



San Jacinto
River Authority



FY2022 Budget

Approved by Board on August 26, 2021

San Jacinto River Authority

Approved Operating Budgets

For Fiscal Year September 1, 2021 to August 31, 2022

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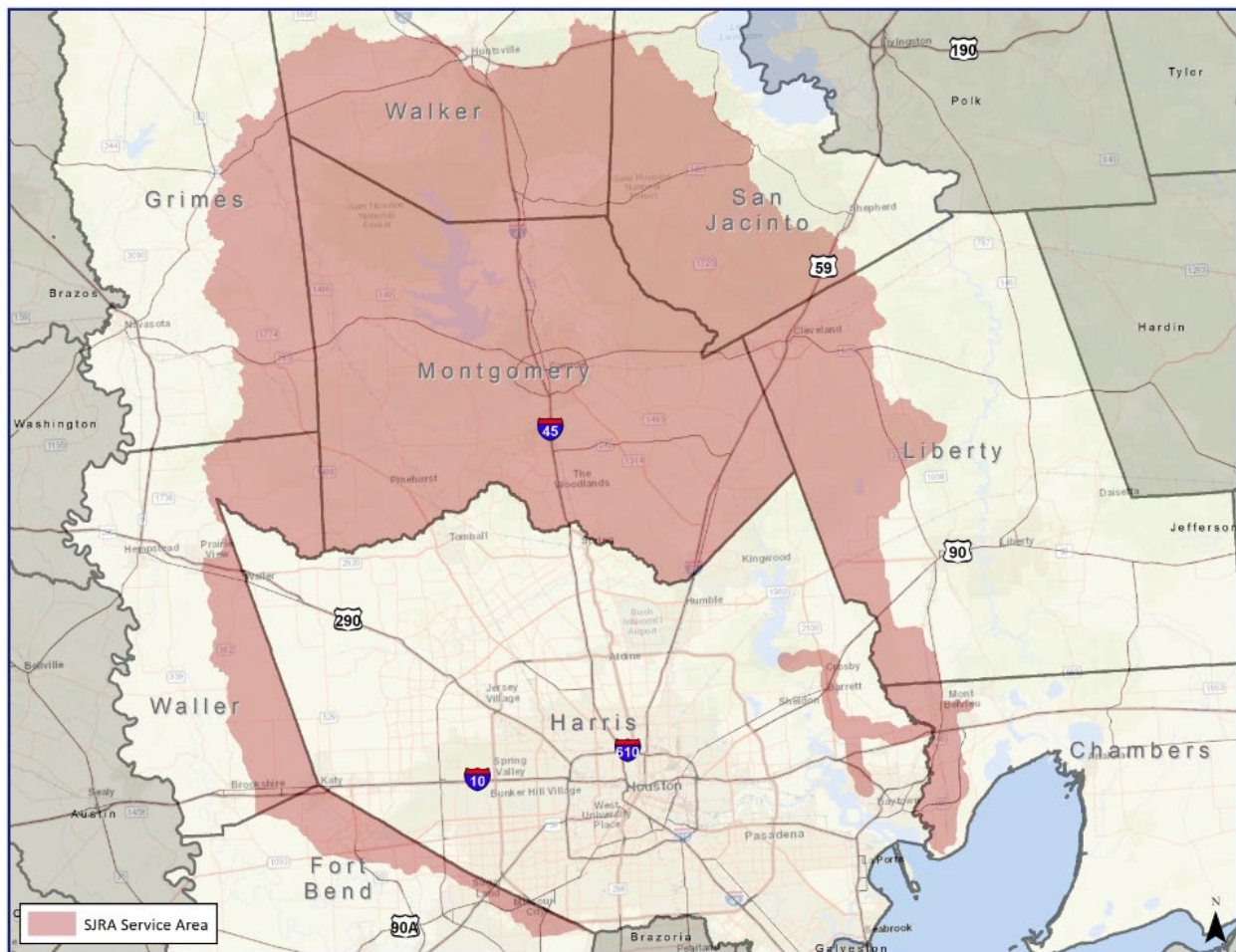
INTRODUCTION



INTRODUCTION TO SJRA

The 45th Texas Legislature created the San Jacinto Conservation and Reclamation District in 1937 (citation – May 12, 1937, 45th Leg., R.S., ch. 426). The 52nd Texas Legislature later changed its name to the San Jacinto River Authority (“Authority”) in 1951 (citation – May 14, 1951, 52nd 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

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

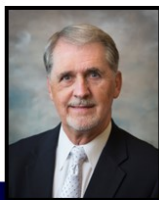
SJRA believes that the following principles are the fundamental values that guide how members of the organization conduct themselves in a pursuit of the mission and vision of the organization. The following guiding principles provide an ethical framework for decision-making and action:

- 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



SJRA Board of Directors



Ronnie Anderson
President



Ed Boulware
Vice-President



William Faubel
Secretary



Mark Micheletti
Treasurer



Ricardo Mora
Secretary-Pro Tem



Stacey Buick
Director

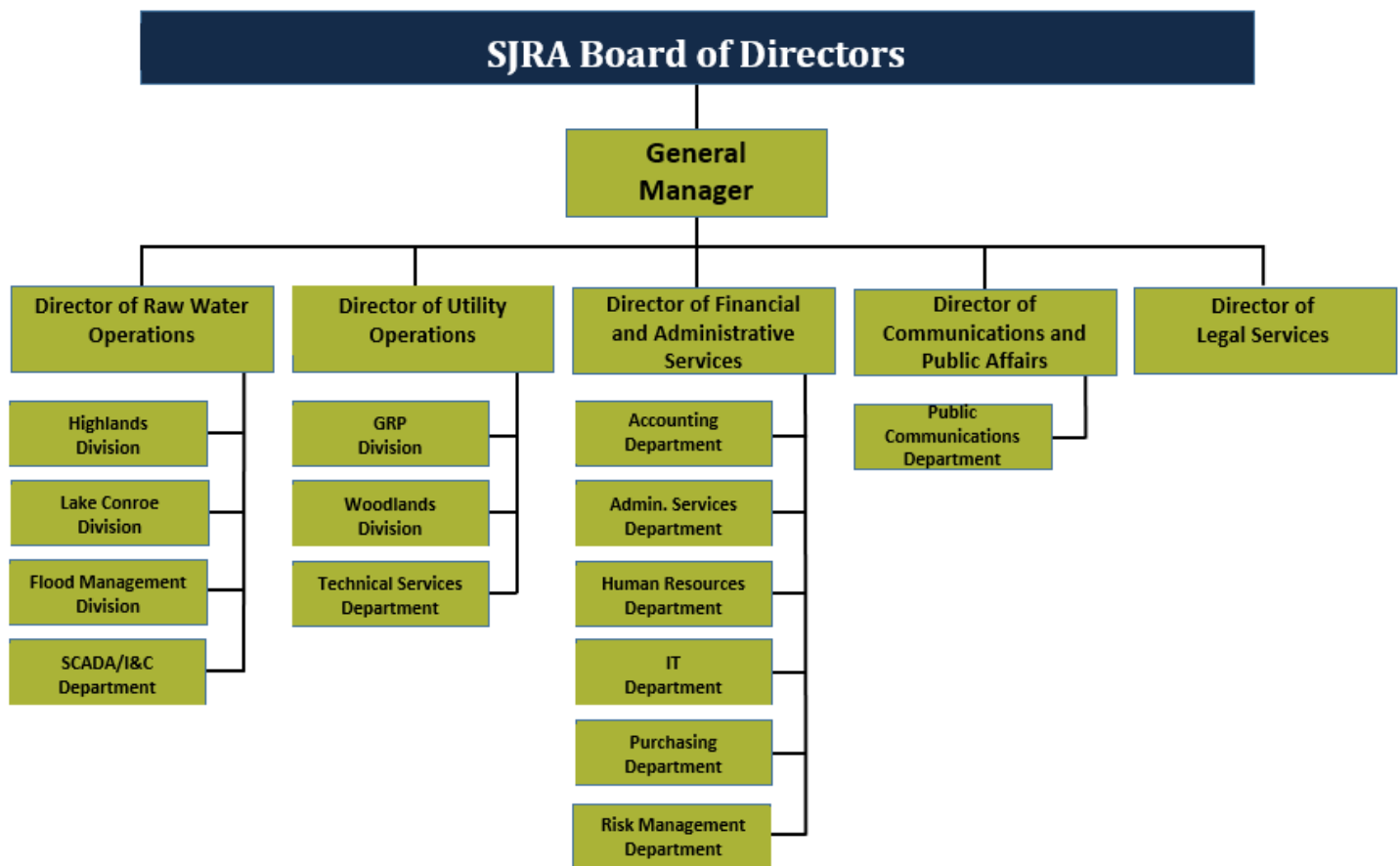


Vacant
Director

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 1st of each calendar year and ends August 31st 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 (G&A) 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 FY22, the Flood Management Division net of participant contributions and grant funds 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 funds, discussed in more detail within the Woodlands section of this budget.

In addition to the Authority's five operating divisions, SJRA maintains the Bear Branch Reservoir (Bear Branch) under contract with five Woodlands area Municipal Utility Districts (MUDs). SJRA also 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

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.

FISCAL YEAR 2022 SCHEDULE	
November/December	<ul style="list-style-type: none"> • Updates to five-year business plans
November/February	<ul style="list-style-type: none"> • Updates to ten-year project plans
January	<ul style="list-style-type: none"> • Development of water and wastewater demand forecasting and general budgetary assumptions
March	<ul style="list-style-type: none"> • G&A Department budget development
March – April	<ul style="list-style-type: none"> • Operating Division budget development
April – June	<ul style="list-style-type: none"> • Ten-year project plans for each Division presented to customers and Board of Directors • Senior Management review and compilation of overall budgets • Draft Division budget presentations to customers, participants, GRP Review Committee and the City of Houston • Proposed Division rate presentations to customers • Draft GRP budget and proposed GRP rates presentation to Finance Committee, GRP Review Committee and Board of Directors • Draft GRP budget and proposed GRP Rates Order to GRP Review Committee and Board of Directors for approval • Draft divisional/departmental budgets presentation to Finance Committee
July	<ul style="list-style-type: none"> • Presentation of proposed overall and division budgets, and the proposed Woodlands and Raw Water Rate Orders to Board of Directors
August	<ul style="list-style-type: none"> • Board of Directors budget approval and Woodlands and Raw Water Rate Orders Approval

CAPITAL IMPROVEMENTS AND OTHER PROJECT PLAN DEVELOPMENT

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 FY2022-FY2031.



GENERAL BUDGETARY ASSUMPTIONS

Key assumptions affecting all SJRA divisions and departments for FY2022 are as follows:

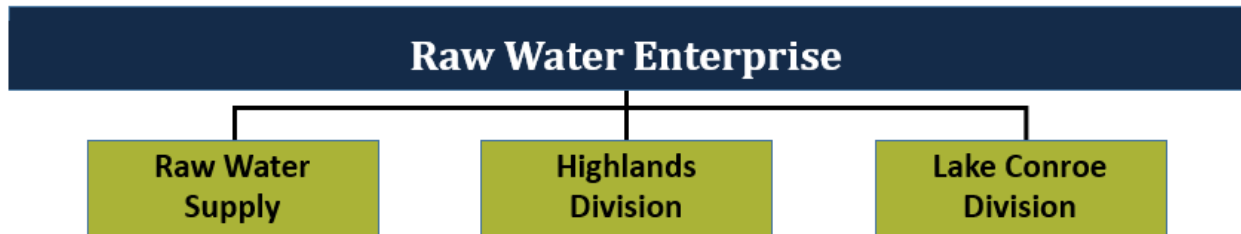
- Staffing of 177.33 Full Time Equivalent (FTE) for FY2022
- The FY2022 budget includes no intern, part-time, or temporary positions
- For FY2022, total salaries and benefits have been budgeted at 97% to address vacancies throughout the year
- Salary and wage increases are budgeted at a combined average 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
- Current types of benefits provided and offered to employees will continue
 - Healthcare benefit costs (medical only) are budgeted for a 9% increase for FY2022
 - Authority health and wellness program, including participation incentives
- Retirement benefits for FY2022 are budgeted at 11.7% of salaries for employees hired prior to August 1, 2016 under the defined benefit plan and 10% 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 10% increase for FY2022 based on a running three-year historical experience modifier
- Normal weather and operating conditions are forecast for FY2022
- Fuel prices per gallon for gasoline and diesel are forecasted to increase for FY2022 to \$3.00 and \$3.50, respectively
- Utility usage, electric, and natural gas prices are forecasted to remain stable for FY2022
- Specific division rates for FY2022
 - Raw Water = \$0.495 per 1,000 gallons through December 31, 2021, increasing to \$0.51 beginning January 1, 2022
 - Woodlands Wholesale Water = \$2.37 per 1,000 gallons
 - Woodlands Wholesale Wastewater = \$4.85 per 1,000 gallons
 - GRP Groundwater Pumpage = \$2.88 per 1,000 gallons
 - GRP Surface-water = \$3.30 per 1,000 gallons

RAW WATER ENTERPRISE

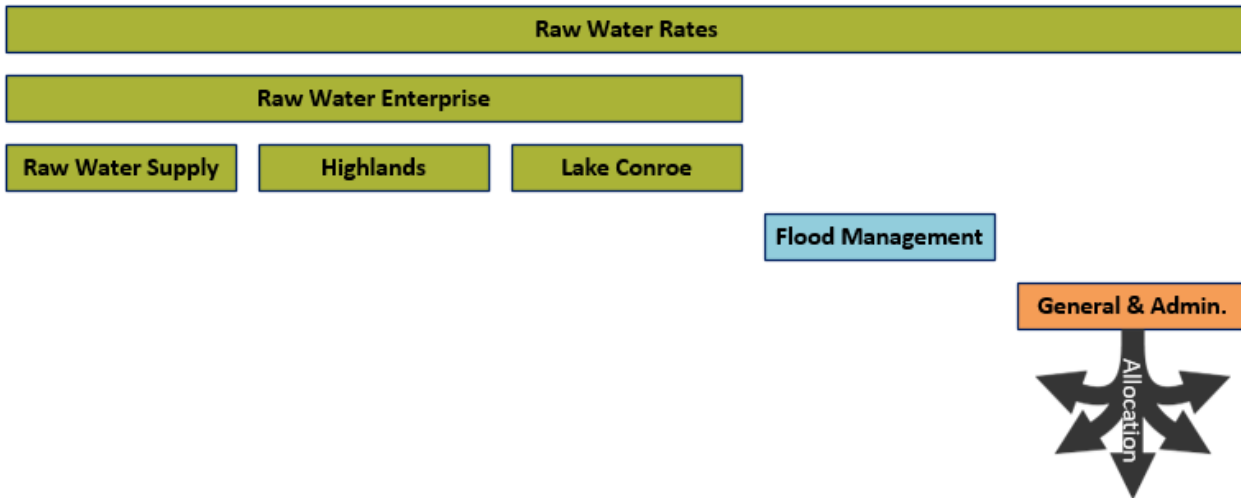


RAW WATER ENTERPRISE

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.



In the Lake Conroe Repair and Replacement (R&R) Funds, the City of Houston’s Share of Lake Conroe Operations and Capital Improvements of \$1,625,333, less General & Administrative Expense Allocated of \$318,000, totals to a net revenue of \$1,307,333. This net revenue does not increase the balance of the R&R Funds, but remains in the general fund to offset the net expenses from Lake Conroe Operations and Maintenance (O&M). Please note, Lake Conroe’s Capital Improvements is presented in the following reports net of City of Houston’s 2/3 Share.

