	1,668	2,386	6,000	3,225

**San Jacinto River Authority - Woodlands Operating**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12	Budget	Budget
	Actuals 8/31/2019	Sept-March FY2020	Mo. Actuals April 2019- March 2020	FY2020	FY2021
Property Insurance	226,559	170,979	273,142	223,912	299,000
Auto Insurance	34,519	25,916	40,986	42,542	45,400
Liability Insurance	27,268	26,556	42,031	42,796	45,000
Training-External	11,911	16,276	21,290	44,000	44,300
Training-Internal	9,297	3,851	12,146	6,000	6,000
Training-Employee HR	6,154	3,167	6,333	7,350	3,700
Chlorine	149,564	110,872	199,845	177,000	182,000
Polymer	82,598	52,043	83,354	85,000	81,000
Sulfur Dioxide	62,010	42,930	76,320	87,500	87,500
Other Chemicals	48,888	24,398	46,106	60,000	49,000
Alkalinity	16,228	-	-	25,000	60,000
Fuel	91,408	66,992	115,712	120,000	125,000
Uniform Services	40,295	17,193	32,433	26,000	26,000
Maintenance Supplies	81,205	46,751	89,605	78,500	76,000
Operations Supplies	42,231	25,342	38,130	57,000	54,450
Other Operating Expenses	10,730	8,558	11,902	15,000	12,000
Memberships & Professional Dues	15,987	16,827	18,910	15,000	20,000
Utilities-Electric	2,066,701	1,274,142	2,200,046	2,750,000	2,700,000
Utilities-Natural Gas	11,082	7,111	11,080	14,000	14,000
Personal Protective Equipment	483	-	355	-	1,000
Safety Equipment & Meetings	19,337	(657)	11,466	24,400	31,400
Health & Wellness Program	55	-	27	1,480	1,480
Recruiting Expenses	4,966	3,902	6,412	5,950	11,900
Computer Hardware	36,946	12,553	36,966	44,863	44,320
Software & Support	122,942	68,170	120,505	133,399	136,398
Software Maintenance	63,018	17,006	50,288	58,300	87,000
Network Communications	23,273	13,844	23,553	21,360	21,360
Newspaper Ads	8,125	1,950	7,995	6,000	6,225
Wireless Devices & Services	39,218	32,686	51,415	50,940	51,480
Landline Telephone Services	50,446	30,453	54,643	53,016	53,016
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 3,506,543</b>	<b>\$ 2,174,018</b>	<b>\$ 3,810,817</b>	<b>\$ 4,396,307</b>	<b>\$ 4,486,154</b>
<b>RENTALS</b>					
Equipment Rentals	\$ 20,465	\$ 7,496	\$ 19,598	\$ 15,000	\$ 16,200
Radio Tower Rental	8,347	4,299	7,776	9,000	9,000
<b>TOTAL RENTALS</b>	<b>\$ 28,812</b>	<b>\$ 11,794</b>	<b>\$ 27,374</b>	<b>\$ 24,000</b>	<b>\$ 25,200</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Air Conditioner	\$ 54,659	\$ 6,973	\$ 56,096	\$ 94,500	\$ 79,000
Sidewalks & Driveways	26,578	-	6,200	25,000	44,500
Yards & Grounds	208,727	76,992	118,060	215,000	165,000
Buildings & Grounds Maintenance	82,653	18,663	85,341	138,702	147,000
Plants & Facilities	82,628	2,614	44,228	60,000	100,000
Security System Monitoring	3,418	337	2,489	4,000	4,000
Wells	8,144	155	4,051	4,500	5,000
Tanks	215,421	84,204	217,545	130,000	105,000
Electrical	81,776	60,483	84,928	167,100	75,000
Generators	73,167	17,446	64,312	35,000	45,000
Pumps & Motors	214,215	91,837	250,364	194,000	150,000
Aerators	3,946	361	4,103	46,825	47,000
Machinery, Tools, & Implements	7,166	-	-	-	-
Belt Press	17,222	22,581	28,067	10,000	12,000
Clarifier	4,440	-	-	5,000	2,400
UV Equipment	5,900	-	-	-	-
Lines, Valves, & Pipes	278,355	240,945	409,327	350,000	319,500
Drainage Structures	17,161	-	-	30,000	30,000
Other Maintenance	-	-	-	100,000	-
Instrumentation Equipment & Parts	189,061	127,112	201,697	213,200	289,400
Bar Screens	17,615	3,460	3,460	10,500	33,500
Chlorinator	27,061	16,727	24,573	41,500	35,000
Low Head Filters	28,623	-	-	23,000	15,000
Networking and Communications - SCADA	9,845	1,418	6,983	20,900	10,900
Inventory Gains and Losses	4,755	(5,894)	(423)	-	-

**San Jacinto River Authority - Woodlands Operating**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	\$ 1,662,537	\$ 766,413	\$ 1,611,402	\$ 1,918,727	\$ 1,714,200
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ 753,987	\$ 434,149	\$ 761,418	\$ 799,714	\$ 772,946
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 753,987</b>	<b>\$ 434,149</b>	<b>\$ 761,418</b>	<b>\$ 799,714</b>	<b>\$ 772,946</b>
<b>NON-OPERATING EXPENSES</b>					
Interest Expense	\$ 464,902	\$ 266,747	\$ 457,281	\$ 457,281	\$ 457,281
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 464,902</b>	<b>\$ 266,747</b>	<b>\$ 457,281</b>	<b>\$ 457,281</b>	<b>\$ 457,281</b>
<b>TOTAL EXPENSES</b>	<b>\$ 28,412,716</b>	<b>\$ 16,325,682</b>	<b>\$ 30,410,700</b>	<b>\$ 33,697,934</b>	<b>\$ 33,222,463</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 7,334,277</b>	<b>\$ 5,060,628</b>	<b>\$ 9,147,161</b>	<b>\$ 7,129,126</b>	<b>\$ 8,350,557</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Easements				\$ 275,000	\$ -
Water Treatment Plant & Facilities				45,000	-
Sewage Treatment Plant & Facilities				-	170,000
Maintenance Equipment				20,000	5,000
Operations Equipment				250,000	-
Lift Station				181,526	-
Transportation Equipment				50,000	155,000
Software				1,640	1,650
Computer Equipment				107,486	398,986
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 930,652</b>	<b>\$ 730,636</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 141,526	\$ -
Bond Principal				(1,640,000)	(1,640,000)
Repair and Replacement Transfers				(4,700,000)	(5,979,921)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (6,198,474)</b>	<b>\$ (7,619,921)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 7,334,277</b>	<b>\$ 5,060,628</b>	<b>\$ 9,147,161</b>	<b>\$ -</b>	<b>\$ -</b>

\*Actuals intentionally left blank.



**San Jacinto River Authority - Woodlands Repair and Replacement**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OTHER REVENUES</b>					
Interest Income	\$ 228,521	\$ 85,168	\$ 178,892	\$ 120,000	\$ 96,000
Other Gains & Losses	162	127	289	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 228,683</b>	<b>\$ 85,295</b>	<b>\$ 179,180</b>	<b>\$ 120,000</b>	<b>\$ 96,000</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Engineering	\$ 1,030,281	\$ 463,750	\$ 1,343,876	\$ 1,300,000	\$ -
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 1,030,281</b>	<b>\$ 463,750</b>	<b>\$ 1,343,876</b>	<b>\$ 1,300,000</b>	<b>\$ -</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Plants & Facilities	\$ -	\$ -	\$ -	\$ 350,000	\$ -
Wells	173,144	458,956	541,549	-	325,000
Tanks	1,813,750	1,211,821	1,903,688	2,250,000	3,789,000
Electrical	71,308	243,471	271,137	-	-
Lines, Valves, & Pipes	858,040	1,121	682,188	-	439,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 2,916,242</b>	<b>\$ 1,915,369</b>	<b>\$ 3,398,561</b>	<b>\$ 2,600,000</b>	<b>\$ 4,553,000</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,946,523</b>	<b>\$ 2,379,119</b>	<b>\$ 4,742,436</b>	<b>\$ 3,900,000</b>	<b>\$ 4,553,000</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ (3,717,840)</b>	<b>\$ (2,293,825)</b>	<b>\$ (4,563,256)</b>	<b>\$ (3,780,000)</b>	<b>\$ (4,457,000)</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Water Treatment Plant & Facilities				\$ 300,000	\$ -
Sewage Treatment Plant & Facilities				500,000	2,917,000
Software				-	125,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 800,000</b>	<b>\$ 3,042,000</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 2,490,227	\$ 8,346,699
Repair and Replacement Transfers				4,700,000	5,979,921
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 7,190,227</b>	<b>\$ 14,326,620</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ (3,717,840)</b>	<b>\$ (2,293,825)</b>	<b>\$ (4,563,256)</b>	<b>\$ 2,610,227</b>	<b>\$ 6,827,620</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority - Waste Disposal Bonds**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Capacity Revenue	\$ 982,750	\$ 322,238	\$ 973,383	\$ 984,550	\$ 985,350
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 982,750</b>	<b>\$ 322,238</b>	<b>\$ 973,383</b>	<b>\$ 984,550</b>	<b>\$ 985,350</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 9,042	\$ 3,589	\$ 8,565	\$ 1,200	\$ 1,200
<b>TOTAL OTHER REVENUES</b>	<b>\$ 9,042</b>	<b>\$ 3,589</b>	<b>\$ 8,565</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Disclosure Filing	\$ -	\$ -	\$ -	\$ 500	\$ 500
Arbitrage Rebate Audit	3,250	-	3,250	-	-
Paying Agent Fees	750	-	750	750	750
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 4,000</b>	<b>\$ -</b>	<b>\$ 4,000</b>	<b>\$ 1,250</b>	<b>\$ 1,250</b>
<b>NON-OPERATING EXPENSES</b>					
Interest Expense	\$ 404,617	\$ 223,338	\$ 391,150	\$ 381,483	\$ 357,367
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 404,617</b>	<b>\$ 223,338</b>	<b>\$ 391,150</b>	<b>\$ 381,483</b>	<b>\$ 357,367</b>
<b>TOTAL EXPENSES</b>	<b>\$ 408,617</b>	<b>\$ 223,338</b>	<b>\$ 395,150</b>	<b>\$ 382,733</b>	<b>\$ 358,617</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 583,176</b>	<b>\$ 102,489</b>	<b>\$ 586,798</b>	<b>\$ 603,017</b>	<b>\$ 627,933</b>
<b>OTHER SOURCES (USES)*</b>					
Bond Proceeds				\$ -	\$ (2,100)
Bond Principal				(600,833)	(625,833)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (600,833)</b>	<b>\$ (627,933)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 583,176</b>	<b>\$ 102,489</b>	<b>\$ 586,798</b>	<b>\$ 2,183</b>	<b>\$ -</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority - Water Supply Bonds**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Capacity Revenue	\$ 2,868,687	\$ 874,422	\$ 2,832,208	\$ 2,845,438	\$ 2,308,450
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,868,687</b>	<b>\$ 874,422</b>	<b>\$ 2,832,208</b>	<b>\$ 2,845,438</b>	<b>\$ 2,308,450</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 22,614	\$ 7,502	\$ 20,041	\$ 6,000	\$ 5,400
Proceeds From Sale Of Assets	(240,592)	-	(240,592)	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ (217,978)</b>	<b>\$ 7,502</b>	<b>\$ (220,551)</b>	<b>\$ 6,000</b>	<b>\$ 5,400</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Disclosure Filing	\$ -	\$ -	\$ -	\$ 500	\$ 500
Arbitrage Rebate Audit	3,250	-	3,250	5,000	-
Paying Agent Fees	1,500	-	1,500	1,500	1,500
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 4,750</b>	<b>\$ -</b>	<b>\$ 4,750</b>	<b>\$ 7,000</b>	<b>\$ 2,000</b>
<b>NON-OPERATING EXPENSES</b>					
Interest Expense	\$ 1,042,656	\$ 566,776	\$ 999,563	\$ 966,958	\$ 908,199
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 1,042,656</b>	<b>\$ 566,776</b>	<b>\$ 999,563</b>	<b>\$ 966,958</b>	<b>\$ 908,199</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,047,406</b>	<b>\$ 566,776</b>	<b>\$ 1,004,313</b>	<b>\$ 973,958</b>	<b>\$ 910,199</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 1,603,303</b>	<b>\$ 315,148</b>	<b>\$ 1,607,345</b>	<b>\$ 1,877,479</b>	<b>\$ 1,403,651</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ -	\$ 81,349
Bond Principal				(1,875,833)	(1,485,000)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (1,875,833)</b>	<b>\$ (1,403,651)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 1,603,303</b>	<b>\$ 315,148</b>	<b>\$ 1,607,345</b>	<b>\$ 1,646</b>	<b>\$ -</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority - Future Facilities**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Capital Contributions	\$ 5,795,012	\$ 3,397	\$ 3,397	\$ -	\$ -
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 5,795,012</b>	<b>\$ 3,397</b>	<b>\$ 3,397</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 136,860	\$ 61,568	\$ 131,323	\$ 12,000	\$ 36,000
Proceeds From Sale Of Assets	(131,167)	-	(131,167)	-	-
Other Gains & Losses	22	-	22	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 5,715</b>	<b>\$ 61,568</b>	<b>\$ 179</b>	<b>\$ 12,000</b>	<b>\$ 36,000</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 5,800,727</b>	<b>\$ 64,965</b>	<b>\$ 3,576</b>	<b>\$ 12,000</b>	<b>\$ 36,000</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 5,800,727</b>	<b>\$ 64,965</b>	<b>\$ 3,576</b>	<b>\$ 12,000</b>	<b>\$ 36,000</b>

\*Actuals intentionally left blank.