For FY2022, the net balance of 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, and any remaining expenses from the G&A Division after allocations, is (\$1,307,333). This balance net of City of Houston Share and G&A Allocations from the Lake Conroe R&R Fund is \$0.

San Jacinto River Authority - Raw Water Enterprise Operating Summary
(Raw Water Supply, Highlands, Lake Conroe, Flood Management, and General Administration)
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES	\$ 25,678,233	\$ 14,097,334	\$ 25,499,515		\$ 25,660,339	\$ 26,511,078
OTHER REVENUES	\$ 799,411	\$ 200,696	\$ 459,030		\$ 92,973	\$ 770,102
OPERATING EXPENSES						
Salaries, Wages, & Employee Benefits	\$ 6,373,769	\$ 3,787,630	\$ 6,331,895		\$ 7,957,452	\$ 8,815,386
Professional Fees	4,146,513	1,330,513	3,239,580		3,001,000	4,643,758
Purchased & Contracted Services	657,888	308,096	561,244		857,020	886,767
Supplies, Materials & Utilities	1,591,216	1,085,616	1,635,402		2,340,204	2,381,898
Rentals	80,323	44,795	81,154		115,106	119,606
Maintenance, Repairs & Parts	826,190	321,105	918,725		875,290	931,190
General & Administrative Expenses	(1,221,786)	(713,458)	(1,251,643)		(1,566,205)	(1,724,216)
TOTAL OPERATING EXPENSES	\$ 12,454,113	\$ 6,164,298	\$ 11,516,356		\$ 13,579,868	\$ 16,054,389
TOTAL NON-OPERATING EXPENSES	\$ 2,773,895	\$ 1,334,404	\$ 2,324,755		\$ 2,283,487	\$ 2,149,995
TOTAL EXPENSES	\$ 15,228,008	\$ 7,498,702	\$ 13,841,111		\$ 15,863,355	\$ 18,204,383
NET REVENUES OVER EXPENSES	\$ 11,249,636	\$ 6,799,328	\$ 12,117,434		\$ 9,889,957	\$ 9,076,797
CAPITAL IMPROVEMENTS					\$ 1,640,304	\$ 723,552
OTHER SOURCES (USES)*						
Cash Sources (Uses)					\$ -	\$ 208,064
Partner Contributions					-	1,375,000
Bond Principal					(3,705,000)	(3,638,333)
Loan Principal					(341,063)	(355,309)
Repair and Replacement Transfers					(4,043,797)	(7,250,000)
TOTAL OTHER SOURCES (USES)					\$ (8,089,860)	\$ (9,660,578)
NET CASH BASIS SOURCES (USES)	\$ 11,249,636	\$ 6,799,328	\$ 12,117,434		\$ 159,794	\$ (1,307,333)

*Actuals intentionally left blank.

RAW WATER SUPPLY



RAW WATER SUPPLY

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 FY2021 and planned for FY2022, 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 address 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 update is underway and scheduled to be completed by the end of FY2021.

4. **Raw Water Supply Master Plan:** The Raw Water Supply Master Plan determined the 50-year demand projections for industrial, municipal, and irrigation water for Lake Conroe and the Highlands service areas, and identified strategies or water-supply sources for meeting those demands. During FY2022, an update to the Raw Water Supply Master Plan will be performed once the Groundwater Management Area (GMA) 14 and Lone Star Groundwater Conservation District sets groundwater pumpage for Montgomery County.

5. **Aquifer Storage and Recovery (ASR) Demonstration:** During FY2022, a demonstration project to assess the feasibility of developing a full-scale Aquifer Storage and Recovery (ASR) system as a water management strategy. An ASR system is where groundwater is artificially recharged, increasing the volume of water stored in an aquifer and allowing for subsequent withdrawal at a future date. The original source of supply for the ASR project could be surface water or groundwater and could include injecting fully treated water or mildly treated water into the aquifer.

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 FY2021 or FY2022. However, the Raw Water Supply does have additional studies scheduled to begin in FY2022. These studies included within the Raw Water Supply Project Plan are funded from the O&M budget and may extend over multiple fiscal years.

Raw Water Supply - Projects	Stage	Est. FY2022 Cost	Funding Source
Raw Water Supply Master Plan	Study	\$ 200,000	O&M Budget
ASR Demonstration Project	Design	\$ 300,000	O&M Budget
Total		\$ 500,000	

Total Indebtedness and Annual Debt Service: At August 31, 2020, the Raw Water Enterprise had \$6,680,000 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 2019A Water Revenue Refunding Bonds (Outstanding: \$6,680,000; Matures 10/1/24)

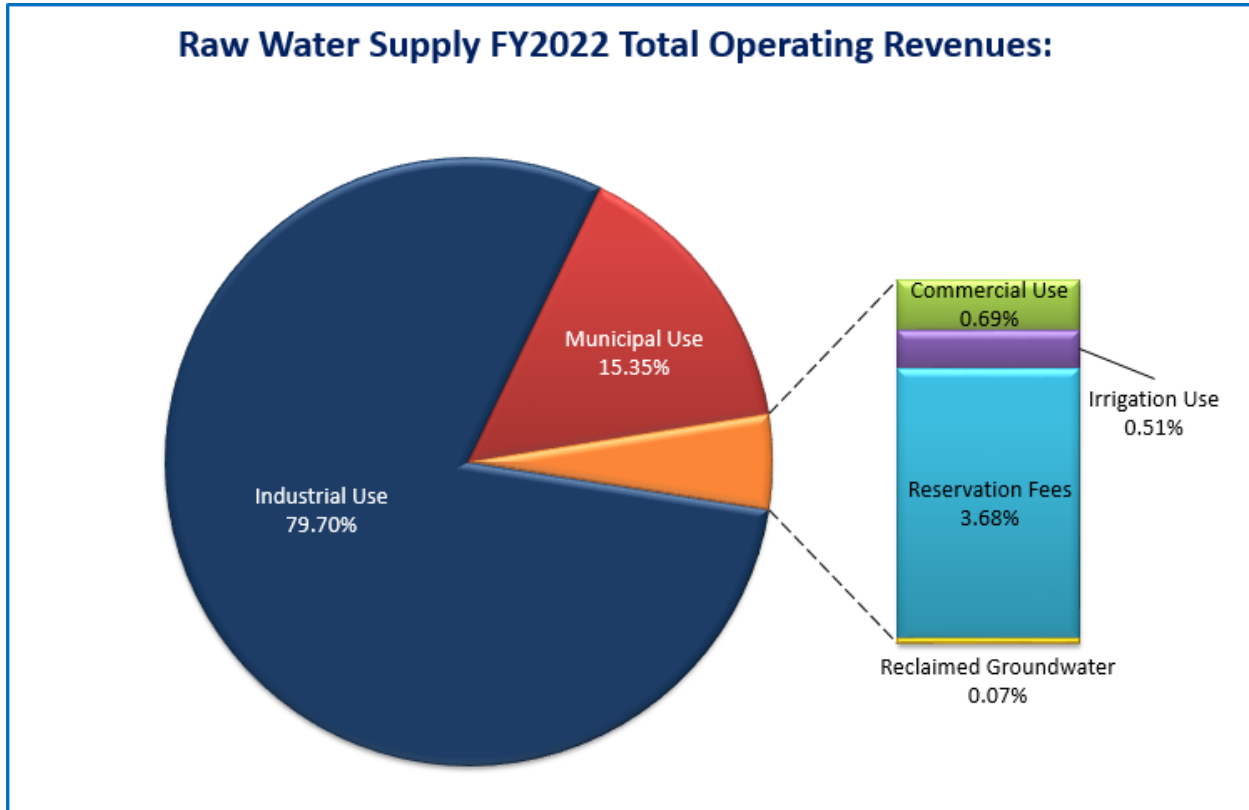
Annual debt service (principal and interest) for FY2022 for the above bond issuances is \$1,666,533. Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves for the above bond issuances are fully funded.

Staffing Plans: The Raw Water Supply's staffing plan for FY2022 includes zero direct FTE positions, with no part-time, temporary, or intern positions. The Raw Water Supply is allocated 1.76 FTEs for FY2022 from the Lake Conroe and Flood Management Divisions and G&A Departments.

Revenues: The raw water rate contained within the FY2022 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 \$0.495 per 1,000 gallons for calendar year 2021. Beginning January 1, 2022, through December 31, 2022, the raw water rate is proposed to be \$0.51 per 1,000 gallons (\$166.18 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 2021 (the first four months of FY2022), the raw water rate will continue to be \$0.495 per 1,000 gallons (\$161.30 per acre-foot), with the corresponding reservation and option rates remaining in accordance with the approved Raw Water Rate Order.

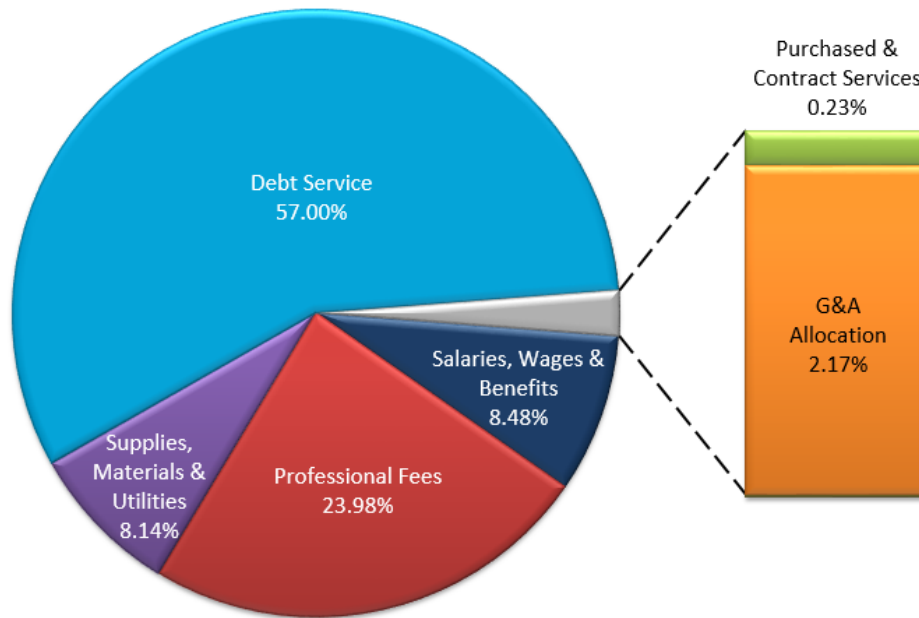
Expected operating revenues for the Authority’s Raw Water Supply for FY2022 total \$21,448,425.



Expenditures: The Raw Water Supply for FY2022 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 FY2022, including operating, debt service, capital improvements, and any other cash uses, totals \$2,923,684.

Raw Water Supply FY2022 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 FY2022, the net balance of the Raw Water Supply revenues, expenditures, and bond payments is \$18,524,741. 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
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES						
General Industrial Water Revenue	\$ 14,966,429	\$ 8,881,047	\$ 15,206,291	\$ 15,377,987	\$ 15,802,675	
General Industrial Water Revenue-Lake Customers	1,213,625	724,981	1,235,981	1,251,915	1,290,240	
Water Sales-Municipal	2,474,037	1,461,374	2,750,682	2,657,976	3,293,292	
Water Sales-Commercial	156,484	92,991	158,359	117,512	148,099	
Lawn Irrigation Fees	105,819	77,011	119,005	105,000	105,000	
Water Sales-Reclaimed Groundwater	14,009	8,126	16,252	15,000	15,000	
Water Sales-Irrigation	4,222	2,897	5,163	4,950	5,101	
Fines	470	510	510	-	-	
SJRA Reservation Fee	467,619	193,902	386,781	452,841	328,217	
Industrial Reservation Fee	499,819	265,560	420,311	46,191	414,720	
Municipal Reservation Fee	(58,308)	18,458	27,638	44,606	46,080	
TOTAL OPERATING REVENUES	\$ 19,844,227	\$ 11,726,856	\$ 20,326,973	\$ 20,073,976	\$ 21,448,425	
OTHER REVENUES						
Interest Income	\$ 22	\$ 386	\$ 384	\$ -	\$ -	
TOTAL OTHER REVENUES	\$ 22	\$ 386	\$ 384	\$ -	\$ -	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salary & Wage Allocation	\$ 123,785	\$ 72,897	\$ 125,492	\$ 165,349	\$ 181,218	
Group Insurance	19,928	11,796	19,848	32,996	32,840	
Group Retirement Expense	12,631	7,942	14,470	18,651	19,606	
Workers Compensation Insurance	453	397	474	1,606	1,441	
Social Security Taxes	8,348	4,599	8,368	11,439	12,880	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 165,146	\$ 97,632	\$ 168,652	\$ 230,041	\$ 247,986	
PROFESSIONAL FEES						
Legal Fees	\$ 132,530	\$ 21,771	\$ 65,132	\$ 200,000	\$ 150,000	
Disclosure Filing	-	500	500	500	500	
Arbitrage Rebate Audit	4,500	-	-	-	-	
Paying Agent Fees	2,350	500	500	1,250	500	
Engineering	23,220	2,042	2,996	166,000	550,000	
TOTAL PROFESSIONAL FEES	\$ 162,601	\$ 24,813	\$ 69,127	\$ 367,750	\$ 701,000	
PURCHASED & CONTRACTED SERVICES						
State Fees	\$ 6,701	\$ 6,701	\$ 6,701	\$ 8,500	\$ 6,701	
Employee Testing- New	-	-	-	50	-	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 6,701	\$ 6,701	\$ 6,701	\$ 8,550	\$ 6,701	
SUPPLIES, MATERIALS & UTILITIES						
Training-Employee HR	\$ 167	\$ -	\$ -	\$ 100	\$ 75	
Additional Water Fees	237,500	237,500	237,500	250,000	237,500	
Health & Wellness Program	-	-	-	45	40	
Recruiting Expenses	108	17	66	350	450	
Software & Support	566	-	-	-	-	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 238,340	\$ 237,517	\$ 237,566	\$ 250,495	\$ 238,065	
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 40,229	\$ 22,296	\$ 36,380	\$ 62,019	\$ 63,399	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 40,229	\$ 22,296	\$ 36,380	\$ 62,019	\$ 63,399	

San Jacinto River Authority - Raw Water Supply
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2020	Sept-Mar FY2021	Apr 2020- Mar 2021	FY2021	FY2021	FY2022
NON-OPERATING EXPENSES						
Interest Expense	\$ 271,056	\$ 134,583	\$ 245,500	\$ 232,250	\$ 172,367	
Bond Issuance Costs	(7,339)	-	64	-	-	
TOTAL NON-OPERATING EXPENSES	\$ 263,717	\$ 134,583	\$ 245,564	\$ 232,250	\$ 172,367	
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TOTAL EXPENSES	\$ 876,734	\$ 523,542	\$ 763,990	\$ 1,151,105	\$ 1,429,518	
<hr/>						
NET REVENUES OVER EXPENSES	\$ 18,967,515	\$ 11,203,700	\$ 19,563,366	\$ 18,922,872	\$ 20,018,907	
OTHER SOURCES (USES)*						
Bond Principal				\$ (1,635,000)	\$ (1,494,167)	
TOTAL OTHER SOURCES (USES)				\$ (1,635,000)	\$ (1,494,167)	
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NET CASH BASIS SOURCES (USES)	\$ 18,967,515	\$ 11,203,700	\$ 19,563,366	\$ 17,287,872	\$ 18,524,741	

*Actuals intentionally left blank.

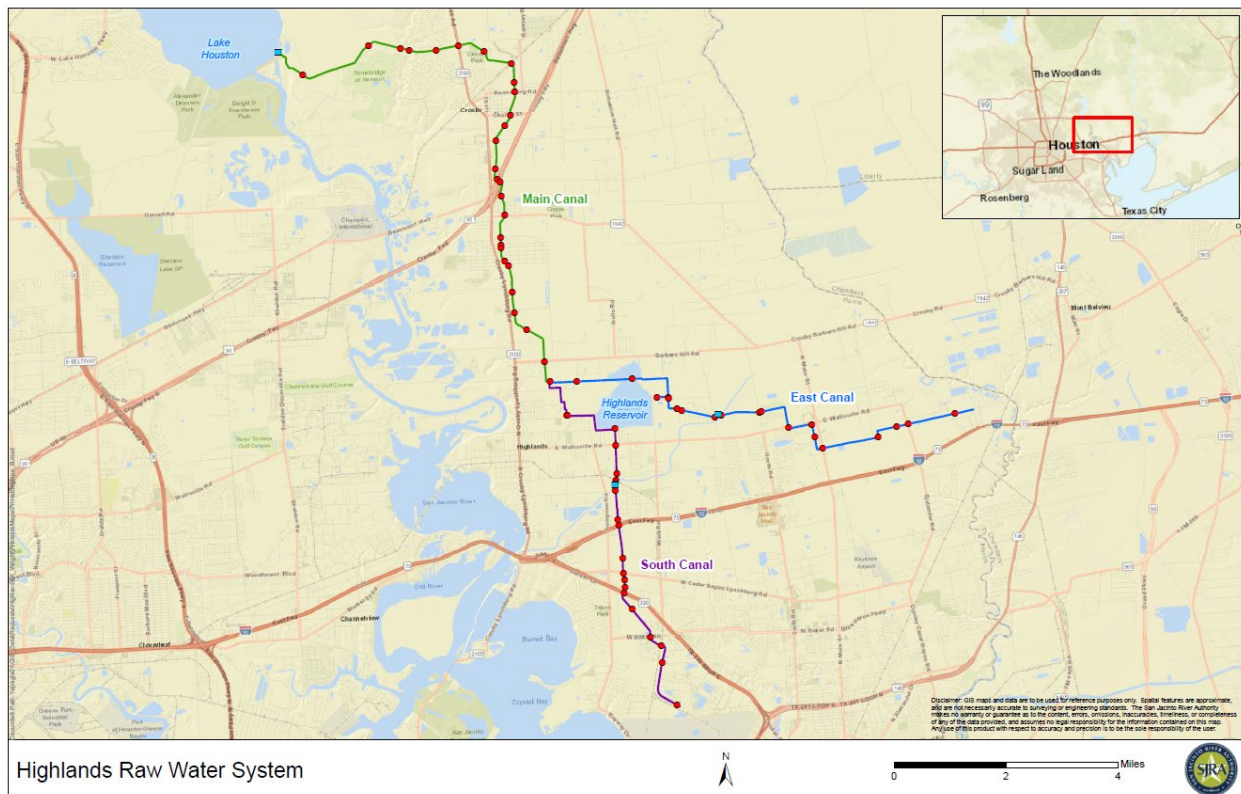
HIGHLANDS DIVISION



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 two 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 FY2021 and planned for FY2022, 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 FY2021 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 FY2021 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 routine 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. Coordinate with legal counsel to improve access for performing routine operations and maintenance along the 27-mile system. These efforts will continue in FY2022 with improvements through the construction of two access culverts and a reservoir access road.
- 3. South Canal Transfer Pump Station:** In FY2021, the Highlands acquired ownership of the South Canal Transfer Pump Station from the Coastal Water Authority and now performs all operations and maintenance for this facility.
- 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. Additionally, in FY2021 SJRA entered into an agreement with a 3rd party for installation of fiber optic cable throughout the Highlands system and should be fully operational during FY2022. In FY 2022, 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. Siphon and Levee Improvements:** In FY2021, Siphon 29 Improvements were completed utilizing the remainder of the 2015 Series Bond funds along with funding from Repair and Replacement

funds. In FY2022, along the South Canal additional improvements are planned for Siphons 25 and 26 along with levee improvements from Structure 24 to Siphon 27. In addition, improvements are planned to Siphon 7 located on the Main Canal.

6. Lake Houston Pump Station Campus Improvements: The Lake Houston Pump Station (LHPS), was historically operated and maintained by an onsite operator who resided on the premises. The Division has transitioned partially to remote operations. Additional improvements are in progress or in development at the site including increased SCADA capabilities and improved reliability of communications, construction of a Remote 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, Interlocal Agreements, and/or in some limited instances from direct customer contributions. Funding for projects typically extends over multiple fiscal years. For FY2022, the following projects are slated for design and/or construction:

Highlands - Projects	Stage	Est. FY2022 Cost	Funding Source
Lake Houston Pump Station Ventilation Improvements	Construction	\$ 265,000	R&R
Reservoir Access Culvert	Construction	\$ 129,000	R&R
Lake Houston Pump Station Generator Auto Transfer Switch	Construction	\$ 144,000	R&R
Lake Houston Pump Station Campus Improvements	Construction	\$ 2,204,000	R&R
Siphon 7 Improvements	Design/Const	\$ 627,000	R&R
Structure 5 SCADA Improvements	Design/Const	\$ 92,000	R&R
Emergency Operations Center Improvements	Design	\$ 260,000	R&R
South Canal Bypass Access Culvert	Construction	\$ 53,000	R&R
South Canal Levee Improvements between Siphons 24 and 27	Construction	\$ 211,000	R&R
Siphon 25 Improvements	Construction	\$ 1,154,000	R&R
Siphon 26 Improvements	Construction	\$ 1,019,000	R&R
Reservoir Access Road	Construction	\$ 340,000	R&R
Total		\$ 6,498,000	

Total Indebtedness and Annual Debt Service: At August 31, 2020, the Highlands Division currently had \$52,635,000 of total indebtedness from bonds related to Highlands projects, made up of the following bond issuances:

- Series 2013 Water Revenue Bonds (Outstanding: \$5,625,000; Matures 10/1/38)
- Series 2014 Water Revenue Bonds (Outstanding: \$4,715,000; Matures 10/1/39)
- Series 2015 Water Revenue Bonds (Outstanding: \$25,580,000; Matures 10/1/39)
- Series 2019A Water Revenue Refunding Bonds (Outstanding: \$16,715,000; Matures 10/1/35)

Annual debt service (principal and interest) for FY2022 for the above bond issuances is \$4,083,604. 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.

Staffing Plans: The Highlands Division's staffing plan for FY2022 includes 13 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 13 direct Highlands FTEs, the Highlands is allocated 15.80 FTEs for FY2022 from the Flood Management Division and G&A Departments. Total staff in FY2022 associated with the Highlands Division, direct and allocated, is 28.80 FTEs.

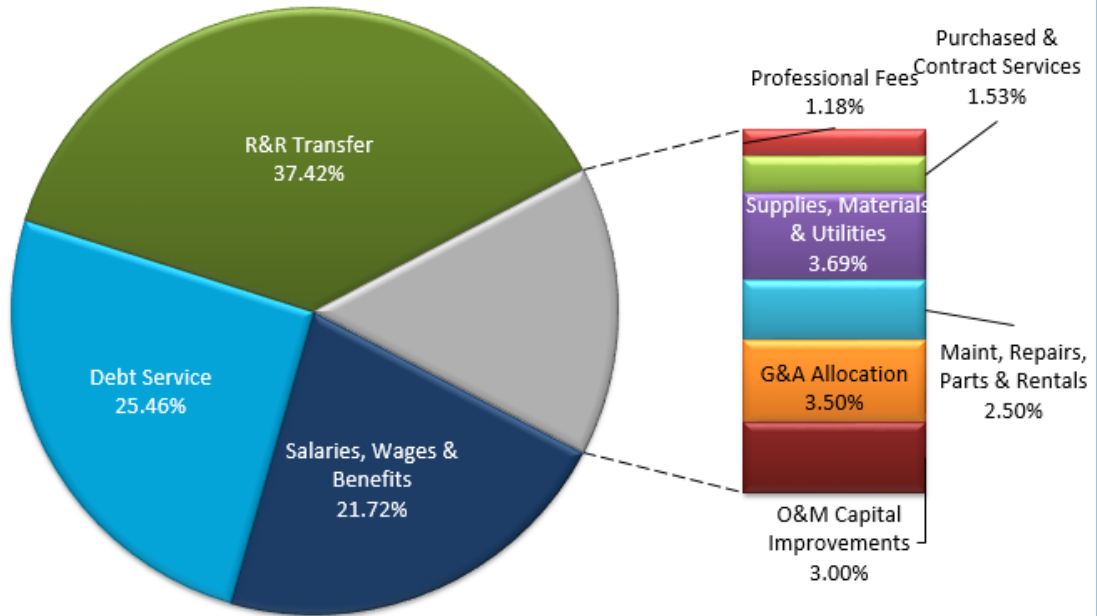
Revenues: The Highlands Division has no significant revenues forecast for FY2022 with \$5,767 in Operating Income for Land Use and only \$6,000 of Interest Income.

Expenditures: The Highlands Division for FY2022 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 FY2022, including operating, non-operating, debt service, capital improvements, and any other cash uses, totals \$10,038,161. Highlands expected R&R Fund operating expenses and capital improvements, totals \$6,498,000.

**Highlands FY2022 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 FY2022 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 FY2021, the Highlands Operating Reserve is at \$2,552,838, equivalent to six months of operating expenses. For FY2022, 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. For FY2022, 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 \$6,000,000 was budgeted for FY2022.

For FY2022, 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 (\$15,818,331). 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
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Apr 2020-Mar 2021			
OPERATING REVENUES						
Repair Recovery Revenue	\$ 173,578	\$ -	\$ 173,578	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUES	\$ 173,578	\$ -	\$ 173,578	\$ -	\$ -	\$ -
OTHER REVENUES						
Interest Income	\$ 261,569	\$ 5,726	\$ 10,879	\$ 14,000	\$ 6,000	\$ 6,000
Land Use Agreements	5,767	5,767	5,767	5,767	5,767	5,767
FEMA Grant Revenue	9,785	-	9,785	-	-	-
Proceeds From Sale Of Assets	67,408	-	49,250	-	-	-
Other Gains & Losses	1,794	-	-	-	-	-
TOTAL OTHER REVENUES	\$ 346,322	\$ 11,493	\$ 75,681	\$ 19,767	\$ 11,767	\$ 11,767
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 657,385	\$ 402,560	\$ 669,319	\$ 755,345	\$ 884,321	\$ 884,321
Salary & Wage Allocation	1,174,521	650,753	1,145,540	1,396,688	1,543,951	1,543,951
Staffing Services	7,185	-	-	-	-	-
Compensated Absences	1,690	-	1,690	-	-	-
Group Insurance	321,545	211,541	338,210	489,211	506,642	506,642
Group Insurance - Retirees	11,805	6,972	11,914	18,062	13,156	13,156
Group Insurance - Retiree OPEB	(32,801)	-	(32,801)	50,000	50,000	50,000
Group Retirement Expense	201,236	103,531	176,395	228,784	257,874	257,874
Workers Compensation Insurance	31,937	15,885	21,558	42,716	45,721	45,721
Social Security Taxes	135,906	74,792	134,485	160,540	182,603	182,603
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 2,510,410	\$ 1,466,034	\$ 2,466,310	\$ 3,141,346	\$ 3,484,269	\$ 3,484,269
PROFESSIONAL FEES						
Legal Fees	\$ 9,171	\$ 6,873	\$ 15,263	\$ 20,000	\$ 25,000	\$ 25,000
Disclosure Filing	-	500	500	500	500	500
Legal Fees-Crossings	4,233	1,509	928	15,000	-	-
Annual Financial Audit	8,600	6,998	8,758	12,000	12,000	12,000
Arbitrage Rebate Audit	6,500	-	-	3,250	-	-
Paying Agent Fees	2,500	2,750	3,500	6,000	3,000	3,000
Engineering	65,843	37,529	61,568	140,000	140,000	140,000
Crane Inspections	639	-	639	2,600	1,000	1,000
Safety Inspections & Testing	1,570	306	306	2,700	2,000	2,000
Siphon & Pipe Inspections	7,250	-	1,307	10,000	-	-
Graphic Design	-	2,500	2,500	6,000	6,000	6,000
TOTAL PROFESSIONAL FEES	\$ 106,305	\$ 58,965	\$ 95,269	\$ 218,050	\$ 189,500	\$ 189,500
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 4,599	\$ 2,679	\$ 4,510	\$ 6,500	\$ 5,000	\$ 5,000
State Fees	125	125	125	125	125	125
Patrolling & Security Services	34,698	-	-	-	-	-
Employee Testing- New	427	122	172	2,800	2,500	2,500
Janitorial Services	6,955	3,152	6,362	7,000	8,000	8,000
Stream Gauging & Water Quality-USGS	16,300	9,508	16,300	17,115	17,115	17,115
South Canal CWA Water Conveyance	87,963	37,556	60,263	130,000	130,000	130,000
East Canal CWA Water Conveyance	41,807	10,839	16,013	90,000	70,000	70,000
Trucking	750	250	1,000	3,000	2,000	2,000
Public Relations Expense	-	-	-	1,000	-	-
Water Conservation & Public Education	-	-	-	6,000	8,000	8,000
Meeting Expenses	3,541	705	1,490	2,500	2,500	2,500
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 197,166	\$ 64,936	\$ 106,234	\$ 266,040	\$ 245,240	\$ 245,240
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 2,058	\$ 1,829	\$ 2,394	\$ 4,500	\$ 3,500	\$ 3,500
Other Office Expense	1,484	1,110	1,911	3,000	3,000	3,000
Travel	94	370	370	3,000	2,500	2,500
Automobile & Truck Expense	14,900	2,596	11,320	23,800	20,000	20,000
Storm Preparedness & Response	-	-	-	-	2,000	2,000
Postage	391	181	399	900	750	750

San Jacinto River Authority - Highlands
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12	Budget	Budget
	Actuals 8/31/2020	Sept-Mar FY2021	Mo. Actuals Apr 2020- Mar 2021	FY2021	FY2022
Property Insurance	18,501	12,820	20,934	19,000	22,800
Auto Insurance	17,759	10,371	17,529	19,500	21,450
Liability Insurance	9,336	11,190	10,761	20,500	22,550
Small Tools Purchases	4,389	1,329	4,447	7,500	6,000
Training-External	1,733	2,361	2,805	4,500	9,530
Training-Internal	-	65	65	1,000	500
Training-Employee HR	1,250	-	-	1,625	1,650
Managers Expense	792	44	581	500	500
Employee Relations	2,019	998	115	2,500	2,500
Fuel	20,730	13,803	21,987	44,000	35,000
Uniform Services	5,359	3,618	4,384	5,000	5,000
Operations Supplies	15,952	5,578	17,535	14,000	25,000
Memberships & Professional Dues	1,155	154	758	675	160
Signage	868	-	14	1,000	1,000
Janitorial Supplies	456	475	780	1,500	1,000
Copier, Scanner & Fax	7,643	3,735	7,365	10,000	11,000
Utilities-Electric	7,317	4,151	7,197	13,500	12,000
Utilities-Natural Gas	3,247	2,177	3,193	4,000	4,000
Utilities-Water	1,463	1,017	1,907	1,200	1,500
Utilities-Electric-LHPS Pumping Costs-Direct	86,726	54,643	94,892	120,000	110,000
Utilities-Electric-ECTPS Pumping Costs-Direct	20,589	8,754	15,676	28,000	23,000
Utilities-Electric-SCTPS Pumping Costs-Direct	9,315	4,333	7,470	22,000	22,000
Pumping Costs-Indirect	14,813	11,566	18,550	19,000	19,000
Personal Protective Equipment	3,874	1,656	2,666	4,500	4,500
Safety Equipment & Meetings	335	2,555	2,727	3,200	3,000
Health & Wellness Program	-	-	-	660	650
Recruiting Expenses	6,974	676	4,211	5,250	7,500
Computer Hardware	8,604	14,682	16,285	22,966	29,266
Software & Support	30,151	29,572	42,346	36,919	61,074
Software Maintenance	14,754	8,492	15,193	37,000	37,070
Physical Security	-	-	-	-	12,250
Imagery & Data Sets	-	-	-	5,000	-
Network Communications	5,040	2,643	4,656	15,840	15,840
Publications & Subscriptions	284	-	74	300	-
Newspaper Ads	4,729	528	2,267	8,000	5,000
Wireless Devices & Services	16,908	11,038	17,947	21,480	24,420
Emergency Operations Communications	1,337	271	851	684	684
Landline Telephone Services	539	694	934	2,400	2,400
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 363,871	\$ 232,078	\$ 385,494	\$ 559,899	\$ 592,545
RENTALS					
Equipment Rentals	\$ 10,387	\$ 11,442	\$ 16,988	\$ 25,000	\$ 30,000
TOTAL RENTALS	\$ 10,387	\$ 11,442	\$ 16,988	\$ 25,000	\$ 30,000