## SJRA FY2021 Woodlands Division Risk Management – July 2020

Risk	Probability	Management Method
<b>Revenue</b>		
Revenue sales less than projected due to conservation, business closures or wet weather	Medium	<ul style="list-style-type: none"> <li>• Limited operating reserves are available to cover a small amount of deficit</li> <li>• Can request a cash call from the MUDs</li> <li>• Additional funding available in the R&amp;R Fund and Emergency Reserves should the shortfall be significant</li> <li>• Delay capital projects to subsequent years</li> <li>• Reduce transfer to R&amp;R Fund</li> <li>• Delay non-critical items in current fiscal year</li> </ul>
Delayed payments from Municipal Utility Districts	Low	<ul style="list-style-type: none"> <li>• Limited operating reserves are available to cover a small amount of deficit</li> <li>• Suspend non-critical items</li> <li>• Use of Emergency Reserve</li> </ul>
<b>Labor (Staffing)</b>		
Inadequate staff available for daily operations in Operations and Maintenance Departments.	Low	<ul style="list-style-type: none"> <li>• Hire temporary personnel to support operations and maintenance staff</li> <li>• Outsource some maintenance related items</li> <li>• Increase overtime to bridge gap in staffing</li> <li>• Conduct workload analysis to map out critical tasks.</li> </ul>
<b>Professional, Construction and Miscellaneous Services</b>		
Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services	Low	<ul style="list-style-type: none"> <li>• SJRA staff in key management positions to oversee/drive progress</li> <li>• Project management procedures are implemented for effective project delivery including control of scope, fee, schedule and risk. Implement the Project Management Plan, as appropriate.</li> <li>• All contracts contain termination clauses</li> <li>• Professional services contracts are typically work order based, which authorizes work one phase at a time, thereby allowing opportunity to adjust services provided.</li> </ul>
<b>Operations and Maintenance</b>		
Operations or maintenance costs greater than budgeted	Low	<ul style="list-style-type: none"> <li>• Suspend non-critical items</li> <li>• Limited emergency reserve funds available</li> <li>• Plan for operations costs based on historic and anticipated expenditures, with a contingency</li> </ul>

<p>Failure of a key Water or wastewater system component, requiring immediate funds greater than budgeted.</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>• Emergency Reserve Funds are available for critical and immediate repair of failed system components</li> <li>• Increase surface water delivery till funds become available</li> <li>• Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts</li> <li>• Can request a cash call from the MUDs</li> </ul>
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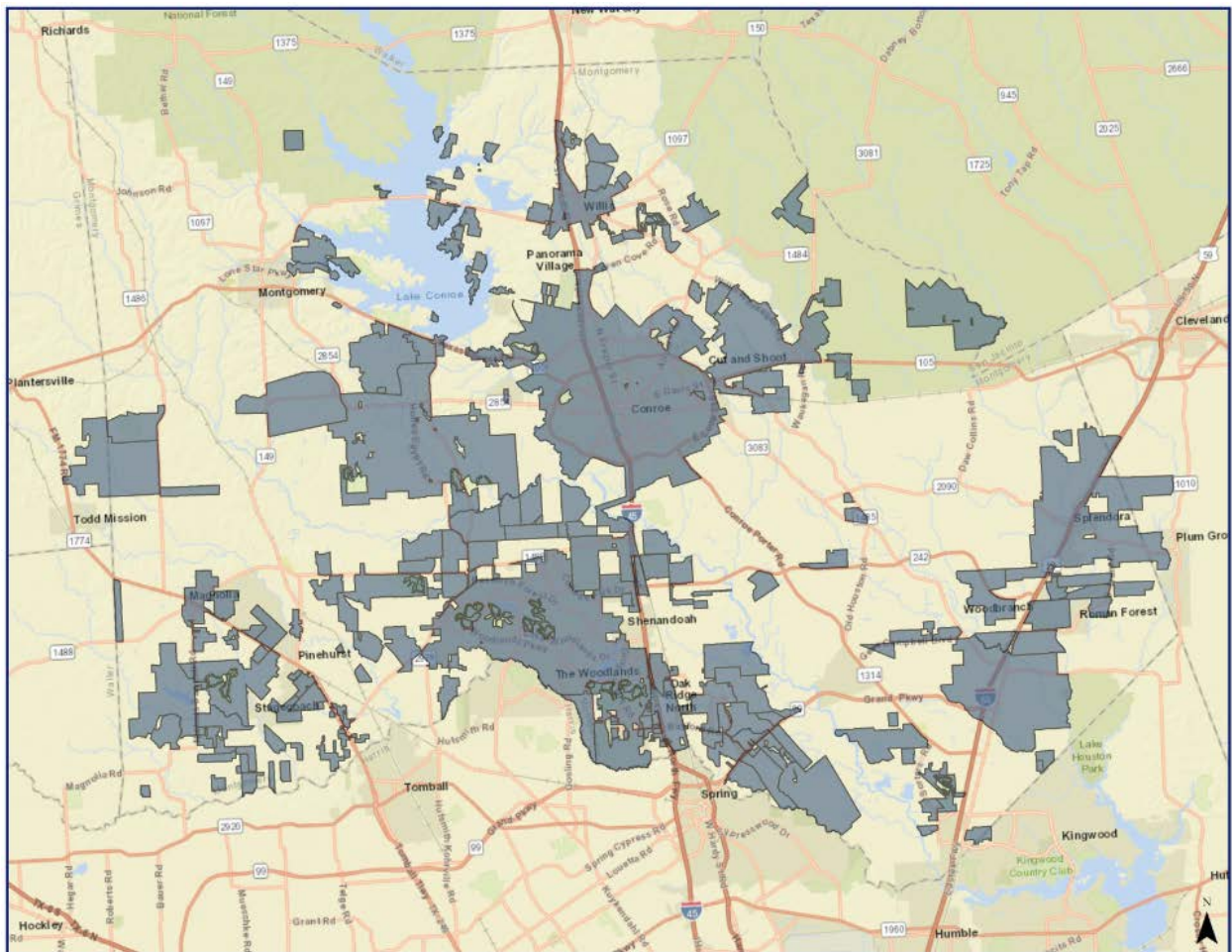


# GRP DIVISION

## GRP DIVISION

The Lone Star Groundwater Conservation District (LSGCD) issued its District Regulatory Plan Phase IIB Rules on August 20, 2009. These rules required large volume groundwater users within Montgomery County to reduce the amount of groundwater pumped by 30% for the calendar year 2016 via a Groundwater Reduction Plan (GRP). The GRP Division was created in 2010 by the Board of Directors as a separate operating division of the Authority. In 2011, the GRP Division submitted and received certification of its Groundwater Reduction Plan (Plan) to LSGCD on behalf of the Plan's participants. The Plan outlines the collective compliance strategy for the original 79 contracts. The Woodlands Division of SJRA is one of the 139 LSGCD permits that made up the original Plan. The Plan has expanded since 2011 to include 80 contracts representing 149 water systems and an estimated population of 365,000 people.

### MAP OF GRP PARTICIPANTS



The GRP Division constructed a 30 million gallon per day (mgd) surface water treatment plant on the southern shore of Lake Conroe to supply surface-water to seven participants through two main



transmission lines and 18 separate surface-water receiving facilities. The GRP Division completed the surface-water treatment facility in September 2015 and began supplying treated surface-water to six participants, ahead of the LSGCD regulations.

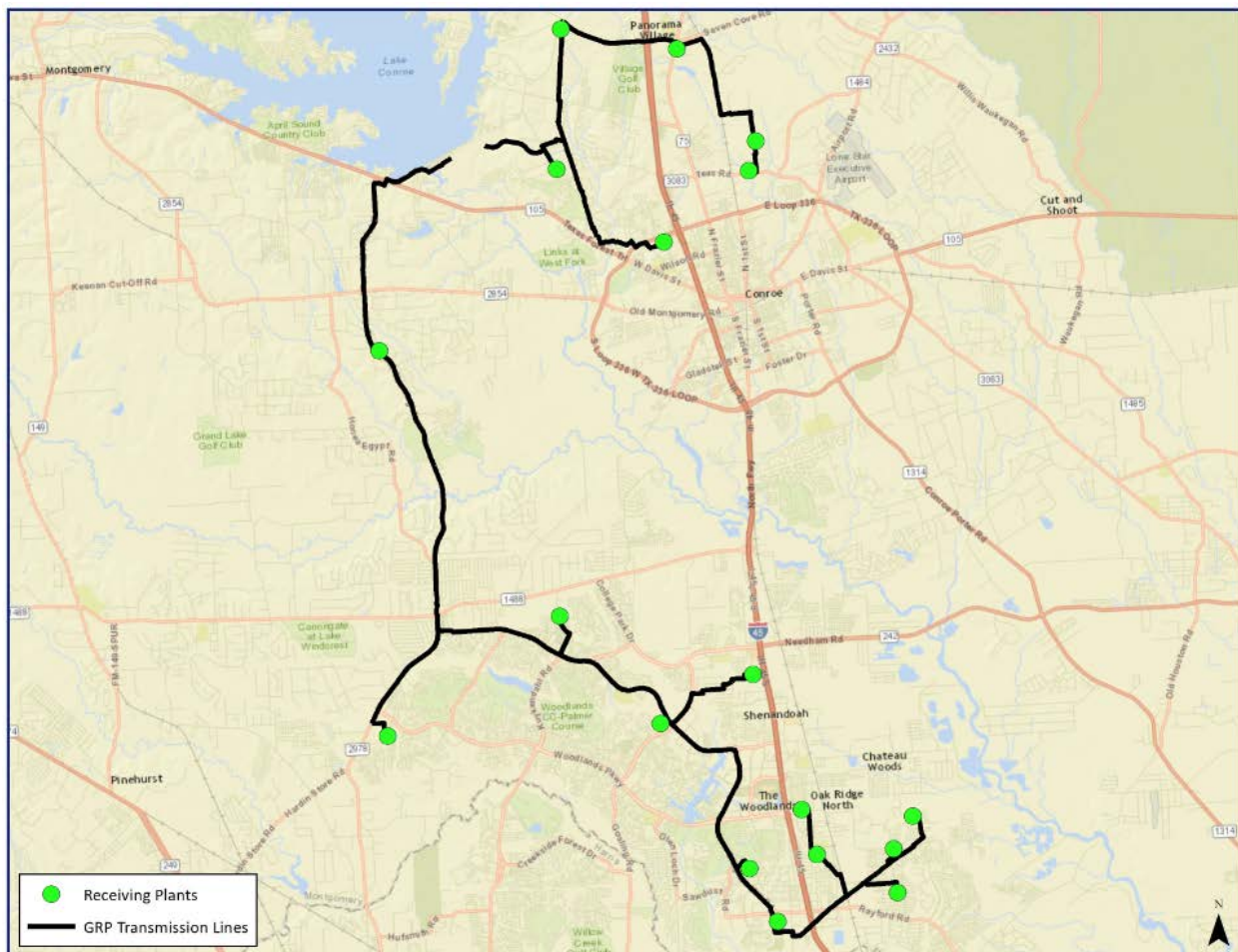
### **LVGU Reduction Rules Struck From LSGCD Regulatory Plan May 17, 2019**

In November of 2018, a new Board of Directors was elected for the Lone Star Groundwater Conservation District (LSGCD). In February of 2019, the LSGCD issued a letter notifying all groundwater users that groundwater reduction would be stricken from the LSGCD rules upon final judgement of Cause No. 15-08-08942. That judgement became final on May 17, 2019.

### **Responsible Action for GRP**

With that judgement, the requirement that GRP Participants must reduce groundwater pumpage is no longer valid. In response, the GRP Division must make every effort to keep its contracts in place, and to will properly operate, manage and maintain nearly \$500 million in assets while the Lone Star Groundwater Management District develops new groundwater management plans and rules, which as of July 14, 2020, are currently under public review and comment.

### **MAP OF GRP TRANSMISSION LINES AND RECEIVING FACILITIES**



**Major Initiatives:** During FY2020 and planned for FY2021, the GRP Division has either completed or started, or will complete or start a number of major initiatives to improve the operations related to the Division.

- 1. Reduce the GRP Surface Water Treatment Plant production rate:** In order to maintain the viability of its assets and keep expenses as low as possible the GRP Division will continue to operate the SWTP at an annual average flow rate of 12 MGD with a demand projection calculated using the 3-year median. The GRP budget's largest expenses are the fixed costs related to debt service and payroll. The variable costs include professional fees dominated by legal costs as well as supplies, materials and utilities (operating costs).
- 2. Asset Management:** The GRP Division will continue to focus on improving and expanding the management of their assets in FY2021. The Division has embraced the use of the Authority's new Enterprise Asset Management and Computerized Maintenance Management System (EAM/CMMS). The EAM/CMMS system allows the Division to track assets throughout the asset's lifetime, tracking planned and corrective maintenance, and assisting in determining the appropriate time to replace assets.

**Capital Improvement and Other Projects Plans:** Each year the GRP Division conducts risk assessments and evaluations of their infrastructure. The Division reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective service. There are no projects planned for FY2021.

**Total Indebtedness and Annual Debt Service:** At August 31, 2019, the GRP Division currently had \$480,570,000 of total indebtedness, made up of the following bond issuances:

- Series 2009 Special Project Revenue Bonds (Outstanding: \$18,215,000; Matures 10/1/28)
- Series 2011 Special Project Revenue Bonds (Outstanding: \$72,240,000; Matures 10/1/37)
- Series 2011A Special Project Revenue Bonds (Outstanding: \$54,765,000; Matures 10/1/35)
- Series 2012 Special Project Revenue Bonds (Outstanding: \$145,120,000; Matures 10/1/37)
- Series 2012A Special Project Revenue Bonds (Outstanding: \$153,150,000; Matures 10/1/40)
- Series 2013 Special Project Revenue Bonds (Outstanding: \$35,065,000; Matures 10/1/40)
- Series 2016 Special Project Revenue Bonds (Outstanding: \$2,105,000; Matures 10/1/41)

Annual debt service (principal and interest) for FY2021 for the above bond issuances is \$34,554,465. Bond payments are made each year in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves for the above bond issuances are fully funded throughout FY2020; however, during FY2021 there is a budgeted drawdown that may become necessary to facilitate division cash flow. The budgeted drawdown is based on a request from the GRP Participants starting at the May 2020 Woodlands Water Trustee meeting requesting that GRP rates are not set to cover Participant short pays or legal expenses related to issues not dealing directly with the GRP SWTP and related appurtenances.

**Staffing Plans:** The GRP Division's staffing plan for FY2021 includes 25.58 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 25.58 direct GRP Division FTEs, the Division receives an allocation of 14.47 FTEs for FY2021 from G&A Departments and 2.5 FTEs from the Woodlands

Division due to the Utility Enterprise which was created January 26, 2020. Total FY2021 FTEs associated with the GRP Division, direct and allocated, is 42.55 FTEs.

**Revenues:** One of the first activities in the budgeting process for the GRP Division is to determine the cumulative total water demand of its participants and then further define the groundwater portion and the surface-water portion. As was described under GRP's major initiatives related to water demand projection and surface water production rate, the median of the actual water demand over the previous 36 months will be used as the projected demand for FY2021 and our surface water production rate is planned to be 4.4 billion gallons.

The GRP Pumping Fee rate to its participants will remain at the FY2020 rate of \$2.73 per 1,000 gallons for FY2021, resulting in groundwater revenues totaling \$39,359,626. The GRP Surface-Water Fee to its participants will remain at the FY2020 rate of \$3.15 per 1,000 gallons for FY2021 resulting in surface-water revenues totaling \$13,796,464. Also, the LSGCD requires the GRP Division, as the GRP sponsor to collect the LSGCD permit fees for all of its participants. The GRP Division anticipates collecting \$1,225,483 as a LSGCD pass-through fee to its participants, which will be offset with the LSGCD permit fee expense. Other revenues from interest income and office rental total \$32,400. In addition, the GRP Division will receive Industrial Reservation Fees in the amount of \$314,265 from Entergy, which will help offset costs of water supply reserved for future use but not required to meet FY21 Surface Water production demands.

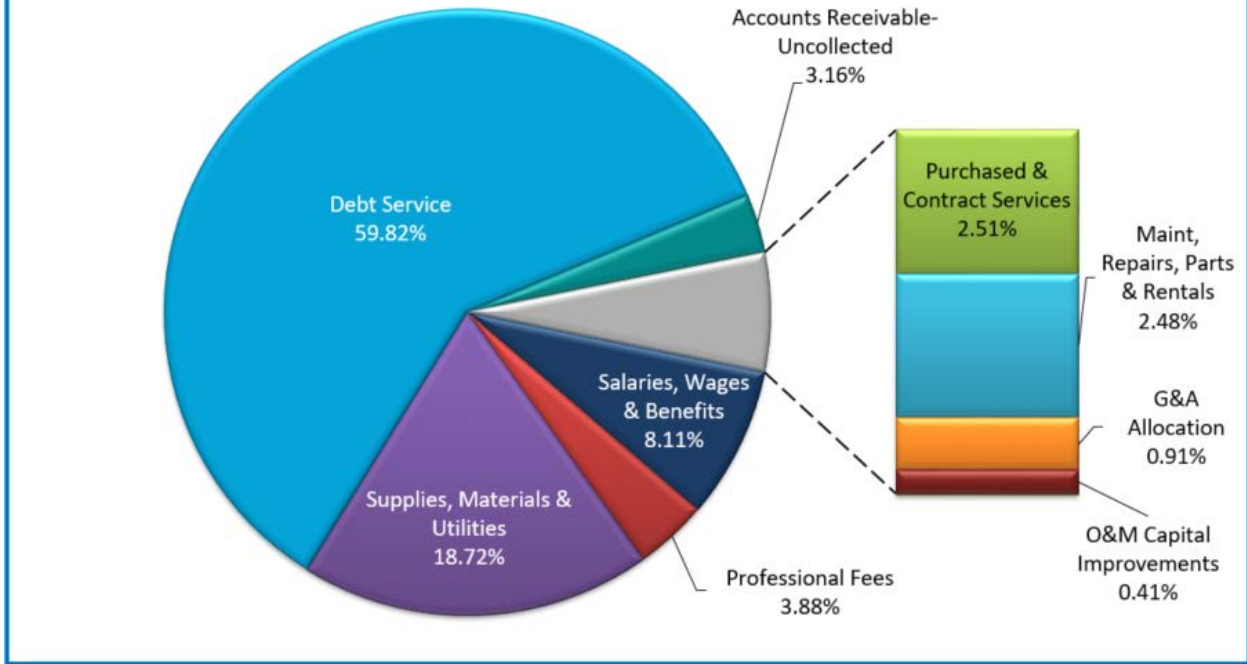
Expected O&M revenues for the GRP Division for FY2021 total \$54,728,238.

**Expenditures:** The FY2021 GRP Division expenses contain regular and customary expenses related to the on-going operation and maintenance of the GRP's Surface-Water Treatment Plant. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- Debt Service (principal and interest)
- O&M Capital Improvements (non-bond related)
- Reserve Contributions (when budgeted)

Expected total O&M expenditures for the GRP Division for FY2021, including operating, debt service, capital improvements, and any other cash uses, totals \$57,761,032.

**GRP FY2021 Total Operating Expenditures:  
Operating, Debt Service, Capital Improvements & Reserve Contributions**



**Fund Balance and Reserves:** Based upon actual monthly revenues and expenditures for FY2020, along with the forecasted monthly revenues and expenditures for the remaining FY2020 months, the operating fund balance for the GRP Division for the end of FY2020, beginning of FY2021, is projected to be well below the three month operating reserve.

As approved by the GRP Review Committee on July 22, 2019 and approved by the Board of Directors on July 25, 2019, the GRP Division utilizes two reserves and a R&R Fund:

**Operating & Rate Stabilization Reserve:** The Operating & Rate Stabilization Reserve was established for cash flow management, and rate and revenue stabilization. The Operating & Rate Stabilization Reserve target for the GRP Division is set to an amount equal to three months of operating expenditures with a minimum balance of \$4,600,000. For FY2020, the GRP Division has not met the three-month Operating & Rate Stabilization Reserve target. As of the beginning of FY2020 the Operating Reserve balance was \$1,067,961, roughly 0.7 months of operating reserves. For year-end of FY2020, the Operating & Rate Stabilization Reserve is projected to be less than the three month target of operating expenses.

**Emergency Reserve:** The Emergency Reserve was established to provide for a full or partial source of funds for unplanned or emergency repair or replacement of Authority capital assets. The Emergency Reserve target for the GRP is set to an amount equal to the approximate cost of water line break repair costs, \$2,000,000. Emergency Reserve contributions are to be made only after the Operating & Rate Stabilization Reserve funding targets are met. No contributions are budgeted for FY2021.

***Repair & Replacement (R&R Fund):*** The R&R Fund was established to provide annual funding for the renewal and/or replacement of GRP assets with an anticipated life expectancy between five and ten years, in order to prevent significant rate fluctuations, with a minimum balance of \$3,400,000. R&R Fund contributions are to be made only after the Operating & Rate Stabilization Reserve and Emergency Reserve funding targets are met. No contributions have been made to the GRP R&R Fund and no contributions are budgeted for FY2021.

For FY2021, the net between revenues and expenditures, including annual debt service and scheduled contributions to any of the two reserves and the R&R fund, is \$0.

**San Jacinto River Authority - GRP**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Industrial Reservation Fee	\$ -	\$ -	\$ -	\$ -	\$ 314,265
GRP Pumping Fees	28,777,116	17,890,731	33,139,889	28,294,198	28,890,076
GRP Pumping Fees-Woodlands	8,654,179	4,692,706	9,763,169	10,469,550	10,469,550
LSGCD Revenue	1,085,600	415,094	1,162,232	1,088,238	899,508
LSGCD Revenue-Woodlands	452,297	128,080	346,828	402,675	325,975
GRP Surface Water Sales	5,591,248	2,428,307	4,909,801	7,297,996	7,291,714
GRP Surface Water Sales-Woodlands	5,067,378	3,422,831	5,762,103	6,504,750	6,504,750
Compliance Fee Revenue	250	-	-	-	-
Repair Recovery Revenue	19,176	-	12,234	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 49,647,243</b>	<b>\$ 28,977,749</b>	<b>\$ 55,096,256</b>	<b>\$ 54,057,407</b>	<b>\$ 54,695,838</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 1,718,163	\$ 1,066,556	\$ 1,813,943	\$ 6,000	\$ 27,000
Office Rental Revenue	17,688	10,318	28,006	17,688	5,400
FEMA Grant Revenue	9,828	-	9,828	-	-
Proceeds From Sale Of Assets	-	4,000	4,000	-	-
Other Gains & Losses	2,908	1,657	4,565	-	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ 1,748,587</b>	<b>\$ 1,082,531</b>	<b>\$ 1,860,341</b>	<b>\$ 23,688</b>	<b>\$ 32,400</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>					
Salaries & Wages	\$ 1,851,055	\$ 1,067,432	\$ 1,873,778	\$ 1,919,257	\$ 1,654,307
Salary & Wage Allocation	1,212,418	727,277	1,268,583	1,248,449	1,595,788
Staffing Services	18,663	2,536	9,324	-	-
Compensated Absences	(6,286)	-	(6,286)	-	-
Group Insurance	637,693	327,207	586,204	673,727	787,864
Group Retirement Expense	375,320	230,467	394,122	377,664	346,043
Workers Compensation Insurance	67,661	44,996	67,808	90,511	56,266
Social Security Taxes	219,356	130,533	228,739	235,105	242,539
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 4,375,879</b>	<b>\$ 2,530,448</b>	<b>\$ 4,422,272</b>	<b>\$ 4,544,712</b>	<b>\$ 4,682,808</b>
<b>PROFESSIONAL FEES</b>					
Legal Fees	\$ 934,015	\$ 694,952	\$ 1,245,385	\$ 750,000	\$ 2,090,000
Disclosure Filing	-	-	-	500	500
Annual Financial Audit	31,520	24,225	28,263	36,000	30,000
Arbitrage Rebate Audit	3,250	3,250	3,250	5,000	6,500
Paying Agent Fees	4,500	2,500	4,500	6,000	6,000
Engineering	222,705	23,249	89,445	94,000	100,000
Safety Inspections & Testing	477	1,054	1,054	5,000	5,000
Graphic Design	348	330	330	5,000	6,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 1,196,815</b>	<b>\$ 749,559</b>	<b>\$ 1,372,227</b>	<b>\$ 901,500</b>	<b>\$ 2,244,000</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>					
Waste Disposal Services	\$ 2,525	\$ 1,655	\$ 3,015	\$ 3,000	\$ 3,000
Sludge Disposal	103,376	48,117	101,246	127,038	121,157
Meter Calibration Services	4,565	3,278	3,278	6,700	6,500
Commercial Laboratory Fees	6,465	5,340	7,980	4,000	27,100
Other Services	3,670	3,160	4,875	79,400	5,100
Groundwater District Fees	1,490,083	543,330	1,280,079	1,491,413	1,225,983
Employee Testing- New	1,256	382	732	4,265	4,800
Janitorial Services	32,078	10,081	19,808	10,000	38,400
Water Quality Testing	22,988	7,241	13,143	23,600	-
Public Relations Expense	-	-	-	1,500	1,500
Water Conservation & Public Education	-	-	-	4,000	4,000
Meeting Expenses	4,198	1,712	3,837	6,000	6,000
Public Official Liability	4,563	2,685	4,594	4,803	5,000
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 1,675,766</b>	<b>\$ 626,982</b>	<b>\$ 1,442,588</b>	<b>\$ 1,765,719</b>	<b>\$ 1,448,540</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>					
Office Supplies & Printing	\$ 2,259	\$ 760	\$ 1,932	\$ 6,000	\$ 5,000
Other Office Expense	7,609	3,158	6,935	8,000	7,000
Travel	833	807	1,388	3,000	3,000

**San Jacinto River Authority - GRP**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals			Rolling 12	Budget	Budget
	Actuals 8/31/2019	Sept-March FY2020	Mo. Actuals April 2019- March 2020	Mo. Actuals April 2019- March 2020	FY2020	FY2021
Automobile & Truck Expense	13,543	2,420	7,927		20,000	20,000
Postage	2,608	1,094	2,531		3,000	2,500
Property Insurance	175,896	114,160	189,760		180,532	414,000
Auto Insurance	12,127	8,405	13,889		14,585	15,300
Liability Insurance	18,348	11,406	19,102		26,546	27,900
Small Tools Purchases	3,694	4,058	6,228		8,000	12,500
Training-External	6,635	4,637	7,652		11,500	12,000
Training-Internal	4,496	-	96		3,000	5,000
Training-Employee HR	4,211	2,167	4,333		4,850	2,500
Copper Sulfate	10,536	10,367	10,367		18,535	18,561
Citric Acid	29,484	31,497	31,497		59,330	59,203
Granulated Activated Carbon	2,445,600	616,426	2,465,704		1,849,278	2,600,000
Aluminum Chlorohydrate	338,345	162,985	360,992		509,910	509,724
Sodium Permanganate	83,242	28,597	76,456		100,124	100,005
Sodium Bisulfate	14,904	4,989	15,037		9,771	9,840
Sodium Hydroxide	135,564	69,701	131,207		158,665	158,407
Sodium Hypochlorite	135,776	69,539	132,535		169,488	168,808
Polymer	19,734	8,305	15,251		33,258	33,245
Managers Expense	469	806	1,212		2,000	2,000
Employee Relations	2,187	1,041	1,949		3,000	3,000
Fuel	33,510	25,168	36,296		47,000	50,400
Uniform Services	7,720	-	6,677		13,200	13,800
Maintenance Supplies	4,739	1,879	3,066		12,500	14,500
Supplies - Lab	25,120	13,931	24,583		25,500	25,500
Operations Supplies	20,513	10,628	21,789		24,000	24,500
Memberships & Professional Dues	794	782	1,313		2,000	1,500
Signage	1,008	357	357		1,000	-
Copier, Scanner & Fax	16,511	3,416	11,233		13,000	7,300
Utilities-Electric	865,322	469,972	815,944		942,262	941,900
Utilities-Sewer	167,451	112,603	196,089		155,000	155,000
Reservation Fees-City of Houston	1,684,183	2,634,906	2,634,906		2,178,760	2,499,886
Reservation Fees-SJRA	477,388	331,130	521,335		131,457	452,841
Supply Use Fee-SJRA	1,753,625	898,560	1,712,891		2,096,984	2,148,268
Bank Service Charges	-	(64)	(64)		-	-
Personal Protective Equipment	2,407	585	2,397		5,000	4,000
Safety Equipment & Meetings	313	-	-		16,400	10,000
Health & Wellness Program	39	-	20		980	980
Recruiting Expenses	3,885	4,258	6,782		3,925	7,850
Computer Hardware	97,415	43,930	104,452		56,701	48,273
Software & Support	92,385	51,497	68,685		93,350	93,649
Software Maintenance	33,966	19,967	32,670		40,000	80,800
Network Communications	4,122	2,720	3,567		5,737	5,624
Publications & Subscriptions	240	-	25		500	500
Newspaper Ads	-	-	-		1,000	1,000
Wireless Devices & Services	21,218	15,236	26,391		35,010	31,540
Phone System-Install, Maintenance, & Changes	-	-	-		911	-
Landline Telephone Services	5,150	3,872	5,889		5,272	5,168
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 8,787,122</b>	<b>\$ 5,802,655</b>	<b>\$ 9,741,274</b>		<b>\$ 9,109,820</b>	<b>\$ 10,814,271</b>
<b>RENTALS</b>						
Equipment Rentals	\$ 785	\$ 80	\$ 170		\$ 2,000	\$ 1,500
<b>TOTAL RENTALS</b>	<b>\$ 785</b>	<b>\$ 80</b>	<b>\$ 170</b>		<b>\$ 2,000</b>	<b>\$ 1,500</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>						
Office, Furniture, & Fixtures	\$ 1,612	\$ 2,284	\$ 2,284		\$ 2,000	\$ 2,000
Air Conditioner	42,347	42,517	71,297		67,000	82,800
Mowing	31,733	19,977	33,519		30,000	30,000
Buildings & Grounds Maintenance	38,138	12,409	38,365		43,300	50,000
Building Repair & Modifications	89	394	483		5,000	5,000
Plants & Facilities	5,472	3,002	5,382		30,600	18,600
Security System Monitoring	2,259	1,278	2,487		2,400	2,400
Electrical	110,734	62,096	114,711		193,500	297,100
Generators	20,721	16,125	20,427		36,000	38,000