San Jacinto River Authority - Highlands
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
MAINTENANCE, REPAIRS & PARTS						
Office, Furniture, & Fixtures	\$ 3,959	\$ 2,289	\$ 2,629	\$ 2,000	\$ 2,000	\$ 2,000
Buildings & Grounds Maintenance	39,432	3,319	32,010	50,300	35,300	35,300
Security System Monitoring	798	360	798	500	800	800
Generators	7,212	1,641	7,209	7,500	19,500	19,500
Machinery, Tools, & Implements	25,798	22,126	39,708	58,000	45,000	45,000
Instrumentation Equipment & Parts	42,679	26,293	42,082	90,000	71,000	71,000
Bridges, Culverts, & Siphons	4,693	1,197	4,735	20,000	20,000	20,000
Networking and Communications - SCADA	454	2,452	2,519	2,500	2,800	2,800
Canals, Levees, & Dams-Maintenance & Repairs	293,161	34,968	328,017	45,000	45,000	45,000
Invasive Species Management	909	87	193	15,000	40,000	40,000
Streets & Roads	14,994	-	14,994	10,000	20,000	20,000
Lake Houston Pump Station Maintenance & Repairs	23,751	17,553	39,886	20,000	20,000	20,000
East Canal Pump Station Maintenance & Repairs	2,849	47	47	10,000	35,000	35,000
South Canal Pump Station Maintenance & Repairs	2,676	393	1,270	15,000	15,000	15,000
Inventory Gains and Losses	-	-	(51)	-	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 463,367	\$ 112,725	\$ 516,046	\$ 345,800	\$ 371,400	\$ 371,400
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 339,513	\$ 216,433	\$ 349,358	\$ 549,540	\$ 560,760	\$ 560,760
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 339,513	\$ 216,433	\$ 349,358	\$ 549,540	\$ 560,760	\$ 560,760
NON-OPERATING EXPENSES						
Interest Expense	\$ 2,057,392	\$ 1,167,852	\$ 2,021,421	\$ 1,998,800	\$ 1,939,437	\$ 1,939,437
Bond Issuance Costs	385,991	-	64	-	-	-
TOTAL NON-OPERATING EXPENSES	\$ 2,443,382	\$ 1,167,852	\$ 2,021,485	\$ 1,998,800	\$ 1,939,437	\$ 1,939,437
TOTAL EXPENSES	\$ 6,434,402	\$ 3,330,463	\$ 5,957,184	\$ 7,104,475	\$ 7,413,151	\$ 7,413,151
NET REVENUES OVER EXPENSES	\$ (5,914,501)	\$ (3,318,970)	\$ (5,707,925)	\$ (7,084,708)	\$ (7,401,384)	\$ (7,401,384)
CAPITAL IMPROVEMENTS*						
Office Buildings				\$ 20,000	\$ -	\$ -
Maintenance Equipment				70,000	207,000	207,000
Transportation Equipment				-	110,000	110,000
Software				483	517	517
Computer Equipment				175,842	157,327	157,327
Electronic Test Equipment				-	6,000	6,000
TOTAL CAPITAL IMPROVEMENTS				\$ 266,325	\$ 480,844	\$ 480,844
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ -	\$ 208,064	\$ 208,064
Bond Principal				(2,070,000)	(2,144,167)	(2,144,167)
Repair and Replacement Transfers				(3,000,000)	(6,000,000)	(6,000,000)
TOTAL OTHER SOURCES (USES)				\$ (5,070,000)	\$ (7,936,103)	\$ (7,936,103)
NET CASH BASIS SOURCES (USES)	\$ (5,914,501)	\$ (3,318,970)	\$ (5,707,925)	\$ (12,421,033)	\$ (15,818,331)	\$ (15,818,331)

*Actuals intentionally left blank.

San Jacinto River Authority - Highlands Repair and Replacement
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OTHER REVENUES						
Interest Income	\$ 63,284	\$ 4,412	\$ 11,896	\$ -	\$ -	\$ -
TOTAL OTHER REVENUES	\$ 63,284	\$ 4,412	\$ 11,896	\$ -	\$ -	\$ -
OPERATING EXPENSES						
PROFESSIONAL FEES						
Engineering	\$ 114,462	\$ 48,959	\$ 129,845	\$ 33,000	\$ -	\$ -
TOTAL PROFESSIONAL FEES	\$ 114,462	\$ 48,959	\$ 129,845	\$ 33,000	\$ -	\$ -
MAINTENANCE, REPAIRS & PARTS						
Networking and Communications - SCADA	\$ -	\$ 61,278	\$ 61,278	\$ -	\$ -	\$ -
Canals, Levees, & Dams-Maintenance & Repairs	550,947	202,926	266,708	67,000	211,000	211,000
Lake Houston Pump Station Maintenance & Repairs	93,112	249,735	310,655	232,000	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 644,058	\$ 513,938	\$ 638,641	\$ 299,000	\$ 211,000	\$ 211,000
TOTAL EXPENSES	\$ 758,520	\$ 562,897	\$ 768,486	\$ 332,000	\$ 211,000	\$ 211,000
NET REVENUES OVER EXPENSES	\$ (695,237)	\$ (558,485)	\$ (756,590)	\$ (332,000)	\$ (211,000)	\$ (211,000)
CAPITAL IMPROVEMENTS*						
Office Buildings				\$ 104,000	\$ 260,000	\$ 260,000
Highlands Improvements				5,453,000	5,935,000	5,935,000
Software				125,000	-	-
Radio Communications Equipment				500,000	92,000	92,000
TOTAL CAPITAL IMPROVEMENTS				\$ 6,182,000	\$ 6,287,000	\$ 6,287,000
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 10,600,000	\$ 10,124,031	\$ 10,124,031
Repair and Replacement Transfers				3,000,000	6,000,000	6,000,000
TOTAL OTHER SOURCES (USES)				\$ 13,600,000	\$ 16,124,031	\$ 16,124,031
NET CASH BASIS SOURCES (USES)	\$ (695,237)	\$ (558,485)	\$ (756,590)	\$ 7,086,000	\$ 9,626,031	\$ 9,626,031

*Actuals intentionally left blank.

LAKE CONROE DIVISION



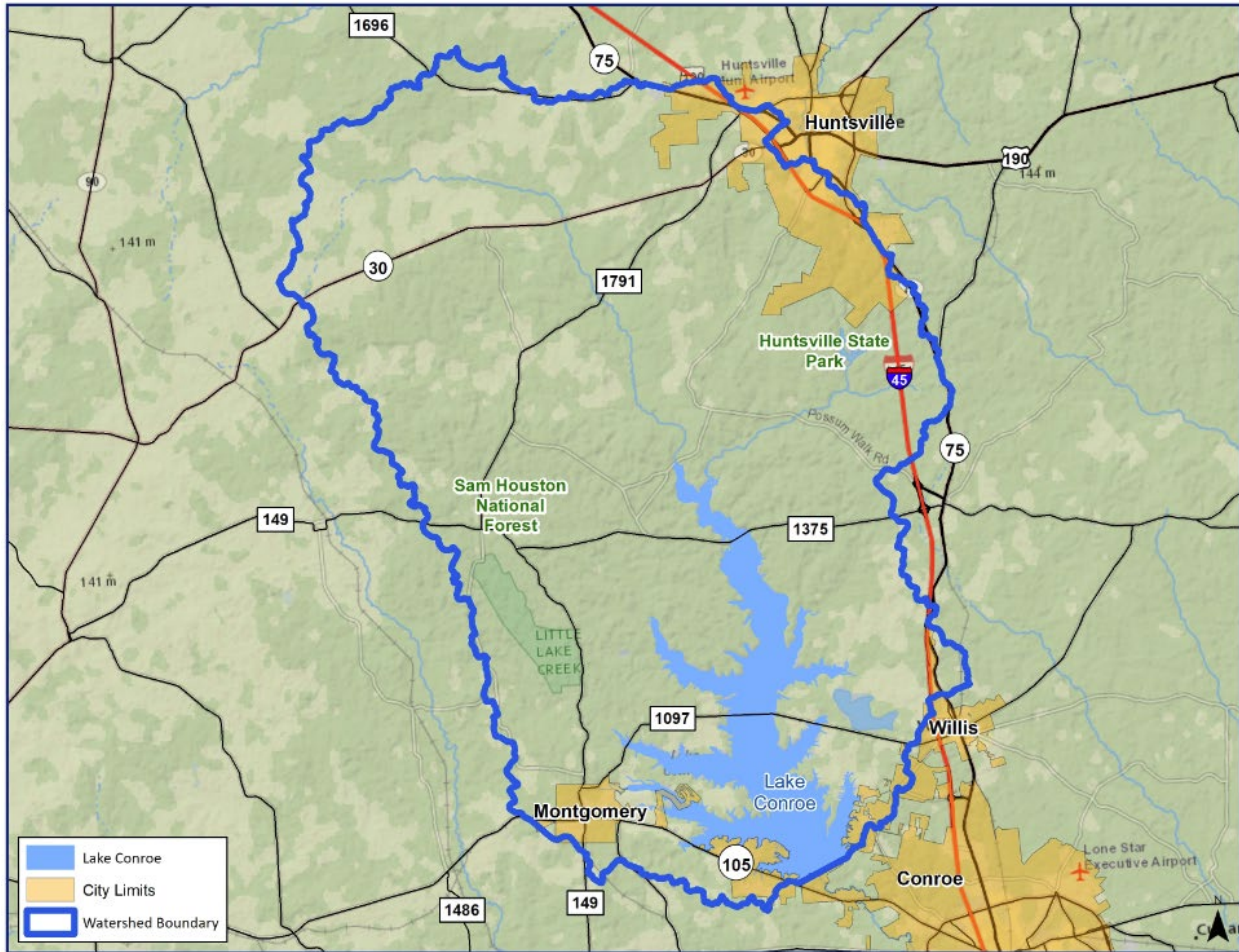
LAKE CONROE DIVISION

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.