**San Jacinto River Authority - GRP**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12	Budget FY2020	Budget FY2021
			Mo. Actuals April 2019- March 2020		
Pumps & Motors	22,245	20,238	30,354	55,000	77,000
Compressor	9,364	6,364	9,708	15,850	17,000
Aerators	120,773	92,951	153,403	138,400	138,400
Machinery, Tools, & Implements	13,212	5,285	14,771	15,000	17,500
Belt Press	112	-	-	10,700	18,300
Clarifier	440	-	-	10,000	10,000
Pipeline Transmission System	61,977	902,000	907,682	193,500	305,500
Lines, Valves, & Pipes	5,427	4,843	7,892	65,000	155,000
Other Maintenance	228	-	228	-	-
Laboratory Equipment	3,821	598	4,150	3,500	3,500
Instrumentation Equipment & Parts	84,038	37,484	84,445	75,000	88,600
Pretreatment	-	1,907	1,907	12,000	18,000
Membrane	9,284	5,318	10,285	20,000	28,000
Networking and Communications - SCADA	-	-	-	4,000	5,600
Backwash Equalization	53	-	53	12,000	-
Chemical Handling	25,616	5,486	18,780	20,000	21,500
Inventory Gains and Losses	5,942	(1,823)	5,494	-	-
Bad Debt Expense	183,649	-	183,649	-	-
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 799,285</b>	<b>\$ 1,240,733</b>	<b>\$ 1,721,757</b>	<b>\$ 1,059,750</b>	<b>\$ 1,429,800</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ 397,955	\$ 202,592	\$ 385,746	\$ 476,390	\$ 526,394
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 397,955</b>	<b>\$ 202,592</b>	<b>\$ 385,746</b>	<b>\$ 476,390</b>	<b>\$ 526,394</b>
<b>NON-OPERATING EXPENSES</b>					
Interest Expense	\$ 20,567,369	\$ 11,782,550	\$ 20,340,104	\$ 20,175,084	\$ 19,753,631
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 20,567,369</b>	<b>\$ 11,782,550</b>	<b>\$ 20,340,104</b>	<b>\$ 20,175,084</b>	<b>\$ 19,753,631</b>
<b>TOTAL EXPENSES</b>	<b>\$ 37,800,977</b>	<b>\$ 22,935,600</b>	<b>\$ 39,426,138</b>	<b>\$ 38,034,976</b>	<b>\$ 40,900,944</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 13,594,853</b>	<b>\$ 7,124,680</b>	<b>\$ 17,530,459</b>	<b>\$ 16,046,120</b>	<b>\$ 13,827,294</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Maintenance Equipment				\$ 7,000	\$ 40,000
Transportation Equipment				-	65,000
Software				1,120	1,086
Computer Equipment				54,700	129,991
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 62,820</b>	<b>\$ 236,077</b>
<b>OTHER SOURCES (USES)*</b>					
Prepaid Reservation Fee				\$ 472,943	\$ -
Bond Principal				(14,361,667)	(14,800,833)
Debt Service Reserve Funds				-	3,032,794
Accounts Receivable-Uncollected				-	(1,823,177)
Operating Reserve Fund				(2,094,576)	-
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (15,983,300)</b>	<b>\$ (13,591,217)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 13,594,853</b>	<b>\$ 7,124,680</b>	<b>\$ 17,530,459</b>	<b>\$ -</b>	<b>\$ -</b>

\*Actuals intentionally left blank.



## SJRA FY2021 GRP Risk Management – July 2020

<b>Risk</b>	<b>Probability</b>	<b>Management Method</b>
<b>Revenue</b>		
Total water demand lower than projected will cause revenue shortfall	Med	Lowered SWTP production rate to reduce operating costs and account for wetter years.
Delayed full funding of reserves <ul style="list-style-type: none"> <li>• May leave inadequate funding for unexpected emergencies</li> <li>• Fails to save for known replacement needs</li> <li>• GRP unable to respond to possible line extension requests</li> </ul>	High	Delay capital projects until funds are available Fund balance triggers will prompt action to reduce spending. Reduce surface water production to reduce operating costs Mid-year rate increase if necessary
Additional short/ no pays by Participants	Med	If available, utilize O&M reserves to cover expenses. Utilize debt service reserve to cover expenses not able to be covered by O&M reserves.
<b>Expenses</b>		
Additional or extended lawsuits	Med	Delay O&M expenses where possible Utilize Debt Service Reserve to cover expenses
<b>Regulatory Violations</b>		
Total water demand higher than projected may cause compliance tension	Low	Increase SWTP production rate to maintain compliance (revenues will be above projections)
Treated water quality fails to meet TCEQ standards resulting in fines	Low	Water treatment process is very effective and reliable and includes processes effective at removing disinfection by-products.
<b>Interruption Of Operations</b>		
Interruption of operations due to emergency incident (ie. Fire, Storm, Line Break, Power Outage, Terrorist Threat).	Med	GRP Emergency Response Plan provides instruction for responding to emergency incidents.

# FLOOD MANAGEMENT DIVISION



**Flood Management Division:** The Flood Management Division was created in the spring of 2018 to develop short-term and long-term regional flood management strategies within the San Jacinto River Basin. The intent is to build partnerships with federal, state, and local governmental entities; identify funding options and/or revenue sources; and coordinate, collaborate, and partner with other flood management entities within the San Jacinto River Basin.

**Major Initiatives:** In FY2020 and continuing into FY2021, the Flood Management Division focused on and will continue the following initiatives:

- 1. Regional Flood Study:** The SJRA has partnered with Montgomery County, City of Houston, and Harris County Flood Control District (HCFCD) to conduct a regional study of the Upper San Jacinto River Basin (Lake Houston watershed) to address flooding and the response to flooding. The project includes the development of new hydrologic and hydraulic models, an analysis of historic storms for model calibration, identification of flood mitigation alternatives within the watershed, vegetation and sedimentation control considerations, recommendations for additional gauge locations in the basin, and improvements to flood response planning. This project, managed by HCFCD, is anticipated to be completed in fall 2020.
- 2. Reservoir Forecasting Tool:** In 2018, SJRA applied for and was awarded a \$150,000 grant from the Texas Water Development Board (TWDB), pursuant to which SJRA is contracting with a consultant to develop a reservoir forecasting tool. The tool will utilize observed and forecasted rainfall, current lake levels, and other criteria to provide predictions of Lake Conroe levels and releases during major storm events. The project was initiated in March 2019, significant progress has been made in FY2020, and the project is expected to be completed by early calendar year 2021. This project is technically a Lake Conroe Division project, with the matching funding being provided by that division, however the Flood Management Division took the lead role in obtaining the grant and managing the project.
- 3. Sand Trap Pilot Project in the San Jacinto River:** A bill was passed in the 2019 Texas Legislative Session allowing the SJRA and HCFCD to take material from the San Jacinto River and its tributaries to restore, maintain, or expand the capacity of those bodies to convey storm flows, without the need for state permitting or royalty payments to the state. In FY2020, SJRA partnered with HCFCD to fund a conceptual design effort that evaluates sedimentation deposition along the East Fork and West Fork and identifies viable sites for a sand trap pilot project. This conceptual design is expected to be complete in the fall of 2020, with preliminary design planned to commence in 2021.
- 4. Flood Infrastructure Fund Grant Applications:** In FY2020, staff developed and submitted five abridged Flood Infrastructure Fund Grant Applications to the Texas Water Development Board (TWDB) for a variety of projects, including sedimentation management, joint reservoir operations, regional detention, and enhanced flood early warning. If TWDB selects any of SJRA's abridged applications to proceed to the next step in the grant process, then staff will develop and submit full grant applications for those projects in an effort to secure a portion of the total project cost from the State of Texas.

**Capital Improvement and Other Project Plans:** The Flood Management Division does not maintain any physical assets at this time. For FY2021, the Division plans to continue seeking regional funding partners and submitting grant applications for projects that will reduce the risk of flooding and improve flood early warning. The Flood Management Division included the following projects in the FY2021 budget for design and/or construction:

<b>Flood Management - Projects</b>	<b>Stage</b>	<b>Est. FY2021 Cost</b>	<b>Funding Source</b>
SJ River and Tributaries Sediment Removal & Sand Trap Dev.	Design/Const	\$ 939,000	O&M/Grant/ILA
Miscellaneous Flood Management Projects	Design/Const	\$ 62,500	O&M/Grant/ILA
<b>Total</b>		<b>\$ 1,001,500</b>	

**Total Indebtedness and Annual Debt Service:** The Flood Management Division does not have any indebtedness as of FY2020 and no plans for future indebtedness in FY2021 or beyond.

**Staffing Plans:** The Flood Management Division’s staffing plan for FY2021 includes 1 direct FTE positions, with no part-time, temporary, or intern positions but is allocated 2.43 FTEs for FY2021 from G&A Departments.

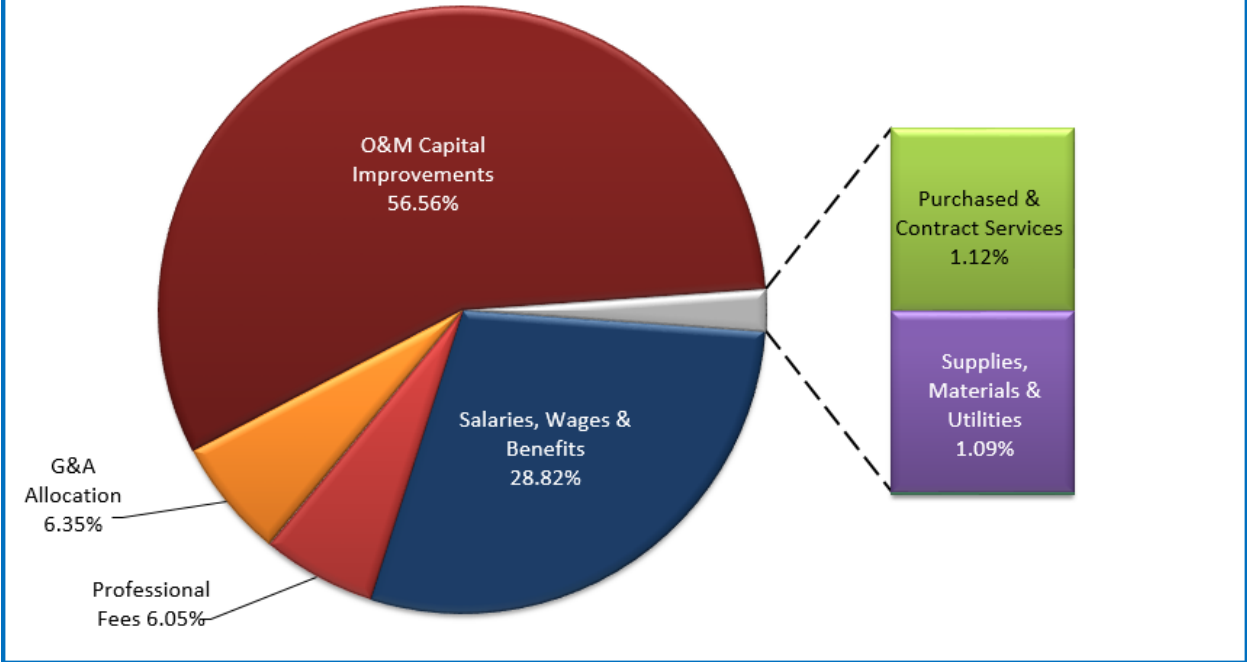
**Revenues:** The Flood Management Division does not generate revenues through its operations. The Raw Water Enterprise funds the Division’s expenses that are not otherwise offset by regional partners or grant funds. The Flood Management Division is tasked with studying and implementing regional flood management solutions and building regional partnerships, including the potential identification of state and federal grants. The Flood Management budget for FY2021 includes assumptions of being able to obtain \$723,000 in additional partner sharing and/or grant funds, in order to perform the projects shown in the Division’s Project Plan.

**Expenditures:** In FY2021, Flood Management expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- G&A Allocations
- O&M Capital Improvements

Expected total expenditures for the Authority’s Flood Management Division for FY2021 is \$1,750,883.

**Flood Management FY2021 Total Operating Expenditures:  
Operating, Capital Improvements & Reserve Contributions**



**Fund Balance and Reserves:** The Authority’s General Fund Balance combines to cover the Flood Management Division, which also includes the Raw Water Supply, Highlands Division, Lake Conroe Division, and the G&A Division. The Flood Management Division does not maintain any reserves.

For FY2021, the net between O&M revenues and expenditures for the Flood Management Division is (\$1,027,883). This amount will be covered by the Raw Water Supply revenues.