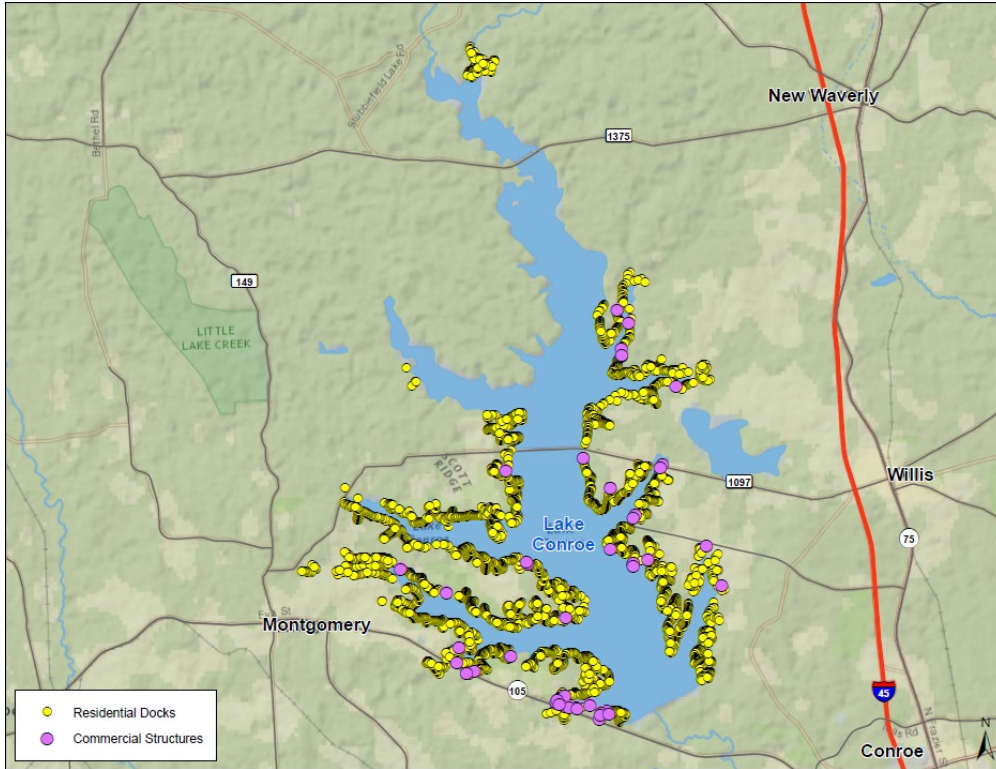


MAP OF LAKE CONROE WATERSHED

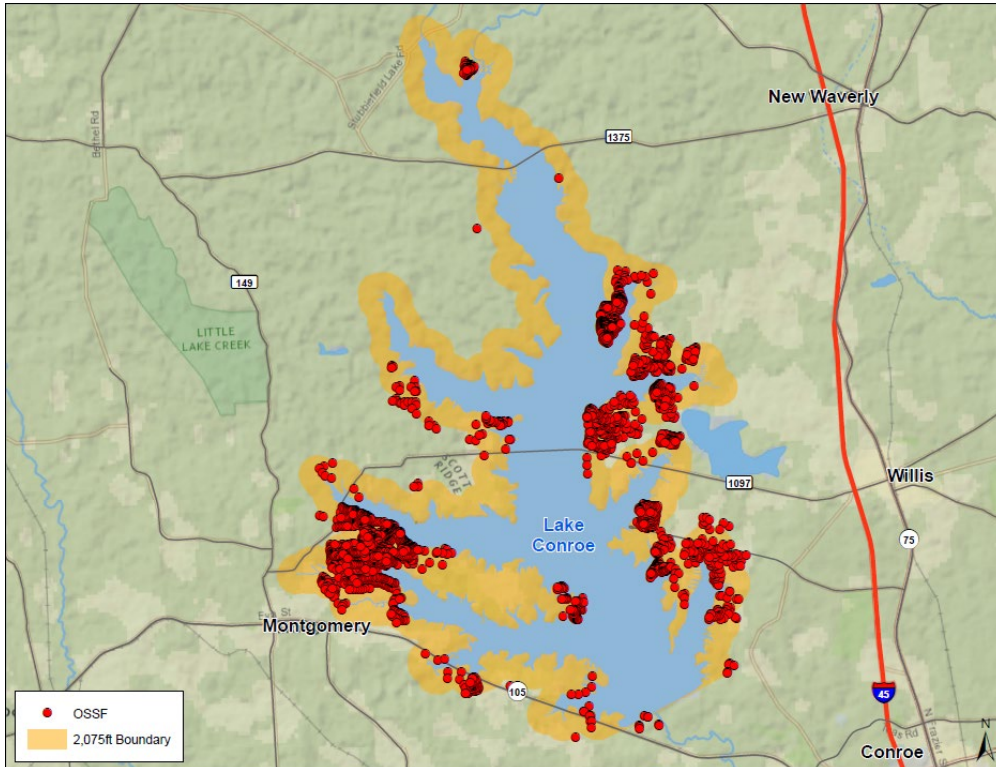


As permitted by the State of Texas, the annual yield of Lake Conroe is 100,000 acre-feet, with the Authority's portion being 33,333 acre-feet (ac-ft) and the City of Houston's portion being 66,667 ac-ft. Lake Conroe was formed by the creation of a 2.2 mile long earthen dam and gated spillway on the West 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 FY2021 and planned for FY2022, 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:** In 2021, the Division contracted with Triple J Enterprises, LLC to repair ongoing sloughing/erosion and mitigate future sloughing/erosion of the side slopes of the Westside Diversion Channel. The Westside Diversion Channel is an engineered component of the Lake Conroe dam designed to convey water collected from the west embankment's toe-drain relief well system. Construction activities will include slope regrading, silt removal from culverts beneath Dam Site Road, riprap placement, fabrication of a block retaining wall, and various other improvements. This effort will ensure reliable operation and prolong the useful life of the Westside Diversion Channel. The project is scheduled to be completed in FY2022.
- 2. Dam Spillway Electrical Repairs:** In 2021, while servicing components of the dam's primary spillway, Instrumentation and Controls personnel from SJRA's SCADA Department uncovered significant degradation of the spillway's electrical system, raising concern as to the reliability of the spillway gates to function as designed and ensuring the safety of SJRA staff. The Division engaged Kalluri Group, Inc. to design necessary repairs and in July 2021 will request the SJRA Board of Directors to authorize the General Manager to execute a construction contract with Boyer, Inc. to complete the restoration.
- 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 contracted with Half Associates Inc. to develop a reservoir forecasting tool. The project, completed in 2021, utilizes observed and forecasted rainfall, current lake levels, and other criteria to predict future water surface elevations and spillway releases during major storm events. Subsequent storm events will allow for further testing and will be used to calibrate and refine the tool.
- 4. 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. Originally scheduled to be completed in FY2021, impediments resulting from the COVID-19 Pandemic will delay delivery until FY2022.
- 5. Maintenance Facility Improvements:** The Division's current Maintenance Facility was fabricated during the original construction of the dam and is in disrepair. During FY2022, 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.

- 6. Hurricane Harvey Litigation:** Hurricane Harvey related lawsuits have been filed against the Authority. The Lake Conroe Division’s legal expense budget for FY2021 included \$1,500,000 to fund the Authority’s defense of these lawsuits. Actual expenses incurred to date as of June 30, 2021, are \$1,387,512 for FY2021 and \$5,714,449 total expenses for FY2019-2021. The FY2022 budget includes an additional \$1,500,000 for the continued defense of these lawsuits.

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 FY2022 are to be funded from R&R funds and may extend over multiple fiscal years. The Lake Conroe Division included the following projects in the FY2022 budget for design and/or construction:

Lake Conroe - Projects	Stage	Est. FY2022 Cost	Funding Source
Westside Diversion Channel Improvements	Construction	\$ 1,100,000	R&R
West End Facility Improvements	Design/Const	\$ 230,000	R&R
Lake Conroe O&M Manual and Security Plan Update	Design	\$ 50,000	R&R
Service Outlet Sluice Gate Hydraulics Rehabilitation	Design/Const	\$ 130,000	R&R
Lake Conroe Dam Road Repair	Design/Const	\$ 90,000	R&R
Maintenance Facilities Improvements	Design	\$ 520,000	R&R
Total		\$ 2,120,000	

Total Indebtedness and Annual Debt Service: The Lake Conroe Division does not have any indebtedness as of FY2021 and has no plans for future indebtedness in FY2022 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 0.47 FTEs to other divisions, leaving 12.54 FTEs allocated directly to Lake Conroe. In addition to these 12.54 FTEs, the Division is allocated 14.12 FTEs for FY2022 from G&A Departments and 0.14 FTEs from the Flood Management Division. The net total FY2022 FTEs associated with the Lake Conroe Division, direct and allocated, is 26.80 FTEs.

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 FY2022 is \$3,899,275.

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 FY2022 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

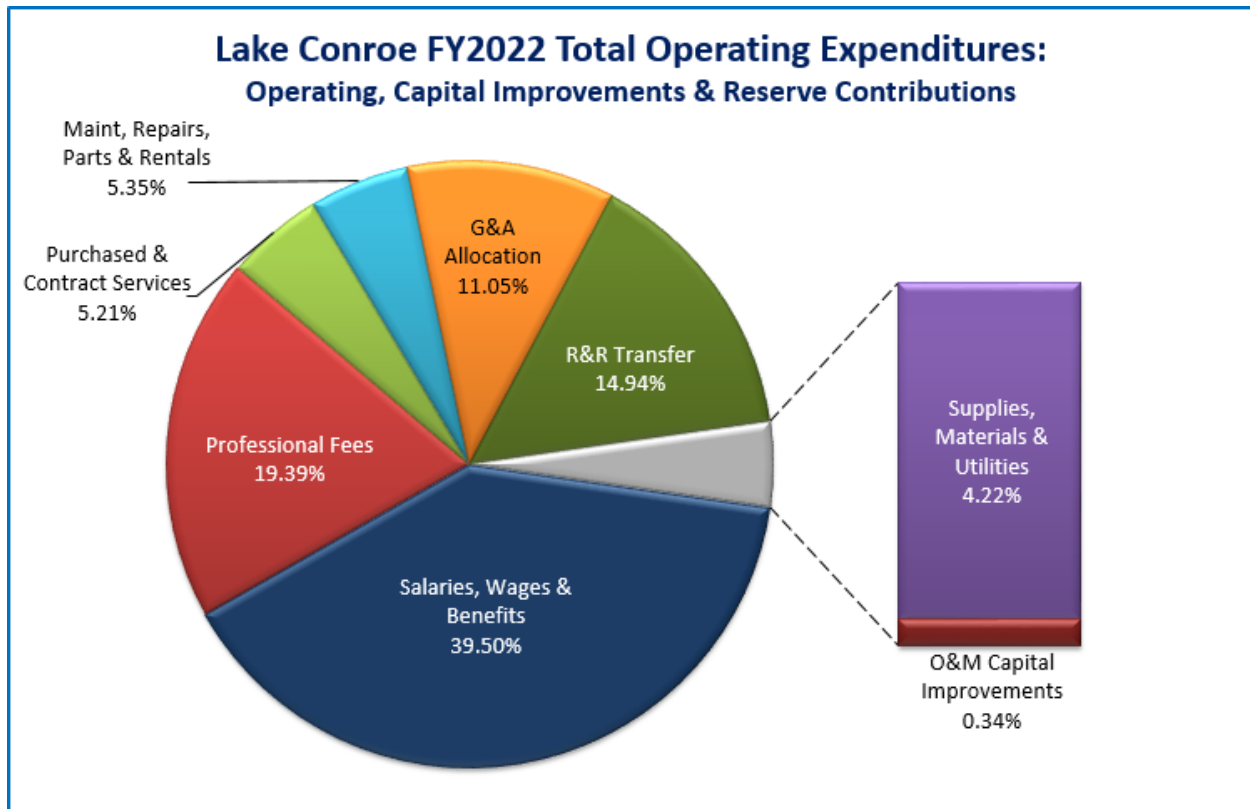
rules, any installation of an OSSF within 2,075 feet of the reservoir shoreline requires a permit from the Authority. Revenues generated by OSSF permits is forecasted to be \$20,600 for FY2022.

Expected total revenues for the Lake Conroe Division for FY2021 totals \$5,024,154.

Expenditures: The Lake Conroe Division for FY2022 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 FY2022, including operating, capital improvements, and any other cash uses, totals \$7,114,605. Lake Conroe expected R&R Fund operating expenses and capital improvements, totals \$1,204,667. Please note, Capital Improvements is presented net of City of Houston's 2/3 Share.



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 FY2022 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 FY2021, the Lake Conroe Operating Reserve is at \$988,206, equivalent to six months of operating expenses. For FY2022, 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. For FY2022, 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 \$1,250,000 to the R&R Fund was budgeted for FY2022.

For FY2022, 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 (\$3,340,452). 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
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2020	Sept-Mar FY2021	Apr 2020-Mar 2021	FY2021	FY2021	FY2022
OPERATING REVENUES						
Permits, Licenses, & Fees - Residential	\$ 648,386	\$ 393,547	\$ 699,997	\$ 661,856	\$ 661,856	
Permits, Licenses & Fees - Commercial	417,792	255,914	427,970	442,423	442,423	
Fines	6,344	5,011	6,351	-	-	
Septic Tank Licenses	20,680	16,740	25,960	20,600	20,600	
City of Houston Share of Lake Conroe Operations	4,438,405	1,699,266	3,709,866	3,738,484	3,899,275	
TOTAL OPERATING REVENUES	\$ 5,531,608	\$ 2,370,478	\$ 4,870,144	\$ 4,863,363	\$ 5,024,154	
OTHER REVENUES						
Interest Income	\$ 28,101	\$ 6,122	\$ 8,895	\$ -	\$ -	
FEMA Grant Revenue	276	-	276	-	-	
Grant Revenue	21,976	-	-	-	-	
Proceeds From Sale Of Assets	261,283	148,942	318,453	-	-	
Other Gains & Losses	3,209	4,250	3,500	-	-	
TOTAL OTHER REVENUES	\$ 314,845	\$ 159,314	\$ 331,124	\$ -	\$ -	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 827,070	\$ 460,330	\$ 818,685	\$ 804,145	\$ 878,111	
Salary & Wage Allocation	1,006,113	564,893	1,009,094	1,296,924	1,357,360	
Staffing Services	2,272	21,726	23,998	-	-	
Compensated Absences	(1,259)	-	(1,259)	-	-	
Group Insurance	400,037	243,088	415,276	524,634	541,815	
Group Insurance - Retirees	23,611	13,943	23,829	36,124	26,312	
Group Insurance - Retiree OPEB	(61,489)	-	(61,489)	50,000	50,000	
Group Retirement Expense	221,826	108,483	206,461	230,874	247,446	
Workers Compensation Insurance	26,014	12,494	18,070	31,833	35,095	
Social Security Taxes	136,114	71,328	133,832	156,612	167,632	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 2,580,308	\$ 1,496,286	\$ 2,586,497	\$ 3,131,145	\$ 3,303,771	
PROFESSIONAL FEES						
Legal Fees	\$ 3,319,922	\$ 908,181	\$ 2,367,894	\$ 1,535,000	\$ 1,535,000	
Legal Fees-Enforcement	2,327	4,458	4,953	30,000	30,000	
Annual Financial Audit	2,425	6,998	7,998	12,000	12,000	
Engineering	44,028	1,235	42,542	25,000	30,000	
Crane Inspections	6,114	2,155	6,464	6,000	4,000	
Safety Inspections & Testing	936	149	149	3,000	5,000	
Graphic Design	-	1,250	1,250	6,000	6,000	
TOTAL PROFESSIONAL FEES	\$ 3,375,752	\$ 924,425	\$ 2,431,249	\$ 1,617,000	\$ 1,622,000	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 10,070	\$ 1,985	\$ 6,752	\$ 8,000	\$ 4,000	
State Fees	560	500	790	1,500	1,500	
Patrolling & Security Services	256,839	129,104	256,543	286,340	300,000	
Employee Testing- New	177	42	42	2,475	1,465	
Janitorial Services	12,852	14,012	23,811	5,000	17,136	
Stream Gauging & Water Quality-USGS	70,250	41,271	70,750	75,000	75,000	
Public Relations Expense	-	-	-	2,000	-	
Water Conservation & Public Education	-	-	-	6,000	37,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 350,748	\$ 186,914	\$ 358,688	\$ 386,315	\$ 436,101	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 5,079	\$ 1,080	\$ 2,673	\$ 9,000	\$ 5,000	
Other Office Expense	2,011	843	1,715	3,500	2,500	
Travel	2,553	8	1,086	8,320	8,320	
Automobile & Truck Expense	16,385	4,250	12,894	27,000	19,500	
Storm Preparedness & Response	-	-	-	-	1,000	
Postage	9,421	7,925	10,861	14,100	14,100	
Property Insurance	10,022	7,125	11,382	11,500	13,800	
Auto Insurance	13,280	7,444	12,721	15,400	16,940	
Liability Insurance	9,382	5,746	9,391	15,800	17,380	
Training-External	4,151	4,633	5,528	6,653	5,940	

San Jacinto River Authority - Lake Conroe
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	Actuals 8/31/2020	Sept-Mar FY2021	Apr 2020- Mar 2021	Mo. Actuals	FY2021	FY2022
Training-Internal	-	131	131		500	500
Training-Employee HR	1,167	-	-		1,550	1,500
Managers Expense	1,639	738	1,048		3,300	2,500
Fuel	17,924	10,098	16,715		27,625	29,835
Uniform Services	3,758	3,230	3,230		4,600	4,600
Supplies - Lab	1,283	225	1,180		4,500	2,500
Operations Supplies	10,921	3,262	13,622		6,950	8,950
Memberships & Professional Dues	752	-	342		1,257	1,997
Signage	647	-	493		2,000	2,000
Janitorial Supplies	462	-	95		1,000	1,000
Copier, Scanner & Fax	5,385	2,766	5,169		5,876	5,950
Utilities-Electric	16,541	9,149	16,709		18,000	18,000
Utilities-Natural Gas	2,041	1,413	1,853		3,000	3,000
Personal Protective Equipment	2,971	1,568	2,871		5,550	4,000
Safety Equipment & Meetings	3,505	3,999	4,822		7,700	5,500
Health & Wellness Program	-	-	-		625	600
Recruiting Expenses	790	136	497		4,950	6,775
Computer Hardware	15,621	13,693	14,487		41,161	27,459
Software & Support	78,495	55,652	88,225		84,331	86,181
Software Maintenance	1,004	499	884		4,200	1,403
Physical Security	-	-	-		-	10,750
Network Communications	2,416	4,053	5,109		2,709	2,663
Newspaper Ads	1,056	528	1,584		3,000	2,500
Wireless Devices & Services	15,621	8,650	15,499		15,576	15,648
Landline Telephone Services	3,043	3,080	4,368		2,489	2,448
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 259,325	\$ 161,923	\$ 267,186		\$ 363,722	\$ 352,738
RENTALS						
Equipment Rentals	\$ 283	\$ 414	\$ 555		\$ 20,000	\$ 20,000
Office Rent	21,005	14,704	25,206		25,206	25,206
Rent-U.S. Forest Lands	16,697	9,740	16,697		17,000	17,000
TOTAL RENTALS	\$ 37,985	\$ 24,858	\$ 42,458		\$ 62,206	\$ 62,206
MAINTENANCE, REPAIRS & PARTS						
Instrumentation	\$ 19,385	\$ 21,809	\$ 38,017		\$ 20,000	\$ 22,500
Office, Furniture, & Fixtures	2,239	-	-		600	6,600
Buildings & Grounds Maintenance	70,950	28,382	69,824		75,000	75,000
Generators	6,024	3,747	6,537		5,000	6,000
Machinery, Tools, & Implements	25,774	14,741	30,867		36,250	35,250
Boat Maintenance & Repairs	18,695	6,127	12,192		13,000	13,000
Instrumentation Equipment & Parts	8,523	10,909	12,336		15,000	27,000
Networking and Communications - SCADA	64	2,241	2,241		4,000	-
Canals, Levees, & Dams-Maintenance & Repairs	12,828	15,096	20,868		80,000	80,000
Clearing	2,600	4,880	6,880		10,000	10,000
Invasive Species Management	55,255	42,916	82,963		80,000	80,000
Streets & Roads	437	-	437		15,000	15,000
Ayer Island Maint & Repair	13,940	-	13,940		10,000	10,000
Fencing & Security Repairs	6,408	100	2,085		5,000	5,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 243,122	\$ 150,948	\$ 299,187		\$ 368,850	\$ 385,350
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 1,035,509	\$ 441,803	\$ 906,199		\$ 889,386	\$ 924,325
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 1,035,509	\$ 441,803	\$ 906,199		\$ 889,386	\$ 924,325
TOTAL EXPENSES	\$ 7,882,749	\$ 3,387,157	\$ 6,891,463		\$ 6,818,624	\$ 7,086,491
NET REVENUES OVER EXPENSES	\$ (2,036,296)	\$ (857,365)	\$ (1,690,195)		\$ (1,955,262)	\$ (2,062,337)
CAPITAL IMPROVEMENTS*						
Maintenance Equipment					\$ 20,667	\$ 11,833
Transportation Equipment					2,000	15,333
Office Furniture					-	-

San Jacinto River Authority - Lake Conroe
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals	Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021		
Software				175	172
Computer Equipment				5,903	776
TOTAL CAPITAL IMPROVEMENTS				\$ 28,744	\$ 28,115
OTHER SOURCES (USES)*					
Repair and Replacement Transfers				\$ (1,043,797)	\$ (1,250,000)
TOTAL OTHER SOURCES (USES)				\$ (1,043,797)	\$ (1,250,000)
NET CASH BASIS SOURCES (USES)	\$ (2,036,296)	\$ (857,365)	\$ (1,690,195)	\$ (3,027,803)	\$ (3,340,452)

*Actuals intentionally left blank.