**San Jacinto River Authority - Flood Management**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ 723,000
<b>TOTAL OPERATING REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 723,000</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>					
Salaries & Wages	\$ 33,054	\$ 36,759	\$ 57,563	\$ 73,049	\$ 72,803
Salary & Wage Allocation	227,294	134,698	219,179	282,947	282,795
Group Insurance	53,818	34,720	57,211	74,233	81,431
Group Retirement Expense	34,702	23,193	36,462	39,963	38,871
Workers Compensation Insurance	2,592	2,249	3,381	5,264	3,573
Social Security Taxes	18,190	10,972	18,368	25,222	25,095
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 369,651</b>	<b>\$ 242,591</b>	<b>\$ 392,164</b>	<b>\$ 500,678</b>	<b>\$ 504,567</b>
<b>PROFESSIONAL FEES</b>					
Legal Fees	\$ 30,363	\$ 4,941	\$ 26,755	\$ 50,000	\$ 50,000
Engineering	-	-	-	250,000	50,000
Graphic Design	-	-	-	5,000	6,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 30,363</b>	<b>\$ 4,941</b>	<b>\$ 26,755</b>	<b>\$ 305,000</b>	<b>\$ 106,000</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>					
Employee Testing- New	\$ -	\$ -	\$ -	\$ 30	\$ 50
Public Relations Expense	-	-	-	3,000	2,000
Water Conservation & Public Education	-	426	426	5,000	17,500
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ -</b>	<b>\$ 426</b>	<b>\$ 426</b>	<b>\$ 8,030</b>	<b>\$ 19,550</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>					
Office Supplies & Printing	\$ 147	\$ 8	\$ 8	\$ 3,500	\$ 3,300
Travel	-	67	67	-	800
Automobile & Truck Expense	-	12	12	5,000	500
Postage	-	7	7	-	100
Training-External	-	1,881	1,881	-	650
Training-Internal	-	125	125	-	600
Training-Employee HR	-	-	-	400	200
Managers Expense	-	-	-	-	500
Fuel	86	346	346	3,000	500
Uniform Services	-	-	-	-	100
Memberships & Professional Dues	-	-	-	-	100
Personal Protective Equipment	-	-	-	-	200
Health & Wellness Program	-	-	-	80	80
Recruiting Expenses	-	-	-	325	650
Computer Hardware	-	123	123	200	2,400
Software & Support	-	438	438	2,360	2,360
Imagery & Data Sets	3,000	-	-	-	-
Network Communications	-	95	95	-	209
Newspaper Ads	-	-	-	-	4,400
Wireless Devices & Services	-	-	-	1,320	1,320
Landline Telephone Services	-	85	85	-	192
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 3,233</b>	<b>\$ 3,186</b>	<b>\$ 3,186</b>	<b>\$ 16,185</b>	<b>\$ 19,161</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ 74,606	\$ 41,294	\$ 71,395	\$ 107,968	\$ 111,268
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 74,606</b>	<b>\$ 41,294</b>	<b>\$ 71,395</b>	<b>\$ 107,968</b>	<b>\$ 111,268</b>
<b>TOTAL EXPENSES</b>	<b>\$ 477,853</b>	<b>\$ 292,438</b>	<b>\$ 493,927</b>	<b>\$ 937,861</b>	<b>\$ 760,546</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ (477,853)</b>	<b>\$ (292,438)</b>	<b>\$ (493,927)</b>	<b>\$ (937,861)</b>	<b>\$ (37,546)</b>

**San Jacinto River Authority - Flood Management  
Actual to Budget Comparison  
FY2019 - FY2021**

<b>Description</b>	<b>Actuals 8/31/2019</b>	<b>Actuals Sept-March FY2020</b>	<b>Rolling 12 Mo. Actuals April 2019- March 2020</b>	<b>Budget FY2020</b>	<b>Budget FY2021</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Property Acquisition				\$ -	\$ 939,000
Software				-	41
Computer Equipment				-	1,296
Radio Communications Equipment				-	50,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ -</b>	<b>\$ 990,337</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ (477,853)</b>	<b>\$ (292,438)</b>	<b>\$ (493,927)</b>	<b>\$ (937,861)</b>	<b>\$ (1,027,883)</b>

\*Actuals intentionally left blank.



# G & A DIVISION



## GENERAL AND ADMINISTRATION DIVISION

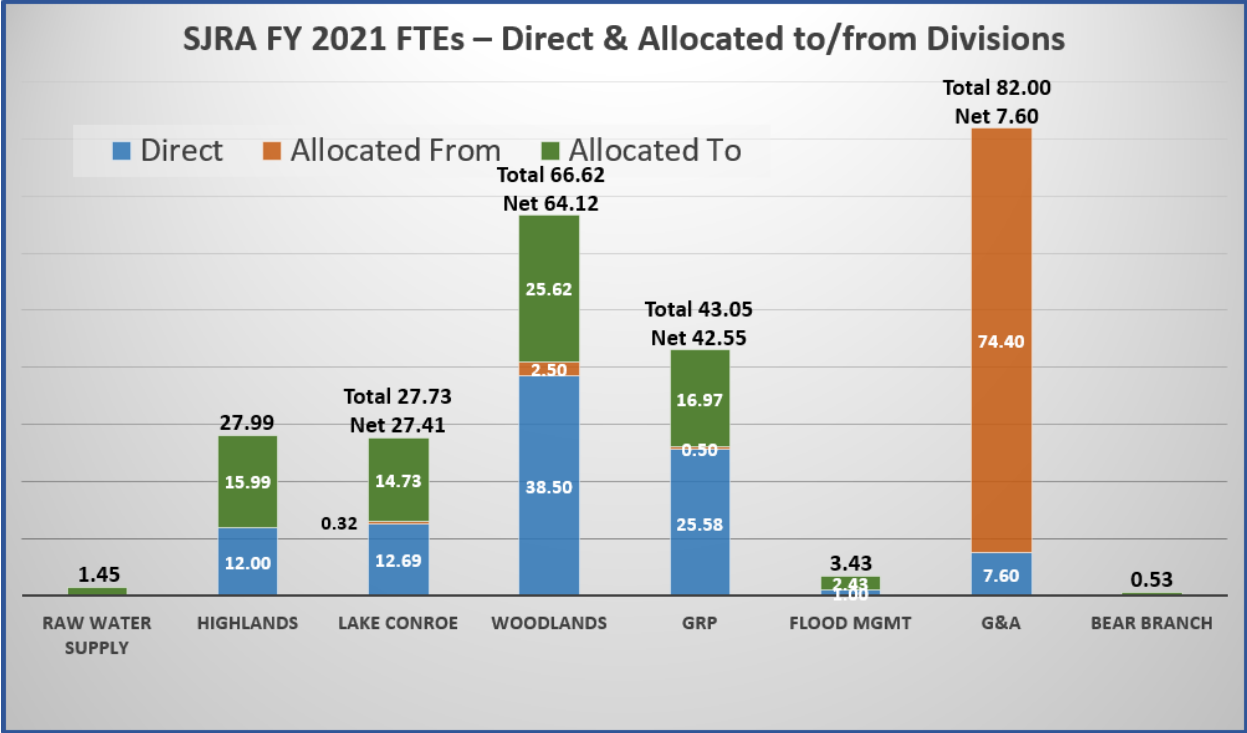
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The general and administrative functions of the Authority are organized into departments within the General and Administration Division (G&A). The G&A consists of Senior Management and the following departments:

<b>Accounting</b>	<b>Information Technology (IT)</b>	<b>Risk Management</b>
<b>Administrative Services</b>	<b>Public Communications</b>	<b>SCADA/I&amp;C</b>
<b>Human Resources (HR)</b>	<b>Purchasing</b>	<b>Technical Services (TS)</b>

The G&A Departments are largely customer service focused on the operating divisions as internal customers of the services they provide. These departments support the operating divisions with administrative and technical services provided on a daily, monthly, and periodic basis. The Authority's G&A employees are well trained: administratively, technically, and professionally. They cross-train within their departments to provide consistent and resilient services and operate with a team mentality within their departments and across the Authority.

Senior Management and the G&A Departments allocate FTEs to the operating divisions based upon appropriate methodologies for their department activities within the terms of existing contracts. Using historical data and projected estimates for the upcoming year, the Administrative Services, Public Communications, and Risk Management Departments follow an approach that estimates, where reasonable, individual employee's projected time worked for each operating division. The Accounting, IT, and Purchasing Departments combine the previous approach with the use of specifically dedicated FTEs to certain operating divisions. The HR Department and some of the IT Department FTEs utilize a proportionate allocation of time worked by their employees based on the percentage of operating divisions' direct and allocated FTEs to the 175.08 total employees of the Authority. The SCADA/I&C Department and Technical Services Department employees work mainly with the operating divisions on the maintenance of certain systems and assist with specific projects, therefore many of those FTEs estimate their allocated time based on specific tasks or the projects planned for FY2021.



**Major Initiatives:** During FY2020 and planned for FY2021, the G&A Departments have either completed or started, or will complete or start a number of major initiatives to improve the services they provide to the operating divisions.

**Accounting:** In FY2020, the Accounting Department assisted each operating division throughout the year with monitoring and reporting of revenues and expenditures, allowing the divisions to more efficiently and effectively manage their operations. In addition, Accounting transferred an FTE from the Lake Conroe Division to absorb the Lake Conroe billing that was previously being performed by Lake Conroe Division staff. Upcoming for FY2021, Accounting in collaboration with IT, Purchasing, and other stakeholders will begin evaluating a new or upgraded Enterprise Resource Planning (ERP) software. The current ERP Software is approaching being unsupported by external parties and Microsoft. The next available upgrade for the current system would require a complete overhaul to move to a cloud-based platform and it is an opportunity to evaluate whether we should continue with the current ERP system or change to a new system to better meet our company’s needs. In addition, during FY2021, Accounting will be collaborating with the Raw Water Supply Division and a third party consultant to update the existing Raw Water Rate model to incorporate policy and structure changes that have occurred since the models creation in FY2017-18.

**Administrative Services:** The Administrative Services Department supports, facilitates, and strengthens processes by assisting Senior Management and the Board of Directors; improves access to records; preserves and cultivates the records management process; and exceeds customer expectations through extensive interaction with an array of widespread services. In Fiscal Year 2020, the Administrative Services Department assisted in providing a comprehensive orientation for newly-appointed Board Members. The department updated and maintained a comprehensive Board

Member orientation handbook and assisted in surveying Board Members to better understand their satisfaction with current Board communication and engagement practices. The department also reviewed and adjusted the structure and content of agenda materials to ensure they meet Board Member needs. In addition, the department updated and leveraged the Board SharePoint site to efficiently disseminate meeting information and other items of strategic importance. In Fiscal Year 2021, the Administrative Services Department will continue to be an integral part of assisting in the San Jacinto River Authority's Sunset Review process until its conclusion in the 87<sup>th</sup> Legislative Session. The department plans to facilitate the implementation of an Audio/Video platform to live stream and archive Board meetings. In addition, the department plans to develop and administer an automated process for receipt of Public Information Act requests through SJRA's website.

**HR:** The HR Department continues to improve policies, processes, and systems in FY2020 and will continue to develop and implement improvements in FY2021. The department is working closely with managers to develop job related competencies and further fine tune job descriptions with the intention of integrating job related competencies into the evaluation process, allowing accurate identification of skill gaps and related training requirements necessary improve and enhance employee performance. As part of on-going effort to reduce costs, the department, with the assistance of a brokerage firm, continues to work with insurance carriers to effectively manage healthcare costs. The department continues to actively coordinate with managers to identify and implement measures designed to improve employee job satisfaction and retention and avoid costs associated with employee turnover.

**IT:** The IT Department collaborates with the operating divisions on various projects and coordinates the many Authority-wide computer systems, network infrastructure, and physical security system. The Department provides services that are a combination of division specific projects and the development of uniform business processes across the Authority in coordination with the Divisions and other G&A Departments. The Department continues to work with both the Highlands staff and Highlands industrial customers in a data sharing initiatives. The Highlands is now sending and receiving flow data from major customers and transmitting rainfall data to them. This data sharing aids in operational reaction time and increased awareness and responsiveness to our customer's needs. The Department supports security system infrastructure for the Divisions and works with them to identify additional initiatives.

**Public Communications:** The Public Communications Department focuses on internal and external communications, through outreach and education, by increasing the Authority's electronic presence as well as facilitation and participating in events, meetings, and tours. During FY2020, the Public Communications Department continues to saturate our social media platforms with a constant flow of information to increasing public awareness. The Department has continued to make modifications to our website to provide effective, user-friendly communications with on-going status updates. The Department also continues collaboration with the operational divisions by expanding and building its core partner relationships through regular newsletters (monthly eblasts), educational materials (one-pager updates), presentations, and networking meetings. In the Woodlands and Highlands Divisions, the department assisted the division and project managers, construction team, and engineers on numerous constructions projects to ensure the proper line of communication between the Authority, local leaders, and residents. For FY2021, the Public Communications Department will continue to

work with the entire Authority to improve internal and external communications/relations by assisting with meetings, networking events, and education.

**Purchasing:** During FY2020 and ongoing into FY2021 the Purchasing Department plans to increase supplier participation in formal and informal bids and proposals by promoting fair and equal opportunity for all businesses to supply the goods and services needed to support the mission and operations of the SJRA. An increase in vendor participation will increase opportunities for the Authority to realize savings during the procurement process. To accomplish this, Purchasing plans to encourage the use of certified Historically Underutilized Businesses by implementing a hosted third party system for vendor registration, automatic vendor notifications, and electronic receipt of bids and proposals. In addition the Purchasing staff plans to offer training to local and Historically Underutilized Businesses on how to successfully do business with SJRA.

**Risk Management:** The Risk Management Department identifies any potential loss to SJRA resources including but not limited to infrastructure, human capital (employees), strategic reputational, and organizational risks. The Risk Management Department designs and implements programs and strategies to protect SJRA from losses. In FY2020, the Risk Management Department will be wrapping up the final compliance pieces of the AWIA (America's Water Infrastructure Act of 2018) project to comply with new Environmental Protection Agency requirements for all water utilities. The Risk Management department has undergone a reorganization and will be fully staffed for the first time in FY2020. The department will continue to working to implement a comprehensive Enterprise Risk Management program for SJRA, with special focus given to emergency management.

**SCADA/I&C:** The major initiatives for the SCADA/I&C (SCADA) Department are generally included as collaborative projects with the various operating divisions. For FY2020 SCADA began the upgrade of all three SCADA system within the SJRA. This is a significant project that will continue into FY 2021 as we continue to support the existing systems. In the Woodlands and Highlands Divisions, new sites continue to be added. In the Woodlands Division, all aspects of adding existing sites into their SCADA system will be performed by SCADA including the design, building, installation, and programming. In the Highlands, a new fiber optic communications backbone is expected to be implemented in FY 2021. Also in FY 2020 both Highlands and Lake Conroe, SCADA has agreed to support both divisions with their electrical services by means of a dedicated Instrumentation & Electrical Technician. Cybersecurity continues to be a major point of focus and as such, it is planned to implement a new software within the SCADA systems of the SJRA for this purpose in FY 2021. SCADA will also continue to work with IT to create a cohesive cybersecurity policy for all IP networks with in the SJRA.

**Technical Services:** The major initiatives for the Technical Services Department are generally included as collaborative projects with the various operating divisions. Additionally, the Department has experienced several key changes in staffing and is reassessing staffing needs and reorganizing personnel to continually improve the effectiveness of the services they provide the operating divisions.