San Jacinto River Authority - Lake Conroe Repair and Replacement
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES						
City of Houston Share of Lake Conroe Operations	\$ 163,303	\$ 65,184	\$ 116,009		\$ 867,133	\$ 392,000
TOTAL OPERATING REVENUES	\$ 163,303	\$ 65,184	\$ 116,009		\$ 867,133	\$ 392,000
OTHER REVENUES						
Interest Income	\$ 26,349	\$ 1,472	\$ 4,103		\$ -	\$ -
Grant Revenue	64,334	-	63,928		9,000	-
TOTAL OTHER REVENUES	\$ 90,683	\$ 1,472	\$ 68,031		\$ 9,000	\$ -
OPERATING EXPENSES						
PROFESSIONAL FEES						
Engineering	\$ 73,183	\$ 49,824	\$ 104,406		\$ 51,000	\$ 50,000
TOTAL PROFESSIONAL FEES	\$ 73,183	\$ 49,824	\$ 104,406		\$ 51,000	\$ 50,000
MAINTENANCE, REPAIRS & PARTS						
Canals, Levees, & Dams-Maintenance & Repairs	\$ 152,148	\$ 29,670	\$ 72,097		\$ 1,022,000	\$ 130,000
Streets & Roads	-	-	-		-	90,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 152,148	\$ 29,670	\$ 72,097		\$ 1,022,000	\$ 220,000
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 83,958	\$ 18,283	\$ 60,815		\$ 236,700	\$ 318,000
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 83,958	\$ 18,283	\$ 60,815		\$ 236,700	\$ 318,000
TOTAL EXPENSES	\$ 309,289	\$ 97,777	\$ 237,318		\$ 1,309,700	\$ 588,000
NET REVENUES OVER EXPENSES	\$ (55,302)	\$ (31,120)	\$ (53,278)		\$ (433,567)	\$ (196,000)
CAPITAL IMPROVEMENTS*						
Office Buildings					\$ 71,667	\$ 173,333
Dam Rehabilitation					31,667	443,333
Software					65,000	-
TOTAL CAPITAL IMPROVEMENTS					\$ 168,333	\$ 616,667
OTHER SOURCES (USES)*						
Cash Sources (Uses)					\$ 2,206,000	\$ 2,151,934
Repair and Replacement Transfers					1,043,797	1,250,000
TOTAL OTHER SOURCES (USES)					\$ 3,249,797	\$ 3,401,934
NET CASH BASIS SOURCES (USES)	\$ (55,302)	\$ (31,120)	\$ (53,278)		\$ 2,647,897	\$ 2,589,267

*Actuals intentionally left blank.

SJRA FY2022 Raw Water Enterprise Risk Management – July 2021

Risk	Probability	Management Method
Revenue		
Revenue from raw water sales and reservations less than projected	Low	<ul style="list-style-type: none"> • Long-term raw water supply contracts for industrial and most municipal users are currently take-or-pay so will have limited risk. • 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. • Long-term GRP contracts with Participants. <ul style="list-style-type: none"> ○ GRP take-or-pay amount will fluctuate based on demand and impact of weather. Estimates for budget are conservative. ○ Reservation fees are paid by GRP for all SJRA water in Lake Conroe that is not used.
Revenue from dock, marina, OSSF, etc. permitting/licensing less than projected	Low	<ul style="list-style-type: none"> • Collection rate in budget assumed at 95%. • 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.
Delayed payments from large raw water customers	Low	<ul style="list-style-type: none"> • Billing collection process in place to identify late payments and work with customers to obtain payments. • Working Capital Reserve Funds available to cover shortfalls.
Delayed payments from City of Houston	High	<ul style="list-style-type: none"> • 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. • Operating & Rate Stabilization Reserve Funds available to cover delayed payments.
Labor (Staffing)		
Inability to recruit and retain qualified, motivated staff	High	<ul style="list-style-type: none"> • Conducting annual research regarding competitive compensation and benefits, including health benefits. • Offering flexible work hours and schedules.
Professional, Construction and Miscellaneous Services		
Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services	Low	<ul style="list-style-type: none"> • SJRA staff in key management positions to oversee/ drive progress for timely completion. • Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk for professional services. • All contracts contain termination clauses.

Risk	Probability	Management Method
		<ul style="list-style-type: none"> • All professional services contracts are work order based which only authorize work one phase at a time allowing opportunity to adjust services provided. • Standardization of construction contract front-end documents and specifications. • Use Competitive Sealed Proposals (CSP) method for obtaining qualified and experienced contractors for performing all major construction.
<p>Limited numbers of qualified firms resulting in high proposed costs for construction services</p>	<p>Low</p>	<ul style="list-style-type: none"> • Maintain adequate Contingency Funds in project construction cost estimates for projects with a high degree of difficulty or requiring technical expertise. • Purchasing is making concerted efforts to interest more qualified construction contractors in SJRA projects. • Use of CSP method allows negotiation and Value Engineering analysis with selected contractors when appropriate.
<p>Operations and Maintenance Costs</p>		
<p>Operations costs greater than budgeted</p>	<p>Low</p>	<ul style="list-style-type: none"> • Operations costs based on historic expenditures with reasonable contingency. • Commodity costs such as fuel and power are susceptible to spikes in prices, and are therefore estimated conservatively. • Extreme events, such as a hurricane occurring in the area, are included in contingency plans. • Operating & Rate Stabilization Reserve Funds are available.
<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"> • 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 has 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. • Emergency Reserve Funds are available for critical and immediate repair of failed system components. • 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.

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"> • 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 available for critical and immediate repair of failed system components. • 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.
<p>Capital Outlay</p>		
<p>Capital improvement program (CIP) project costs greater than budgeted</p>	<p>Medium</p>	<ul style="list-style-type: none"> • SJRA staff in key management positions to oversee/ drive progress for most timely completion. • Project management procedures implemented for effective project delivery including control of scope, fee, schedule and risk. • Phased execution of construction projects allows a modification to CIP plan prior to commitment of funds. • Commodity costs such as fuel and construction materials are susceptible to spikes in prices; therefore, these costs are estimated conservatively.
<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"> • 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.
<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"> • The Authority developed a long-term raw water master plan for development of additional permanent supplies for the RWE over a 50-year timeframe. • 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 modifications, and may require the customer to fund the cost of the capacity improvements, depending on the extent of the system-wide benefit.

Risk	Probability	Management Method
		<ul style="list-style-type: none">• 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.

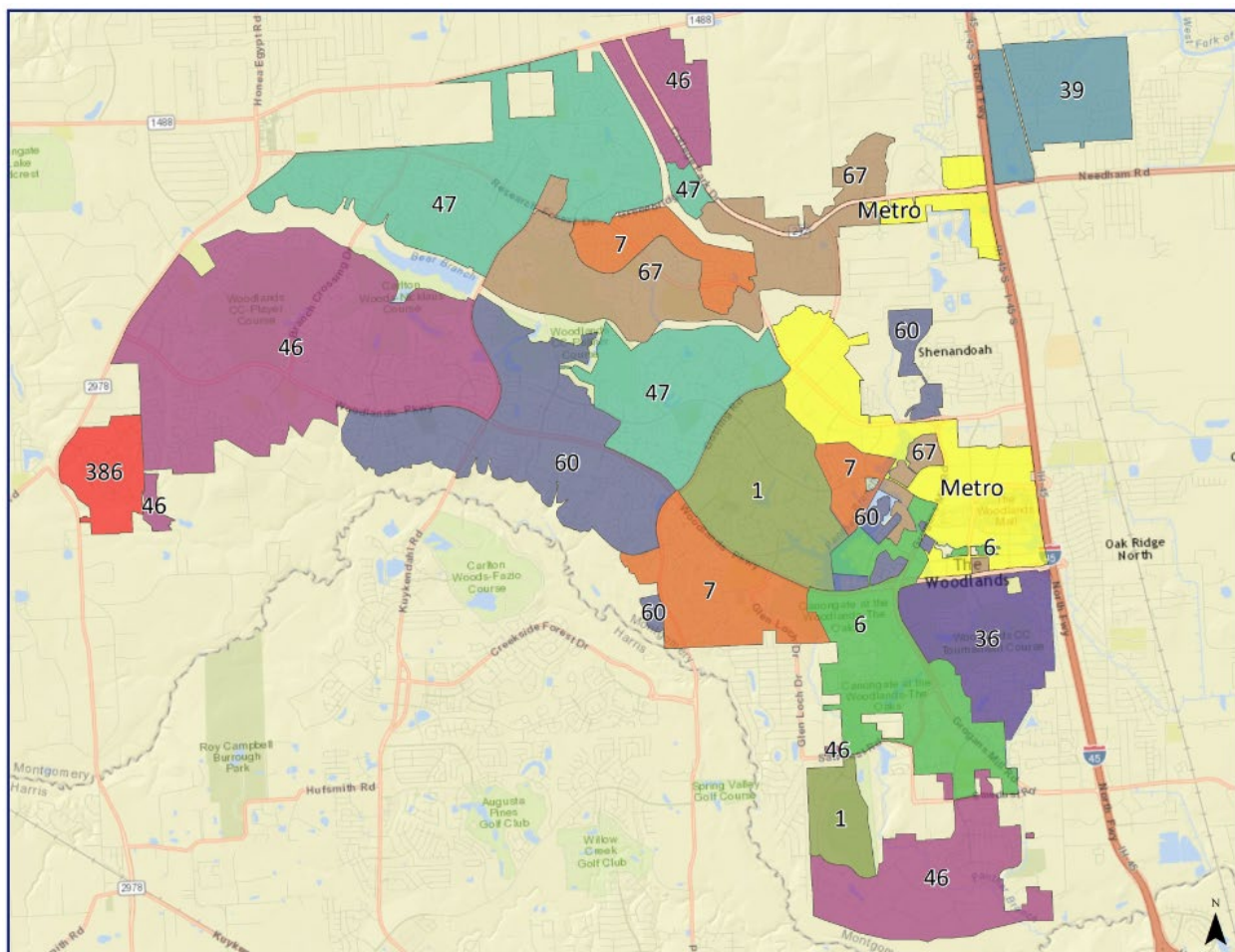
WOODLANDS DIVISION



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 11 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.

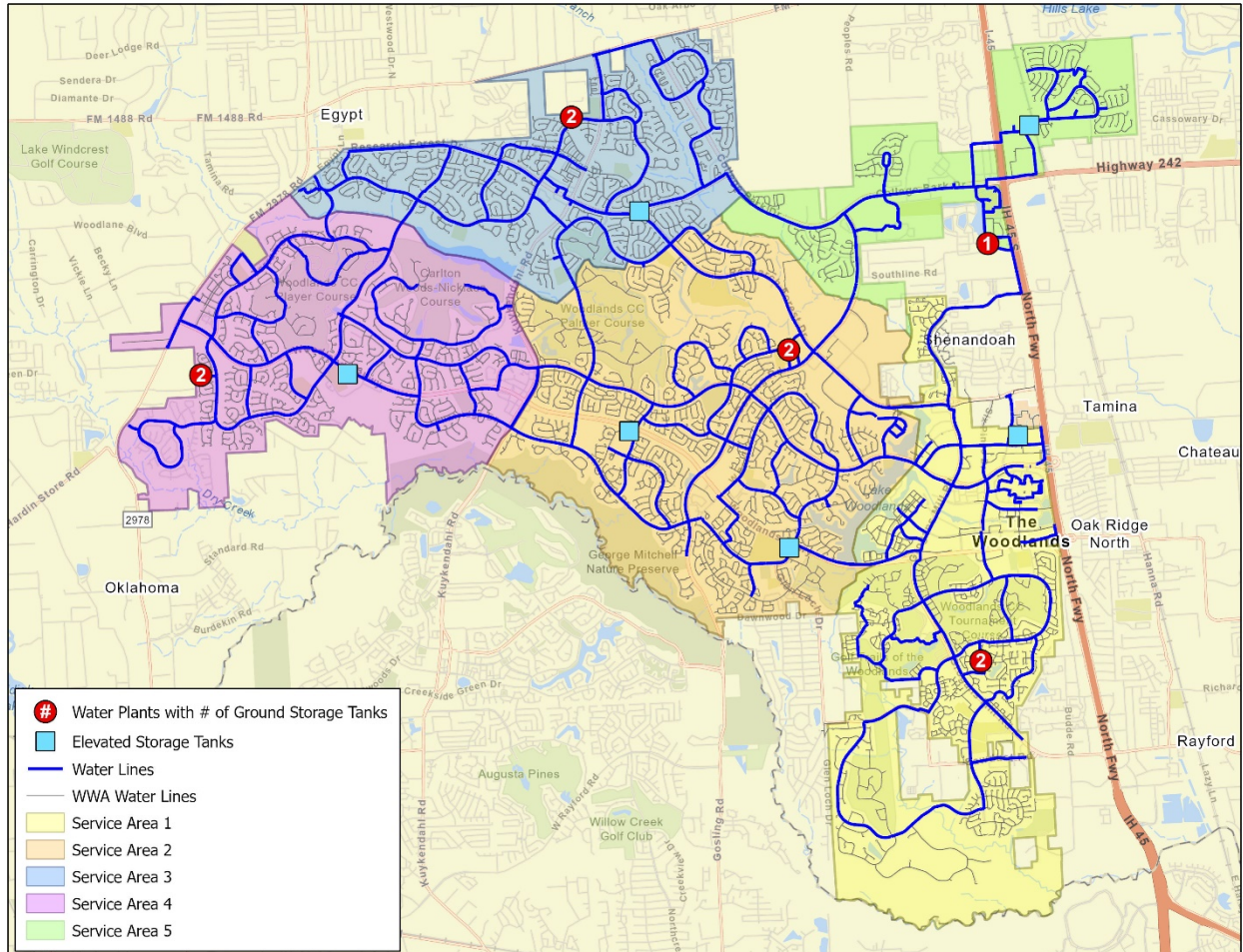
MAP OF WOODLANDS MUDS



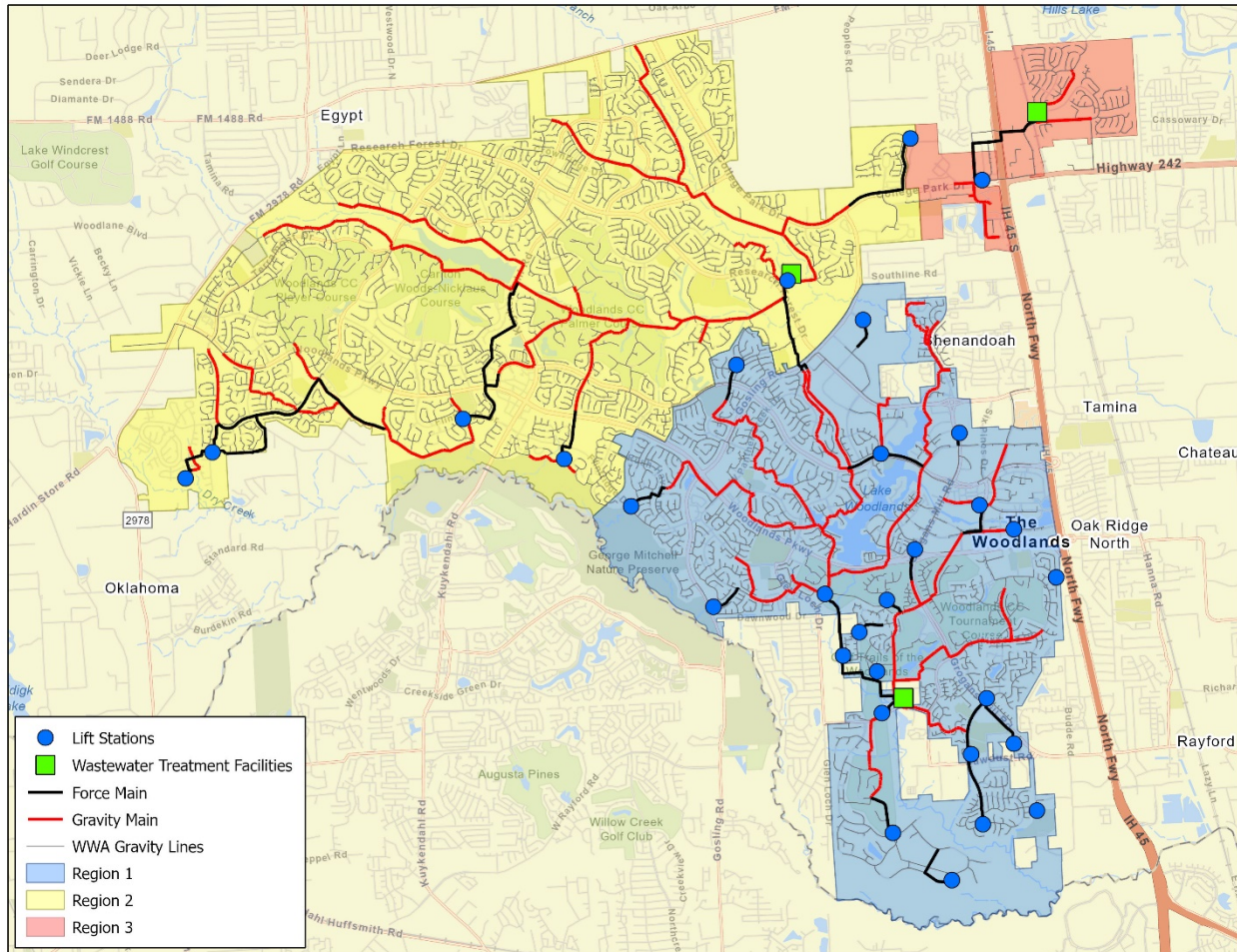
The Woodlands' wholesale water system consists of 38 water wells drilled into the Evangeline and Jasper aquifers, five water plants, six elevated storage tanks, nine ground storage tanks, and 120 miles of potable water transmission lines of twelve inches or greater. The Woodlands' wholesale wastewater system consists of thirty lift stations, three regional wastewater treatment plants, 50 miles of wastewater gravity lines fifteen 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 two voluntarily issued industrial users permitted through 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 11 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 renewal 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 FY2024, 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. **Woodlands Wastewater System Consolidation Study:** Over the next 30 years, it is projected that the three wastewater treatment facilities (WWTFs) owned and operated by SJRA will need to be replaced due to aging conditions and end of service life. In discussions with the Woodlands MUDs, SJRA has proposed a wastewater consolidation study to determine the economics and efficiency of replacing the WWTFs as they are today versus consolidating the WWTFs to a central location. This initial study will focus on high-level review of Level of Service, stakeholder input and renewal/replacement options. After the initial study, the MUDs will determine if a more in-depth study will be undertaken to review more detailed items including end-user input/meetings, permitting, cost data and technologies.
2. **Operational Efficiencies:** The Division continues efforts to improve efficiency and effectiveness and reduce operations & maintenance costs. Included in those efforts are: 1) annual reviews to all standard operating procedures to ensure best industry practices, compliance with safety requirements, and consistent and improved operations, 2) refinements to demand forecasting based on recent historical averages while incorporating growth projections and 3) finalize clean-up of line easements, ensuring the Authority has accurate and documented easements for all water and wastewater lines.
3. **Asset Management:** The Woodlands Division is 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 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.
4. **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 FY2021, the Woodlands Division

conducted their assessments and prioritized the following projects for the start of or continuation of design and/or construction in FY2022:

Woodlands - Projects	Stage	Est. FY2022 Cost	Funding Source
Water Well No. 23 Rehabilitation	Construction	\$ 240,000	R&R
Water Line Renewal - FY21-FY22	Construction	\$ 3,813,000	R&R
WP5 PRV 16" Vision Park	Design/Const	\$ 100,000	R&R
Trade Center Water Line Loop to Harper's Landing	Design	\$ 125,000	R&R
WWTF No. 1 Improvements (Tin-Man)	Design	\$ 72,174	R&R
Water Model Update	Design	\$ 100,000	R&R
Groundwater Well Master Plan	Design	\$ 125,000	R&R
Water System 20-Year CIP	Study	\$ 100,000	R&R
WWTF No. 1 Screwfactor	Construction	\$ 100,000	R&R
Lift Station No. 13 Rehabilitation	Construction	\$ 1,000,000	R&R
Lift Station No. 5 Forcemain	Construction	\$ 3,000,000	R&R
Lift Station Rehabilitation	Design/Const	\$ 245,000	R&R
Lift Station No. 8 Rehabilitation and Forcemain Replacement	Construction	\$ 315,000	R&R
WWTF No. 3 PPW Pressure System Rehabilitation	Design/Const	\$ 375,000	R&R
WWTF No. 2 Headworks Rehabilitation	Design/Const	\$ 1,700,000	R&R
Force Main Renewal	Design	\$ 150,000	R&R
Total		\$ 11,560,174	

Total Indebtedness and Annual Debt Service: At August 31, 2020, the Woodlands Division had \$70,920,000 of total indebtedness, made up of the following bond issuances:

- Series 2010 Special Project Rev. Refunding Bonds (Outstanding: \$530,000: Matures 10/1/20)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$8,245,000: Matures 10/1/30)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$20,890,000: Matures 10/1/33)
- Series 2017 Special Project Rev. Bonds (Outstanding: \$41,255,000: Matures 10/01/42)

Series 2010 Special Project Rev. Refunding Bonds, was paid off by 10/1/2020 according to the maturity schedule.

Total annual debt service (principal and interest) for FY2022 for the existing bond issuances listed above is \$5,397,360.

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 FY2022 includes 40.0 direct FTE positions, with no part-time, temporary, or intern positions. Of the 40.0 FTEs the Woodlands Division allocates 2.8 FTEs to the GRP Division. In addition, the Division is allocated 28.25 FTEs for FY2022 from G&A Departments, other divisions, and the Utility Enterprise. The total net FY2022 FTEs associated with the Woodlands Division, direct and allocated, is 65.45 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 previous 24-month actual data as the basis of the FY2022 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 FY2022, the Woodlands is forecasting no change in water sales nor wastewater sales when comparing to FY2021 projections. The wholesale water rate to the MUDs for FY2022 is \$2.37 per 1,000 gallons, resulting in wholesale water sales totaling \$12,864,360. The wholesale wastewater rate to the MUDs for FY2022 is \$4.85, resulting in wholesale wastewater sales totaling \$14,065,000. The WWA directed the Woodlands Division to utilize a blended groundwater/surface-water GRP rate based on the anticipated FY2022 groundwater to surface-water usage ratio within the Woodlands system. The blended GRP rate for FY2022 is \$3.03 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 FY2022 are anticipated to be \$16,446,840 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 \$243,100.

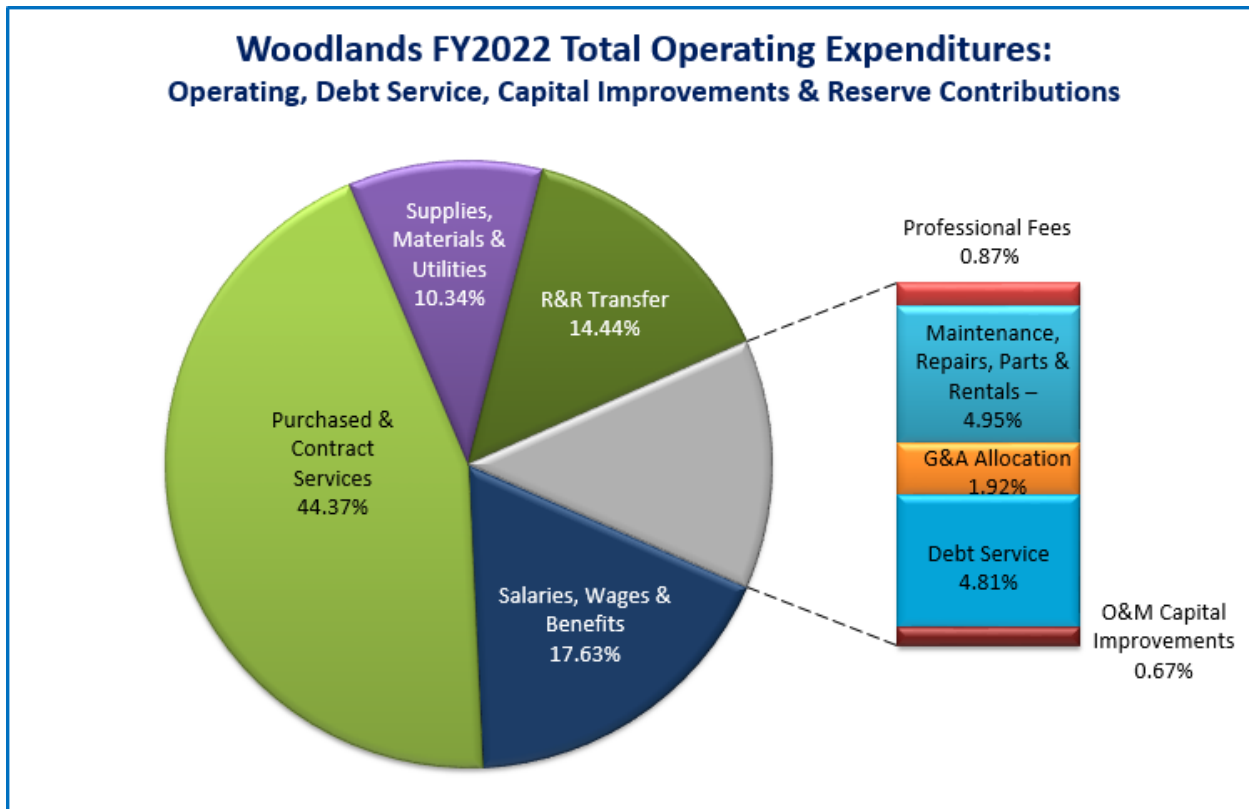
Expected O&M Operating and Other Revenues for the Woodlands Division for FY2022 total \$43,627,700. Woodlands expected Operating, Other Revenues, and Other Cash Sources for the R&R Fund total \$15,078,162; \$6,000 from interest income, \$8,770,740 from cash sources, and \$6,301,422 from inter-division transfer from O&M. Woodlands expected Operating, Other Revenues, and Other Cash Sources for Water Bonds, Wastewater Bonds, and Future Facility are \$2,311,579, \$991,000, and \$1,200, respectively.

Expenditures: The Woodlands Division O&M Budget for FY2022 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 FY2022, including operating, debt service, capital improvements, and contributions to the R&R Fund, totals \$43,627,700. Woodlands expected R&R Fund operating expenses, and capital improvements, totals \$11,560,174. Woodlands expected operating and debt service expenditures for Water Bonds and Wastewater Bonds are \$2,311,579 and \$991,000 respectively. Woodlands has no budgeted expenditures for Future Facilities in FY2022; however, expenditures are expected to occur utilizing the capacity contributions funded by the Sixth and Final 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 FY2021, the Woodlands Division has met a three-month Operating Reserve target at \$4,397,456, equivalent to three months of operating expenses. For FY2022, the Operating Reserve is projected to be \$4,737,047, equivalent to three months of operating expenses. There are not contributions budgeted for FY2022.

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 FY2022, the contribution to the R&R Fund is estimated to be \$6,301,422. In addition, there is \$8,770,740 budgeted cash carryforward from FY2021 into FY2022. Expenditures for the R&R Fund is budgeted to be \$11,560,174 for FY2022. The net of cash carryforward, R&R transfers, and expenditures leaves a net balance of \$3,517,988 budgeted to carryforward to FY2023 to cover future projects.

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 FY2021 and no contributions are budgeted in FY2022.