**Capital Improvement and Other Projects Plans:** Each year the G&A Division conducts risk assessments and evaluations of their limited infrastructure. G&A reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-effective

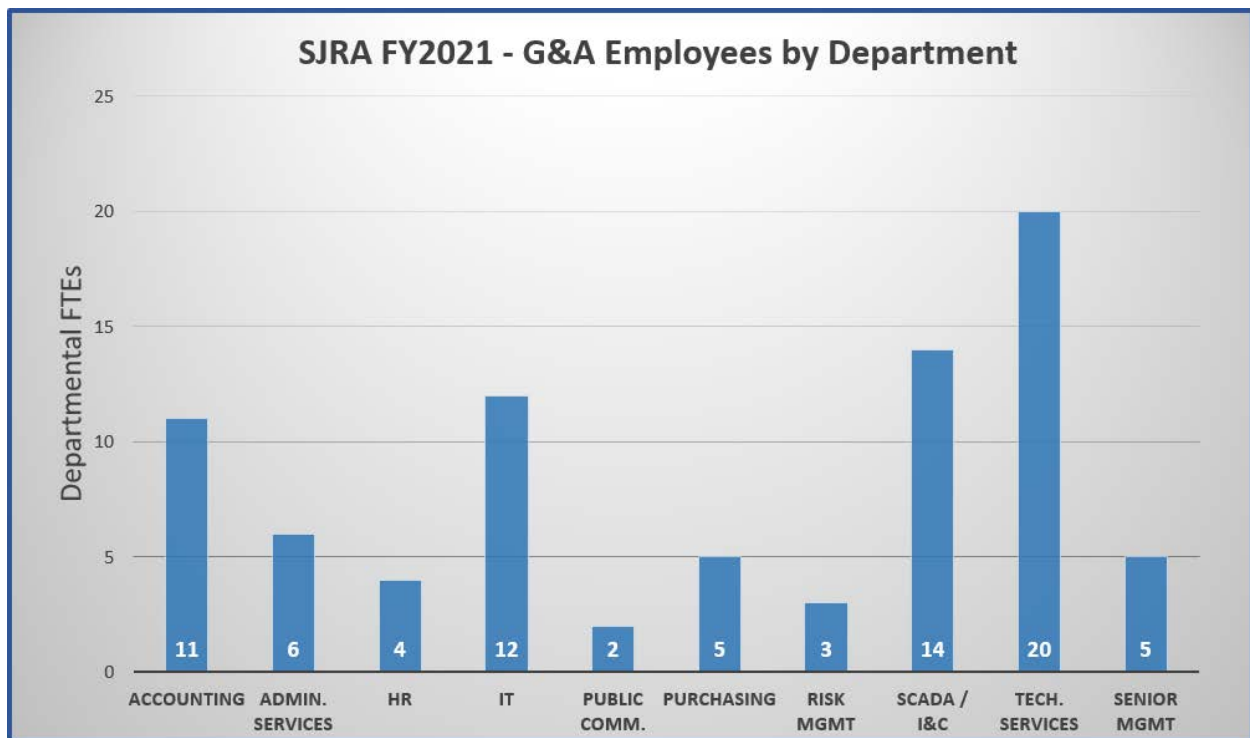
service. The one project included within G&A’s Project Plan for FY2021 is anticipated to be funded from R&R funds as highlighted below:

<b>General &amp; Administration - Projects</b>	Stage	Est. FY2021 Cost	Funding Source
G&A Building Roof Replacement	Construction	\$ 217,000	R&R
<b>Total</b>		<b>\$ 217,000</b>	

**Total Indebtedness and Annual Debt Service:** As of August 31, 2019, the G&A Division had \$1,697,860 of total indebtedness, made up one bank loan for the construction of the G&A office building.

Annual debt service (principal and interest) for FY2021 for the G&A office building bank loan is \$341,063 through monthly loan payments. The G&A bank loan is unsecured. There are no Annual Debt Service Fund or Debt Service Reserve requirements.

**Staffing Plans:** The G&A Division’s staffing plan for FY2021 includes 82 direct FTE positions. There are no FTEs budgeted in FY2021 that are considered part-time, temporary, or intern positions. Of the 82 direct G&A Division FTEs, 74.40 FTEs are allocated to the various operating divisions. The remaining 7.60 G&A Division FTEs, 9.3%, remain unallocated to the operating divisions.

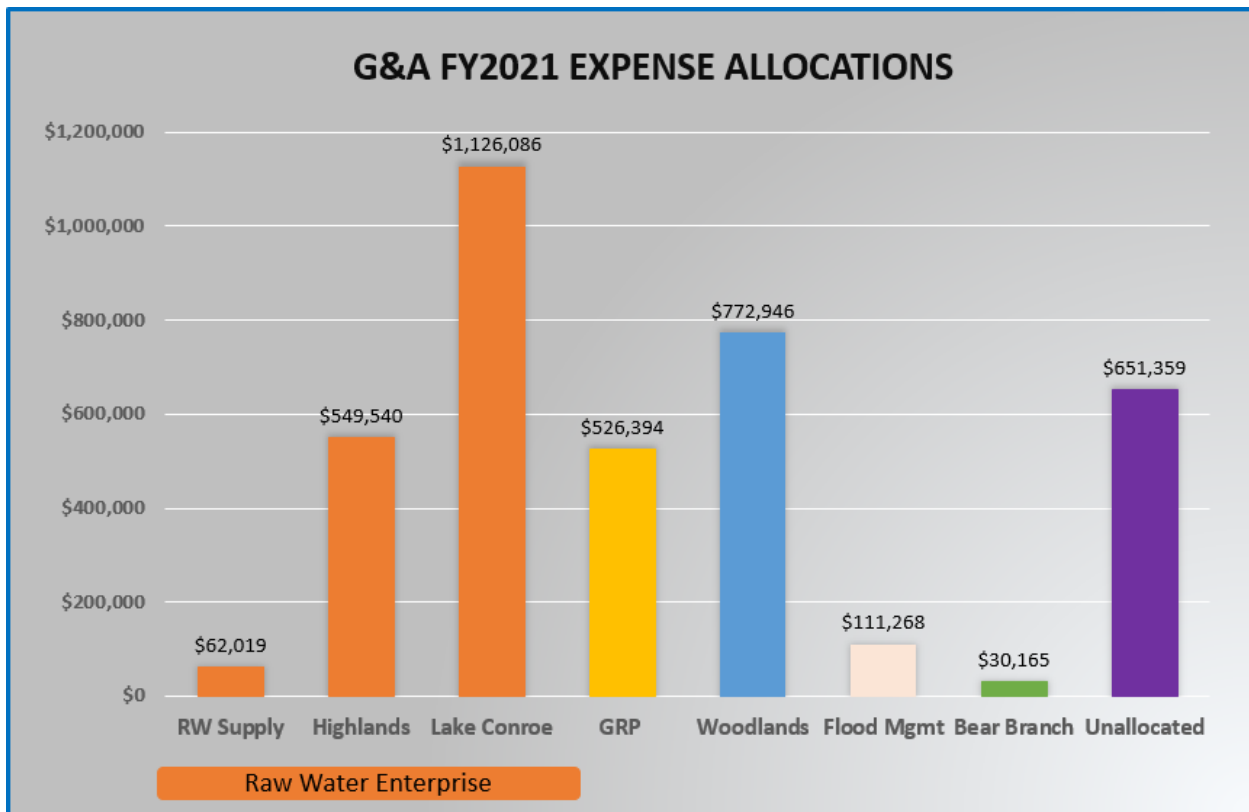


**Revenues:** The G&A Division has no significant revenues forecast for FY2021 with no Operating Income and only \$73,206 of Non-Operating Income from interest income and office rental.

**Expenditures:** The G&A Division for FY2021 contains regular and customary expenses related to the on-going administrative and technical support to the Authority’s operating divisions. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- Debt Service (principal and interest)
- O&M Capital Improvements
- Reserve Contributions (if needed)
- R&R Fund Contributions

G&A Division expenses are allocated to the operating divisions and Bear Branch based on terms stipulated in contracts (Woodlands and Lake Conroe) or by a formula related to a ratio of the division’s expenses as compared to the Authority’s total expenses (Raw Water Supply, Highlands, GRP, Flood Management, and Bear Branch). For FY2021, G&A expense allocations to the operating divisions, Flood Management, and Bear Branch total \$3,178,417. Expected total expenditures, after allocations to the operating divisions, and Bear Branch, for FY2020, including operating, debt service, capital improvements, and contributions to reserves, totals \$724,565. G&A has \$217,000 in expected R&R Fund operating expenses and capital improvements for FY2021.



**Fund Balance and Reserves:** The Authority's General Fund Balance combines to cover the Raw Water Enterprise, which is made up of the Raw Water Supply, Highlands Division, and Lake Conroe Division, as well as the G&A Division and to cover the Flood Management Division.

As approved by the Board of Directors on July 25, 2019, the reserve policy for the G&A Division utilizes two reserves and an R&R Fund:

- 1. Operating & Rate Stabilization Reserve:** The Operating & Rate Stabilization Reserve was established to manage cash flow, and stabilize rates and revenues. The Operating & Rate Stabilization Reserve target for FY2021 for the G&A Division is set to be an amount equal to six months of operating expenditures. Currently the G&A has met the six-month operating reserve. For FY2020, the G&A Operating Reserve is at \$1,519,213, equivalent to six months of operating expenses. For FY2021, the Operating & Rate Stabilization Reserve is projected to be fully funded and no additional funds are budgeted.
- 2. Emergency Reserve:** The Emergency Reserve was established to provide for a full or partial source of funds for unplanned or emergency repair or replacement of Authority capital assets, excluding the Woodlands and GRP Divisions. The Emergency Reserve target fund balance for the General Fund was established to be a total of \$5,500,000, which is based on estimate amounts of \$2,500,000 for Lake Conroe, \$2,500,000 for the Highlands, and \$500,000 for the G&A Division. The Emergency Reserve target for the G&A Division is set to an amount equal to \$500,000. For FY2021, the G&A Emergency Reserve is fully funded and no funds were budgeted for the Emergency Reserve.
- 3. Repair & Replacement (R&R Fund):** The Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations, funded annually through pre-determined transfer of funds from the remaining funds available from the O&M budget after the Operating & Rate Stabilization Reserve and Emergency Reserve requirements are met. The R&R Fund for the G&A Division was prefunded by the existing Capital R&R Reserve and no contributions to the R&R Fund were budgeted for FY2021.

For FY2021, the net between O&M revenues and expenditures for the G&A Division, including annual debt service and scheduled contributions to any of the two reserves or R&R fund, is (\$651,359). This amount will be covered by the Raw Water Supply revenues.



**San Jacinto River Authority - General and Administration**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2019	Sept-March FY2020	April 2019-March 2020	FY2020	FY2021	
<b>OTHER REVENUES</b>						
Interest Income	\$ 419,160	\$ 90,815	\$ 268,991	\$ 12,000	\$ 48,000	
Interfund Interest Income	46	-	46	-	-	
Office Rental Revenue	17,632	10,503	18,517	29,235	25,206	
FEMA Grant Revenue	2,109	-	2,109	-	-	
Proceeds From Sale Of Assets	25,680	10,185	15,865	-	-	
Other Gains & Losses	5,445	4,381	9,827	-	-	
<b>TOTAL OTHER REVENUES</b>	<b>\$ 470,072</b>	<b>\$ 115,884</b>	<b>\$ 315,355</b>	<b>\$ 41,235</b>	<b>\$ 73,206</b>	
<b>OPERATING EXPENSES</b>						
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>						
Salaries & Wages	\$ 668,240	\$ 331,685	\$ 629,568	\$ 593,847	\$ 609,284	
Staffing Services	12,956	19,074	32,031	-	-	
Compensated Absences	(2,839)	-	(2,839)	-	-	
Group Insurance	136,975	66,821	123,699	117,383	137,888	
Group Insurance - Retirees	5,827	3,431	5,867	12,067	9,031	
Group Insurance - Retiree OPEB	(738)	-	(738)	100,000	50,000	
Group Retirement Expense	129,475	37,697	119,257	69,748	67,017	
Workers Compensation Insurance	2,697	2,031	2,827	3,945	2,523	
Social Security Taxes	57,731	30,586	58,412	44,148	44,611	
Tuition Reimbursement	7,445	1,231	3,224	30,000	30,000	
Employee Benefits Allocation	4,500	-	2,000	-	-	
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 1,022,268</b>	<b>\$ 492,557</b>	<b>\$ 973,308</b>	<b>\$ 971,138</b>	<b>\$ 950,353</b>	
<b>PROFESSIONAL FEES</b>						
Legal Fees	\$ 295,476	\$ 120,205	\$ 275,334	\$ 220,000	\$ 195,000	
Lobbyist	-	-	-	100,000	100,000	
Disclosure Filing	1,854	4,250	6,104	-	-	
Annual Financial Audit	35	35	35	-	-	
Management Audit	18,020	-	1,720	250,000	250,000	
Engineering	44,022	44,372	64,810	50,000	50,000	
Other Professional Services	46,388	3,500	13,156	23,000	73,000	
Safety Inspections & Testing	465	293	293	1,200	1,200	
Public Relations Consultant	130	-	-	-	20,000	
Graphic Design	-	2,635	2,635	2,000	3,000	
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 406,391</b>	<b>\$ 175,291</b>	<b>\$ 364,087</b>	<b>\$ 646,200</b>	<b>\$ 692,200</b>	
<b>PURCHASED &amp; CONTRACTED SERVICES</b>						
Waste Disposal Services	\$ 6,458	\$ 5,004	\$ 7,968	\$ 5,500	\$ 7,500	
Meter Calibration Services	7,117	1,517	6,320	6,700	6,000	
Employee Testing- New	1,599	939	1,646	165	1,065	
Janitorial Services	15,468	9,023	15,468	18,000	22,500	
Public Relations Expense	76,280	2,901	41,408	50,000	50,000	
Water Conservation & Public Education	2,349	500	2,349	30,000	30,000	
Website Hosting & Maintenance	3,280	3,215	4,085	5,000	5,000	
Directors Fees & Expenses	19,125	7,575	17,211	24,000	24,000	
Meeting Expenses	1,507	28,259	28,592	8,000	12,000	
Directors' Travel Expenses	7,745	3,710	6,761	8,500	8,500	
Document Retention/Destruction	-	128	128	5,000	10,000	
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 140,927</b>	<b>\$ 62,771</b>	<b>\$ 131,935</b>	<b>\$ 160,865</b>	<b>\$ 176,565</b>	
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>						
Office Supplies & Printing	\$ 17,834	\$ 11,270	\$ 19,196	\$ 26,120	\$ 23,360	
Other Office Expense	517	-	517	-	-	
Travel	39,513	16,464	36,538	56,000	75,030	
Automobile & Truck Expense	47,033	22,188	53,342	65,661	55,160	
Postage	1,479	935	1,563	3,240	3,160	
Property Insurance	9,761	7,929	12,443	9,444	13,600	
Auto Insurance	24,275	16,558	25,933	27,295	29,800	
Liability Insurance	1,071	1,654	(2,166)	2,400	2,500	
Training-External	72,326	39,113	71,851	96,786	96,700	
Training-Internal	13,393	6,139	11,712	15,450	26,300	
Training-Employee HR	1,734	417	1,757	875	450	

**San Jacinto River Authority - General and Administration**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals			Rolling 12	Budget	Budget
	8/31/2019	Sept-March FY2020	Mo. Actuals April 2019- March 2020	Mo. Actuals April 2019- March 2020	FY2020	FY2021
Managers Expense	31,716	16,432	29,341	29,341	35,100	39,000
Employee Relations	23,634	18,482	27,379	27,379	42,000	42,000
Fuel	21,255	8,023	18,941	18,941	58,575	30,760
Uniform Services	1,911	4,102	5,360	5,360	6,708	5,400
Operations Supplies	514	1,404	1,572	1,572	5,000	1,150
Memberships & Professional Dues	27,173	18,006	27,018	27,018	42,757	63,033
Janitorial Supplies	6,451	3,628	6,411	6,411	6,500	9,000
Copier, Scanner & Fax	1,121	-	25	25	10,500	5,500
Delivery & Freight	1,499	910	1,657	1,657	3,500	3,750
Utilities-Electric	33,527	21,489	38,937	38,937	45,000	45,000
Utilities-Natural Gas	516	338	532	532	1,000	1,000
Bank Service Charges	298	105	229	229	240	360
Bank Account Analysis Fee	275	(0)	(2)	(2)	1,200	1,200
Personal Protective Equipment	2,815	1,904	3,631	3,631	11,571	9,450
Safety Equipment & Meetings	1,360	1,028	1,837	1,837	3,050	3,700
Health & Wellness Program	7	123	127	127	180	180
Recruiting Expenses	10,692	11,242	14,265	14,265	725	14,000
Computer Hardware	68,180	26,399	51,735	51,735	127,071	175,737
Software & Support	241,664	114,354	209,595	209,595	219,571	208,672
Software Maintenance	3,267	2,259	3,637	3,637	4,500	5,500
Network Communications	15,005	7,755	14,006	14,006	16,390	16,662
Publications & Subscriptions	8,408	7,503	10,530	10,530	16,870	44,640
Newspaper Ads	-	-	-	-	2,000	2,000
Wireless Devices & Services	63,731	35,817	63,304	63,304	81,270	72,220
Phone System-Install, Maintenance, & Changes	-	-	-	-	2,602	-
Emergency Operations Communications	4,974	3,122	5,323	5,323	5,100	5,640
Landline Telephone Services	12,751	8,342	13,449	13,449	15,063	15,313
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 811,679</b>	<b>\$ 435,434</b>	<b>\$ 781,526</b>	<b>\$ 781,526</b>	<b>\$ 1,067,315</b>	<b>\$ 1,146,927</b>
<b>RENTALS</b>						
Equipment Rentals	\$ -	\$ 636	\$ 636	\$ 636	\$ 2,500	\$ 2,500
Office Rent	17,688	10,318	28,006	28,006	17,688	5,400
Office Equipment Rentals	16,282	7,785	13,688	13,688	25,000	20,000
<b>TOTAL RENTALS</b>	<b>\$ 33,970</b>	<b>\$ 18,739</b>	<b>\$ 42,330</b>	<b>\$ 42,330</b>	<b>\$ 45,188</b>	<b>\$ 27,900</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>						
Office, Furniture, & Fixtures	\$ 2,447	\$ -	\$ 559	\$ 559	\$ 9,300	\$ 7,000
Buildings & Grounds Maintenance	73,640	61,542	105,221	105,221	127,000	127,000
Security System Monitoring	-	-	-	-	1,500	3,640
Machinery, Tools, & Implements	7,087	12,100	14,083	14,083	12,500	18,000
Instrumentation Equipment & Parts	-	-	-	-	-	5,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 83,174</b>	<b>\$ 73,642</b>	<b>\$ 119,863</b>	<b>\$ 119,863</b>	<b>\$ 150,300</b>	<b>\$ 160,640</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>						
General & Administrative Expense Allocated	\$ (85,650)	\$ (48,793)	\$ (84,480)	\$ (84,480)	\$ (83,645)	\$ (75,327)
General & Administrative Expense Allocated to Lake Conroe	(875,317)	(612,539)	(1,093,004)	(1,093,004)	(1,009,174)	(1,126,086)
General & Administrative Expense Allocated to Bear Branch	(14,752)	(5,435)	(15,800)	(15,800)	(27,246)	(30,165)
General & Administrative Expense Allocated to Highlands	(399,870)	(206,587)	(394,427)	(394,427)	(583,510)	(549,540)
General & Administrative Expense Allocated to Raw Water	(41,911)	(26,145)	(43,784)	(43,784)	(74,890)	(62,019)
General & Administrative Expense Allocated to Woodlands	(668,337)	(385,357)	(676,937)	(676,937)	(716,069)	(697,619)
General & Administrative Expense Allocated to GRP Division	(397,955)	(202,592)	(385,746)	(385,746)	(476,390)	(526,394)
General & Administrative Expense Allocated to Flood Manageme	(74,606)	(41,294)	(71,395)	(71,395)	(107,968)	(111,268)
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ (2,558,398)</b>	<b>\$ (1,528,741)</b>	<b>\$ (2,765,574)</b>	<b>\$ (2,765,574)</b>	<b>\$ (3,078,892)</b>	<b>\$ (3,178,417)</b>
<b>NON-OPERATING EXPENSES</b>						
Interest Expense	\$ 80,505	\$ 41,058	\$ 73,589	\$ 73,589	\$ 67,658	\$ 52,437
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$ 80,505</b>	<b>\$ 41,058</b>	<b>\$ 73,589</b>	<b>\$ 73,589</b>	<b>\$ 67,658</b>	<b>\$ 52,437</b>
<b>TOTAL EXPENSES</b>	<b>\$ 20,515</b>	<b>\$ (229,250)</b>	<b>\$ (278,936)</b>	<b>\$ (278,936)</b>	<b>\$ 29,772</b>	<b>\$ 28,604</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 449,557</b>	<b>\$ 345,134</b>	<b>\$ 594,291</b>	<b>\$ 594,291</b>	<b>\$ 11,463</b>	<b>\$ 44,602</b>

**San Jacinto River Authority - General and Administration**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>CAPITAL IMPROVEMENTS*</b>					
Capital Improvements				\$ 120,000	\$ -
Maintenance Equipment				5,500	10,000
Transportation Equipment				110,000	238,000
Software				3,200	3,219
Computer Equipment				101,643	103,679
Electronic Test Equipment				12,500	-
<b>TOTAL CAPITAL IMPROVEMENTS</b>				<b>\$ 352,843</b>	<b>\$ 354,898</b>
<b>OTHER SOURCES (USES)*</b>					
Loan Principal				\$ (325,842)	\$ (341,063)
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ (325,842)</b>	<b>\$ (341,063)</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 449,557</b>	<b>\$ 345,134</b>	<b>\$ 594,291</b>	<b>\$ (667,222)</b>	<b>\$ (651,359)</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority - General and Administration Repair and Replacement**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OTHER REVENUES</b>					
Interest Income	\$ 19	\$ 12,331	\$ 12,350	\$ -	\$ -
<b>TOTAL OTHER REVENUES</b>	<b>\$ 19</b>	<b>\$ 12,331</b>	<b>\$ 12,350</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 19</b>	<b>\$ 12,331</b>	<b>\$ 12,350</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CAPITAL IMPROVEMENTS*</b>					
Office Buildings	\$ -	\$ -	\$ -	\$ -	\$ 217,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 217,000</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 1,201,561	\$ 1,128,960
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 1,201,561</b>	<b>\$ 1,128,960</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 19</b>	<b>\$ 12,331</b>	<b>\$ 12,350</b>	<b>\$ 1,201,561</b>	<b>\$ 911,960</b>

\*Actuals intentionally left blank.

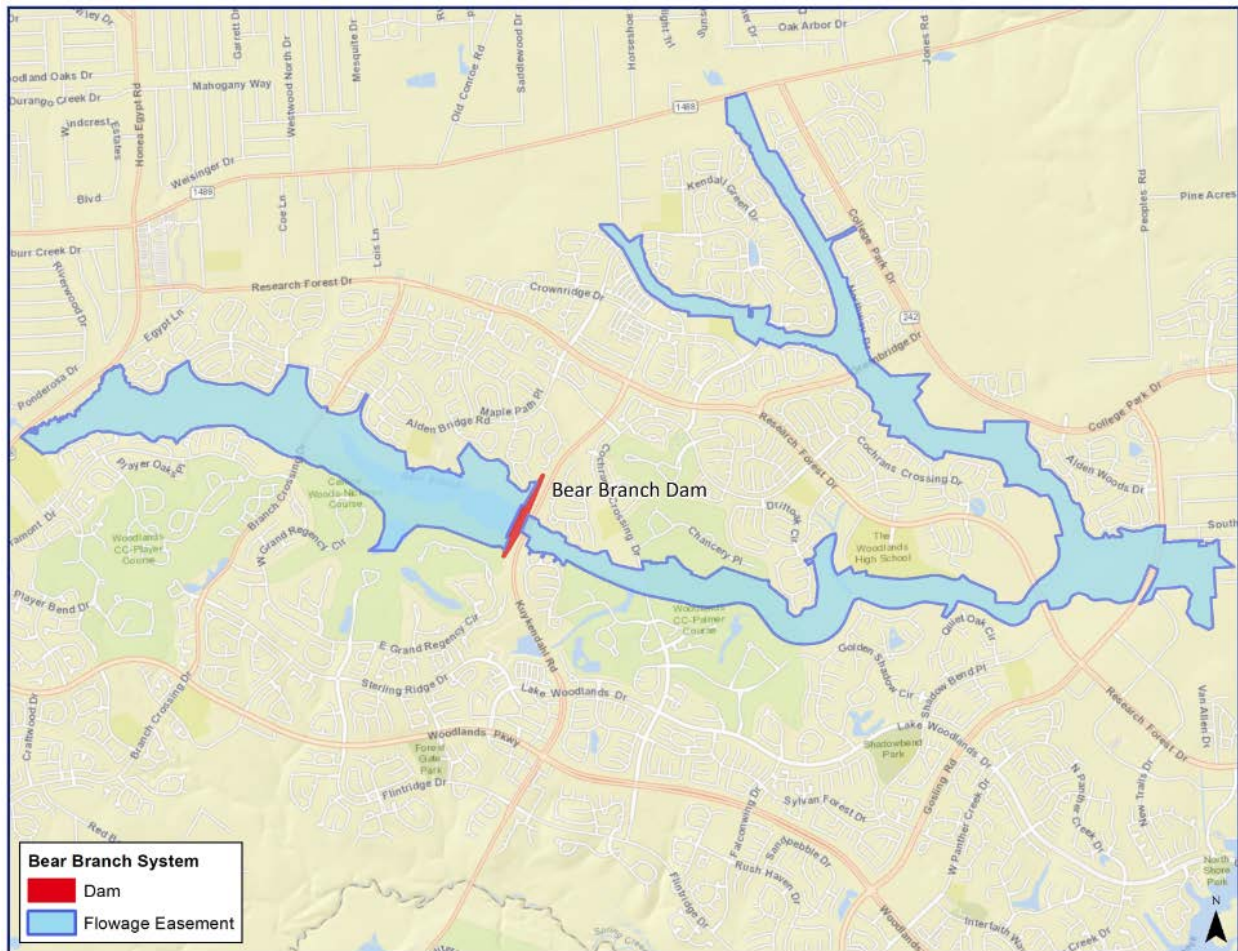
# BEAR BRANCH



## BEAR BRANCH

The Authority contracted with five Woodlands MUDs to operate and maintain the Bear Branch Reservoir and drainage system (Bear Branch) for stormwater detention. The Lake Conroe Division provides the O&M services for Bear Branch. The participating MUDs make annual contributions to cover the budgeted O&M expenses and any capital improvements based on a ratio of the number of lots in each MUD compared to the total number of lots within the overall drainage area.

### MAP OF BEAR BRANCH RESERVOIR AND STORMWATER DRAINAGE SYSTEM



**Major Initiatives:** During FY2020 and planned for FY2021, the Bear Branch Division has either completed or started, or will complete major initiatives to improve the operations related to the Division.

- 1. Dam Inspection:** Title 30, Chapter 299 of the Texas Administrative Code contains the rules and regulations relevant to the operation and maintenance of Dams and Reservoirs in Texas. As the agency charged with administering and regulating Dam Safety, the Texas Commission on Environmental Quality (TCEQ) requires an engineering inspection be performed on the Bear Branch Dam once every five years. During FY2021, the Division plans to contract with a

professional engineering firm to perform the required inspection. Recommendations derived from the inspection will help determine the extent and timing of future maintenance and repair projects.

2. **Transfer of Land Ownership:** During FY2020 deeds to those portions of the Bear Branch System not already owned by the Authority were transferred to the Authority from the Woodlands Land Development Company.
3. **Identification of voids and temporary repairs:** In FY2020, routine inspection of the Bear Branch Dam service spillway resulted in the discovery of a significant void in the concrete of the spillway. Temporary repairs were made in an attempt to prevent further damage. Field investigation by a professional engineer resulted in the recommendation that topographic and geophysical surveys be performed at the spillway. Current plans are to complete the topographic survey in FY2020 and the geophysical survey in FY2021. Results of the surveys will help determine the extent and timing of potential repairs.

**Capital Improvements and Other Projects Plans:** The Bear Branch Dam is required by Texas Commission on Environmental Quality (TCEQ) to be inspected every five years. The last inspection was completed in September 2015. The next inspection is budgeted to occur in FY2021 with an estimated cost of \$35,000.

**Total Indebtedness and Annual Debt Service:** The Bear Branch system does not have any indebtedness as of FY2020 and no plans for future indebtedness in FY2021 or beyond.

**Staffing Plan:** For FY2021, the Lake Conroe Division projects 0.17 FTEs and the G&A Departments project 0.36 FTEs to Bear Branch for a total of 0.53 FTEs.

**Revenues:** Revenues for FY2021 for Bear Branch combine contributions from the five participating MUDs totaling \$176,927 with \$1,200 in interest income for total revenues of \$178,127. Additionally, Bear Branch also plans to use \$153,687 of remaining cash balances.

**Expenses:** Expenses for FY2021 for Bear Branch contains regular and customary expenses related to the on-going operation and maintenance of the Bear Branch reservoir and drainage system. Such expenditures include:

- Salaries, Wages, and Benefits
- Professional Fees
- Purchased and Contracted Services
- Supplies, Materials, and Utilities
- Maintenance, Repairs, and Parts

Expected operating expenditures including operating and any for the Bear Branch System for FY2021 total \$331,814.

**Fund Balance and Reserves:** The Bear Branch System does not maintain any fund balance or reserves. For FY2021, the net between revenues and expenditures for Bear Branch is \$0.

**San Jacinto River Authority - Bear Branch**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OPERATING REVENUES</b>					
Capital Contributions	\$ 289,533	\$ 150,204	\$ 150,204	\$ 150,204	\$ 176,927
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 289,533</b>	<b>\$ 150,204</b>	<b>\$ 150,204</b>	<b>\$ 150,204</b>	<b>\$ 176,927</b>
<b>OTHER REVENUES</b>					
Interest Income	\$ 6,667	\$ 3,063	\$ 5,994	\$ 1,200	\$ 1,200
<b>TOTAL OTHER REVENUES</b>	<b>\$ 6,667</b>	<b>\$ 3,063</b>	<b>\$ 5,994</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>					
Salary & Wage Allocation	\$ 39,165	\$ 12,763	\$ 33,269	\$ 27,650	\$ 49,039
Group Insurance	7,659	1,954	6,217	5,329	10,311
Group Retirement Expense	5,105	(0)	2,535	3,095	5,431
Workers Compensation Insurance	829	186	621	409	914
Social Security Taxes	2,856	942	2,431	2,115	3,686
<b>TOTAL SALARIES, WAGES, &amp; EMPLOYEE BENEFITS</b>	<b>\$ 55,615</b>	<b>\$ 15,844</b>	<b>\$ 45,073</b>	<b>\$ 38,598</b>	<b>\$ 69,380</b>
<b>PROFESSIONAL FEES</b>					
Legal Fees	\$ 2,370	\$ -	\$ 2,370	\$ 10,000	\$ 5,000
Engineering	22,470	1,903	8,340	45,000	45,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 24,840</b>	<b>\$ 1,903</b>	<b>\$ 10,710</b>	<b>\$ 55,000</b>	<b>\$ 50,000</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>					
Operating Supplies & Expenses	\$ 282	\$ -	\$ 33	\$ 500	\$ 500
Office Supplies & Printing	-	-	-	250	250
Liability Insurance	2,119	1,364	2,211	3,373	3,600
Managers Expense	4	-	4	250	250
Fuel	149	69	144	688	550
Signage	-	-	-	1,000	1,000
Newspaper Ads	1,040	-	1,040	1,000	1,000
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ 3,594</b>	<b>\$ 1,434</b>	<b>\$ 3,432</b>	<b>\$ 7,061</b>	<b>\$ 7,150</b>
<b>RENTALS</b>					
Equipment Rentals	\$ -	\$ -	\$ -	\$ 1,750	\$ -
<b>TOTAL RENTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,750</b>	<b>\$ -</b>
<b>MAINTENANCE, REPAIRS &amp; PARTS</b>					
Mowing	\$ 53,456	\$ 26,728	\$ 80,183	\$ 109,049	\$ 110,119
Channel Desilting & Desnagging	10,618	-	9,600	20,000	20,000
Canals, Levees, & Dams-Maintenance & Repairs	257	7,192	7,449	10,000	15,000
Clearing	600	1,250	1,550	5,000	5,000
Invasive Species Management	-	-	-	20,000	20,000
Fencing & Security Repairs	-	-	-	6,000	5,000
<b>TOTAL MAINTENANCE, REPAIRS &amp; PARTS</b>	<b>\$ 64,930</b>	<b>\$ 35,170</b>	<b>\$ 98,783</b>	<b>\$ 170,049</b>	<b>\$ 175,119</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
General & Administrative Expense Allocated	\$ 14,752	\$ 5,435	\$ 15,800	\$ 27,246	\$ 30,165
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 14,752</b>	<b>\$ 5,435</b>	<b>\$ 15,800</b>	<b>\$ 27,246</b>	<b>\$ 30,165</b>
<b>TOTAL EXPENSES</b>	<b>\$ 163,729</b>	<b>\$ 59,786</b>	<b>\$ 173,797</b>	<b>\$ 299,703</b>	<b>\$ 331,814</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 132,471</b>	<b>\$ 93,481</b>	<b>\$ (17,600)</b>	<b>\$ (148,299)</b>	<b>\$ (153,687)</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 148,299	\$ 153,687
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 148,299</b>	<b>\$ 153,687</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 132,471</b>	<b>\$ 93,481</b>	<b>\$ (17,600)</b>	<b>\$ -</b>	<b>\$ -</b>

\*Actuals intentionally left blank.





# REGION H

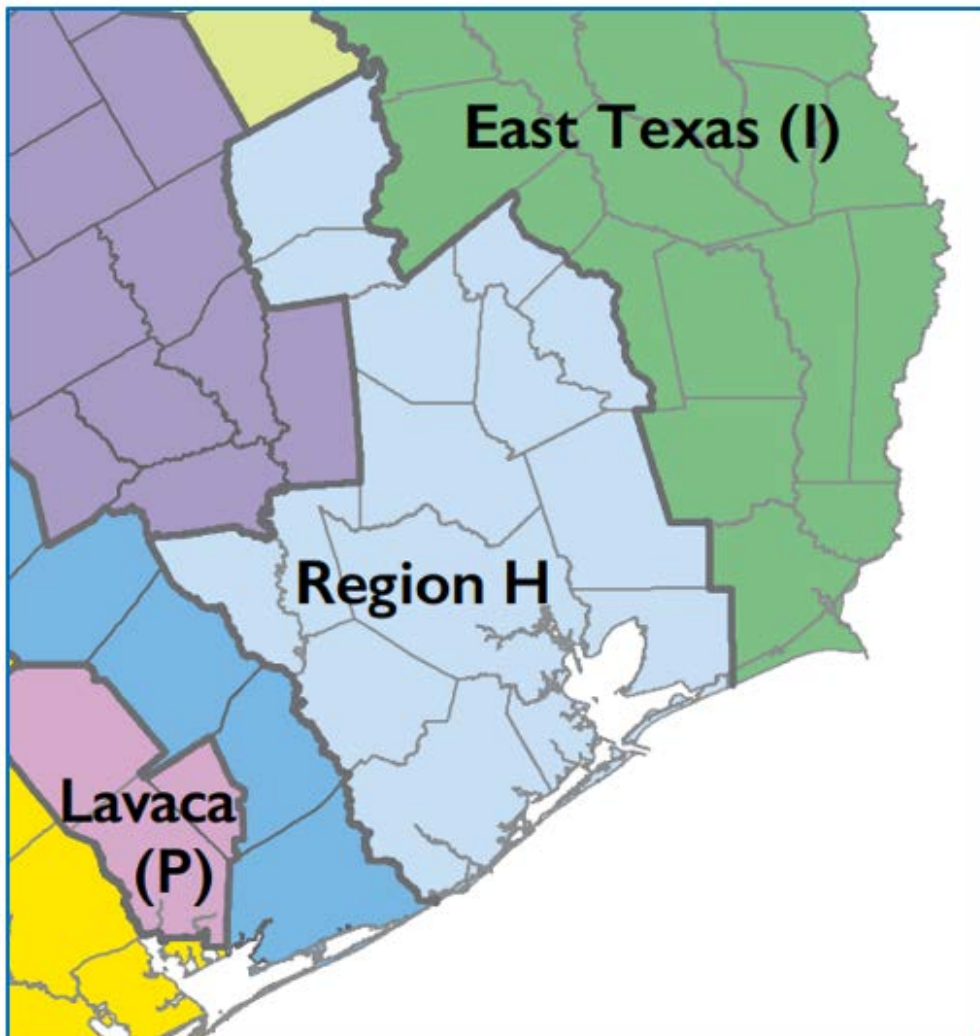


## REGION H

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The Authority serves as the administrative agent for the Region H Water Planning Group (Region H). Region H is one of sixteen regional planning groups created by the Texas Legislature in 1997 with the adoption of Senate Bill 1, with 26 voting members and ten non-voting members. Region H's efforts are directed at creating a 50-year regional water plan every five years for all or parts of fifteen counties, including Montgomery County, identifying projected water shortages when forecasted water demands outpace existing water supplies. The State of Texas provides funding for the vast majority of Region H through TWDB grants, with local entities contributing a small amount of funds to cover small miscellaneous expenses. Region H completed its latest plan in 2016 and submitted it to the TWDB for inclusion in the 2017 State Water Plan. Region H is continuing the five-year planning process, working towards the development of the 2021 Region H Plan and resulting 2022 State Water Plan.

### MAP OF REGION H WATER PLANNING AREA



**Capital Improvements and Other Projects Plans:** Region H has no capital improvements or other major projects planned for FY2021.

**Total Indebtedness and Annual Debt Service:** Region H does not have any indebtedness as of FY2020 and no plans for future indebtedness in FY2021 or beyond.

**Staffing Plan:** The Authority does not allocate any staff time to Region H.

**Revenues:** Revenues for FY2021 for Region H combine an anticipated TWDB grant of \$250,000 with \$600 in interest income for total revenues of \$250,600.

**Expenses:** Expenses for FY2021 for Region H contain professional fees and miscellaneous purchased and contracted services related to the development of the 2021 Region H Water Plan. The TWDB grant covers the professional fees while miscellaneous expenses are covered by previous contributions from the members.

Expected expenditures for Region H for FY2021 total \$252,972.

**Fund Balance and Reserves:** Region H does not maintain any fund balance or reserves. For FY2021, the net between revenues and expenditures for Region H is \$0.

**San Jacinto River Authority - Region H**  
**Actual to Budget Comparison**  
**FY2019 - FY2021**

Description	Actuals 8/31/2019	Actuals Sept-March FY2020	Rolling 12 Mo. Actuals April 2019- March 2020	Budget FY2020	Budget FY2021
<b>OTHER REVENUES</b>					
Interest Income	\$ 1,888	\$ 552	\$ 1,173	\$ -	\$ -
Interest Income- Region H - General Fund	2,817	1,189	2,399	600	600
Grant Revenue	465,981	-	363,564	725,000	250,000
<b>TOTAL OTHER REVENUES</b>	<b>\$ 470,686</b>	<b>\$ 1,741</b>	<b>\$ 367,137</b>	<b>\$ 725,600</b>	<b>\$ 250,600</b>
<b>OPERATING EXPENSES</b>					
<b>PROFESSIONAL FEES</b>					
Engineering	\$ 466,041	\$ 255,365	\$ 598,408	\$ 725,000	\$ 250,000
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$ 466,041</b>	<b>\$ 255,365</b>	<b>\$ 598,408</b>	<b>\$ 725,000</b>	<b>\$ 250,000</b>
<b>PURCHASED &amp; CONTRACTED SERVICES</b>					
Meeting Expenses	\$ 278	\$ 355	\$ 355	\$ 1,000	\$ 1,000
Posting Notice Expenses	32	165	181	250	250
Public Official Liability	1,422	1,422	1,422	1,493	1,422
<b>TOTAL PURCHASED &amp; CONTRACTED SERVICES</b>	<b>\$ 1,732</b>	<b>\$ 1,941</b>	<b>\$ 1,958</b>	<b>\$ 2,743</b>	<b>\$ 2,672</b>
<b>SUPPLIES, MATERIALS &amp; UTILITIES</b>					
Automobile & Truck Expense	\$ -	\$ 252	\$ 252	\$ -	\$ 300
<b>TOTAL SUPPLIES, MATERIALS &amp; UTILITIES</b>	<b>\$ -</b>	<b>\$ 252</b>	<b>\$ 252</b>	<b>\$ -</b>	<b>\$ 300</b>
<b>TOTAL EXPENSES</b>	<b>\$ 467,773</b>	<b>\$ 257,559</b>	<b>\$ 600,618</b>	<b>\$ 727,743</b>	<b>\$ 252,972</b>
<b>NET REVENUES OVER EXPENSES</b>	<b>\$ 2,913</b>	<b>\$ (255,818)</b>	<b>\$ (233,481)</b>	<b>\$ (2,143)</b>	<b>\$ (2,372)</b>
<b>OTHER SOURCES (USES)*</b>					
Cash Sources (Uses)				\$ 2,143	\$ 2,372
<b>TOTAL OTHER SOURCES (USES)</b>				<b>\$ 2,143</b>	<b>\$ 2,372</b>
<b>NET CASH BASIS SOURCES (USES)</b>	<b>\$ 2,913</b>	<b>\$ (255,818)</b>	<b>\$ (233,481)</b>	<b>\$ 0</b>	<b>\$ -</b>

\*Actuals intentionally left blank.

**San Jacinto River Authority  
FY2021 Budget  
Capital Equipment List**

**FY2021 Budget    Description**

**General & Administration:**

Other Equipment	\$ 10,000	Label printer for panel (\$5,000); Terminal block labeler (\$5,000)
Transportation Equipment	\$ 238,000	Replacement pool vehicles (1) truck and (1) large SUV (\$70,000); SCADA vehicles (2) Service body truck (\$50,000/each); (1) Van (\$44,000); (1) Small SUV (\$24,000)

**GRP:**

Equipment	\$ 40,000	TTHM Lab Analyzer (\$40,000)
Transportation Equipment	\$ 65,000	Replacement of (1) 1/2-ton 4x4 truck and (1) mid-sized SUV

**Highlands:**

Tractors	\$ 70,000	(1) tractor (\$100,000); Estimating receiving \$30,000 in trade ins
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**Lake Conroe:**

Construction & Maintenance E	\$ 62,000	6ft shredder replacement (\$8,000); Portable Generator (\$54,000).
Transportation Equipment	\$ 6,000	14-Ft Box Welding Trailer Tandem Axel (\$6,000)

**Woodlands:**

Maintenance Equipment	\$ 5,000	Trailer Mounted Concrete Mixer (\$5,000)
Transportation Equipment	\$ 155,000	(1) Mid-size SUV (\$25,000); (1) 3/4-ton truck with utility bed (\$35,000); (1) 1-ton truck with utility bed (\$50,000); (1) 1-ton truck with utility bed and 4,000 lb crane (\$70,000); Estimating receiving \$25,000 in trade ins