For FY2022, 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
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12		Budget FY2021	Budget FY2022
			Mo. Actuals Apr 2020- Mar 2021			
OPERATING REVENUES						
Water Sales-Woodlands MUD's	\$ 10,923,570	\$ 6,128,162	\$ 11,467,544		\$ 12,267,280	\$ 12,864,360
Wastewater Treatment Fees	13,126,282	7,523,288	13,183,999		13,398,000	14,065,000
Direct Reuse Water	30,024	17,524	30,048		30,000	30,000
Permits, Licenses & Fees - Commercial	207,100	-	207,100		205,100	207,100
GRP Pumping Fees	14,367,363	7,795,338	14,815,657		15,632,640	16,446,840
Sampling	-	-	-		10,000	6,000
Repair Recovery Revenue	29,839	-	29,839		-	-
Other Operating Revenue	-	900	900		-	-
TOTAL OPERATING REVENUES	\$ 38,684,178	\$ 21,465,212	\$ 39,735,087		\$ 41,543,020	\$ 43,619,300
OTHER REVENUES						
Interest Income	\$ 941,267	\$ 22,422	\$ 34,394		\$ 30,000	\$ 8,400
FEMA Grant Revenue	352	1,825	2,177		-	-
Proceeds From Sale Of Assets	31,000	750	750		-	-
Other Gains & Losses	14,867	1,583	4,737		-	-
TOTAL OTHER REVENUES	\$ 987,485	\$ 26,580	\$ 42,058		\$ 30,000	\$ 8,400
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 2,562,460	\$ 1,541,595	\$ 2,686,670		\$ 2,503,469	\$ 2,700,066
Salary & Wage Allocation	2,258,441	1,221,831	2,221,482		2,298,753	2,606,239
Compensated Absences	23,043	-	23,043		-	-
Group Insurance	1,006,845	613,601	1,055,784		1,178,768	1,182,442
Group Insurance - Retirees	5,903	5,983	8,454		9,031	13,156
Group Insurance - Retiree OPEB	(65,071)	-	(65,071)		100,000	100,000
Group Retirement Expense	578,370	358,210	601,995		516,739	586,307
Workers Compensation Insurance	97,354	46,004	69,263		96,486	102,558
Social Security Taxes	352,654	197,048	356,545		359,782	400,474
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 6,819,999	\$ 3,984,272	\$ 6,958,167		\$ 7,063,029	\$ 7,691,242
PROFESSIONAL FEES						
Legal Fees	\$ 42,648	\$ 10,044	\$ 30,936		\$ 90,000	\$ 80,000
Annual Financial Audit	42,350	33,000	38,840		36,000	42,000
Paying Agent Fees	1,500	750	1,500		750	750
Engineering	68,213	40,486	85,117		244,980	240,000
Safety Inspections & Testing	3,651	5,715	5,715		11,700	11,000
Graphic Design	2,371	2,500	3,971		7,000	7,000
TOTAL PROFESSIONAL FEES	\$ 160,733	\$ 92,494	\$ 166,078		\$ 390,430	\$ 380,750
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 64,577	\$ 41,070	\$ 68,330		\$ 85,000	\$ 95,100
Sampling-Reimbursible	-	-	-		10,000	6,000
Sludge Disposal	452,557	216,740	429,409		516,249	450,000
Meter Calibration Services	3,030	293	293		3,000	6,600
Commercial Laboratory Fees	140,936	67,023	138,298		174,600	152,448
State Fees	91,127	90,577	91,127		100,200	100,300
Groundwater District Fees	-	128,450	128,450		-	328,524
Groundwater District Fees-GRP	199,682	-	71,602		325,975	-
Employee Testing- New	909	436	436		10,900	7,130
GRP Pumpage Fees	9,161,419	3,695,407	8,164,120		10,469,550	11,131,162
GRP Surface Water Fees	7,307,984	4,655,892	8,540,683		6,504,750	6,943,047
Janitorial Services	25,101	15,782	26,848		29,000	29,250
Stream Gauging & Water Quality-USGS	68,055	40,472	69,380		70,000	70,000

San Jacinto River Authority - Woodlands Operating
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals			Rolling 12	Budget	Budget
	Actuals 8/31/2020	Sept-Mar FY2021	Mo. Actuals Apr 2020- Mar 2021	Mo. Actuals Apr 2020- Mar 2021	FY2021	FY2022
Public Relations Expense	-	-	-	-	2,000	-
Water Conservation & Public Education	-	-	-	-	7,000	36,000
Document Retention/Destruction	924	822	984	984	5,000	5,000
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 17,516,301	\$ 8,952,964	\$ 17,729,960	\$ 17,729,960	\$ 18,313,224	\$ 19,360,561
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 6,416	\$ 3,734	\$ 6,823	\$ 6,823	\$ 19,500	\$ 13,500
Travel	1,008	(18)	940	940	4,000	4,000
Office Furnishings	1,104	555	1,608	1,608	5,000	5,000
Automobile & Truck Expense	72,366	21,486	44,741	44,741	78,500	100,000
Storm Preparedness & Response	-	3,451	3,451	3,451	-	5,000
Postage	4,259	642	3,233	3,233	3,225	3,225
Property Insurance	304,836	210,508	344,366	344,366	299,000	358,800
Auto Insurance	45,504	27,789	47,378	47,378	45,400	49,940
Liability Insurance	28,196	21,840	23,479	23,479	45,000	49,500
Training-External	20,898	4,134	8,756	8,756	44,300	30,300
Training-Internal	4,705	486	1,340	1,340	6,000	6,000
Training-Employee HR	3,167	-	-	-	3,700	3,675
Chlorine	190,807	100,520	180,455	180,455	182,000	203,000
Polymer	82,353	29,025	59,335	59,335	81,000	72,200
Sulfur Dioxide	76,320	50,880	84,270	84,270	87,500	82,700
Other Chemicals	55,583	22,869	54,054	54,054	49,000	35,074
Employee Relations	-	-	-	-	-	7,000
Alkalinity	17,615	64,418	82,033	82,033	60,000	112,880
Fuel	107,404	40,557	80,969	80,969	125,000	151,000
Uniform Services	17,827	19,613	20,247	20,247	26,000	33,500
Maintenance Supplies	94,489	31,385	79,123	79,123	76,000	73,000
Operations Supplies	63,786	29,076	67,520	67,520	54,450	49,100
Other Operating Expenses	22,443	8,578	22,464	22,464	12,000	-
Memberships & Professional Dues	18,946	17,029	19,148	19,148	20,000	20,000
Utilities-Electric	2,326,621	1,455,392	2,507,871	2,507,871	2,700,000	2,500,000
Utilities-Natural Gas	11,604	8,115	12,607	12,607	14,000	13,000
Personal Protective Equipment	-	20	20	20	1,000	1,000
Safety Equipment & Meetings	5,252	17,400	23,309	23,309	31,400	26,000
Health & Wellness Program	-	-	-	-	1,480	1,450
Recruiting Expenses	5,333	395	1,826	1,826	11,900	16,450
Computer Hardware	22,738	39,715	49,900	49,900	44,320	88,947
Software & Support	117,466	83,087	132,383	132,383	136,398	177,280
Software Maintenance	29,835	21,074	33,903	33,903	87,000	62,315
Physical Security	-	-	-	-	-	25,500
Network Communications	26,697	13,595	26,449	26,449	21,360	21,360
Newspaper Ads	3,591	4,928	6,569	6,569	6,225	6,225
Wireless Devices & Services	54,895	28,889	51,098	51,098	51,480	50,160
Landline Telephone Services	54,543	36,238	60,327	60,327	53,016	53,016
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 3,898,608	\$ 2,417,406	\$ 4,141,996	\$ 4,141,996	\$ 4,486,154	\$ 4,511,097
RENTALS						
Equipment Rentals	\$ 17,267	\$ 4,886	\$ 14,658	\$ 14,658	\$ 16,200	\$ 16,500
Office Rent	(29)	-	(29)	(29)	-	-
Radio Tower Rental	8,597	5,166	9,464	9,464	9,000	9,400
TOTAL RENTALS	\$ 25,836	\$ 10,052	\$ 24,093	\$ 24,093	\$ 25,200	\$ 25,900

San Jacinto River Authority - Woodlands Operating
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12		Budget FY2021	Budget FY2022
			Mo. Actuals Apr 2020- Mar 2021			
MAINTENANCE, REPAIRS & PARTS						
Air Conditioner	\$ 52,103	\$ 10,143	\$ 55,273	\$ 79,000	\$ 60,500	
Sidewalks & Driveways	7,326	4,943	12,269	44,500	20,000	
Mowing	201,334	95,428	219,770	165,000	186,000	
Buildings & Grounds Maintenance	119,740	26,466	127,543	147,000	83,000	
Plants & Facilities	58,136	2,563	58,086	100,000	100,000	
Security System Monitoring	4,180	31	3,874	4,000	3,100	
Wells	155	8,008	8,008	5,000	6,000	
Tanks	143,150	61,071	120,018	105,000	130,500	
Electrical	131,911	24,097	95,526	75,000	125,000	
Generators	30,386	14,313	27,253	45,000	45,000	
Pumps & Motors	318,699	148,590	375,451	150,000	258,500	
Aerators	39,868	45,090	84,597	47,000	89,500	
Machinery, Tools, & Implements	14,776	12,915	27,691	-	15,000	
Belt Press	27,828	6,331	11,577	12,000	34,000	
Clarifier	-	236	236	2,400	81,200	
UV Equipment	2,515	390	2,904	-	-	
Lines, Valves, & Pipes	491,620	184,250	434,926	319,500	423,799	
Drainage Structures	10,969	-	10,969	30,000	55,000	
Instrumentation Equipment & Parts	210,098	170,216	253,201	289,400	228,725	
Bar Screens	3,460	5,915	5,915	33,500	14,000	
Chlorinator	28,255	9,534	21,062	35,000	57,500	
Low Head Filters	-	395	395	15,000	109,200	
Networking and Communications - SCADA	11,146	5,011	14,739	10,900	6,750	
Inventory Gains and Losses	(25,586)	(12,956)	(32,648)	-	-	
Bad Debt Expense	(15,938)	-	(15,938)	-	-	
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 1,866,129	\$ 822,981	\$ 1,922,697	\$ 1,714,200	\$ 2,132,274	
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 771,697	\$ 443,930	\$ 781,478	\$ 772,946	\$ 835,923	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 771,697	\$ 443,930	\$ 781,478	\$ 772,946	\$ 835,923	
NON-OPERATING EXPENSES						
Interest Expense	\$ 457,281	\$ 266,747	\$ 457,281	\$ 457,281	\$ 457,281	
TOTAL NON-OPERATING EXPENSES	\$ 457,281	\$ 266,747	\$ 457,281	\$ 457,281	\$ 457,281	
TOTAL EXPENSES	\$ 31,516,585	\$ 16,990,846	\$ 32,181,749	\$ 33,222,463	\$ 35,395,028	
NET REVENUES OVER EXPENSES	\$ 8,155,078	\$ 4,500,946	\$ 7,595,396	\$ 8,350,557	\$ 8,232,672	
CAPITAL IMPROVEMENTS*						
Water Treatment Plant & Facilities				\$ -	\$ 262,500	
Sewage Treatment Plant & Facilities				170,000	-	
Maintenance Equipment				5,000	-	
Transportation Equipment				155,000	-	
Software				1,650	1,591	
Computer Equipment				398,986	27,159	
TOTAL CAPITAL IMPROVEMENTS				\$ 730,636	\$ 291,250	
OTHER SOURCES (USES)*						
Bond Principal				\$ (1,640,000)	\$ (1,640,000)	
Repair and Replacement Transfers				(5,979,921)	(6,301,422)	
TOTAL OTHER SOURCES (USES)				\$ (7,619,921)	\$ (7,941,422)	
NET CASH BASIS SOURCES (USES)	\$ 8,155,078	\$ 4,500,946	\$ 7,595,396	\$ -	\$ -	

*Actuals intentionally left blank.

San Jacinto River Authority - Woodlands Repair and Replacement
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OTHER REVENUES						
Interest Income	\$ 94,305	\$ 5,269	\$ 14,406	\$ 96,000	\$ 6,000	
Other Gains & Losses	127	-	-	-	-	
TOTAL OTHER REVENUES	\$ 94,432	\$ 5,269	\$ 14,406	\$ 96,000	\$ 6,000	
OPERATING EXPENSES						
PROFESSIONAL FEES						
Legal Fees	\$ 250	\$ -	\$ 250	\$ -	\$ -	
Engineering	728,394	-	264,643	-	325,000	
TOTAL PROFESSIONAL FEES	\$ 728,644	\$ -	\$ 264,893	\$ -	\$ 325,000	
MAINTENANCE, REPAIRS & PARTS						
Wells	\$ 497,876	\$ -	\$ 38,921	\$ 325,000	\$ 240,000	
Tanks	1,295,138	690,892	774,208	3,789,000	3,260,000	
Electrical	243,471	-	-	-	-	
Lines, Valves, & Pipes	45,517	274,895	319,291	439,000	7,338,000	
Bar Screens	-	-	-	-	100,000	
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,082,002	\$ 965,788	\$ 1,132,420	\$ 4,553,000	\$ 10,938,000	
TOTAL EXPENSES	\$ 2,810,645	\$ 965,788	\$ 1,397,314	\$ 4,553,000	\$ 11,263,000	
NET REVENUES OVER EXPENSES	\$ (2,716,213)	\$ (960,519)	\$ (1,382,908)	\$ (4,457,000)	\$ (11,257,000)	
CAPITAL IMPROVEMENTS*						
Water Treatment Plant & Facilities				\$ -	\$ 225,000	
Sewage Treatment Plant & Facilities				2,917,000	72,174	
Software				125,000	-	
TOTAL CAPITAL IMPROVEMENTS				\$ 3,042,000	\$ 297,174	
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 8,346,699	\$ 8,770,740	
Repair and Replacement Transfers				5,979,921	6,301,422	
TOTAL OTHER SOURCES (USES)				\$ 14,326,620	\$ 15,072,162	
NET CASH BASIS SOURCES (USES)	\$ (2,716,213)	\$ (960,519)	\$ (1,382,908)	\$ 6,827,620	\$ 3,517,988	

*Actuals intentionally left blank.

San Jacinto River Authority - Waste Disposal Bonds
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES						
Capacity Revenue	\$ 984,550	\$ 312,288	\$ 974,600	\$ 985,350	\$ 990,150	
TOTAL OPERATING REVENUES	\$ 984,550	\$ 312,288	\$ 974,600	\$ 985,350	\$ 990,150	
OTHER REVENUES						
Interest Income	\$ 4,322	\$ 233	\$ 965	\$ 1,200	\$ 120	
TOTAL OTHER REVENUES	\$ 4,322	\$ 233	\$ 965	\$ 1,200	\$ 120	
OPERATING EXPENSES						
PROFESSIONAL FEES						
Disclosure Filing	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	
Paying Agent Fees	750	-	750	750	750	
TOTAL PROFESSIONAL FEES	\$ 750	\$ 500	\$ 1,250	\$ 1,250	\$ 1,250	
NON-OPERATING EXPENSES						
Interest Expense	\$ 381,483	\$ 209,304	\$ 367,450	\$ 357,367	\$ 332,250	
TOTAL NON-OPERATING EXPENSES	\$ 381,483	\$ 209,304	\$ 367,450	\$ 357,367	\$ 332,250	
TOTAL EXPENSES	\$ 382,233	\$ 209,804	\$ 368,700	\$ 358,617	\$ 333,500	
NET REVENUES OVER EXPENSES	\$ 606,638	\$ 102,716	\$ 606,865	\$ 627,933	\$ 656,770	
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ (2,100)	\$ 730	
Bond Principal				(625,833)	(657,500)	
TOTAL OTHER SOURCES (USES)				\$ (627,933)	\$ (656,770)	
NET CASH BASIS SOURCES (USES)	\$ 606,638	\$ 102,716	\$ 606,865	\$ -	\$ -	

*Actuals intentionally left blank.

San Jacinto River Authority - Water Supply Bonds
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES						
Capacity Revenue	\$ 2,845,437	\$ 761,179	\$ 2,732,195		\$ 2,308,450	\$ 2,310,500
TOTAL OPERATING REVENUES	\$ 2,845,437	\$ 761,179	\$ 2,732,195		\$ 2,308,450	\$ 2,310,500
OTHER REVENUES						
Interest Income	\$ 9,345	\$ 502	\$ 2,345		\$ 5,400	\$ 480
TOTAL OTHER REVENUES	\$ 9,345	\$ 502	\$ 2,345		\$ 5,400	\$ 480
OPERATING EXPENSES						
PROFESSIONAL FEES						
Disclosure Filing	\$ -	\$ 500	\$ 500		\$ 500	\$ 500
Arbitrage Rebate Audit	-	1,000	1,000		-	-
Paying Agent Fees	750	-	750		1,500	750
TOTAL PROFESSIONAL FEES	\$ 750	\$ 1,500	\$ 2,250		\$ 2,000	\$ 1,250
NON-OPERATING EXPENSES						
Interest Expense	\$ 966,958	\$ 531,761	\$ 931,944		\$ 908,199	\$ 859,496
TOTAL NON-OPERATING EXPENSES	\$ 966,958	\$ 531,761	\$ 931,944		\$ 908,199	\$ 859,496
TOTAL EXPENSES	\$ 967,708	\$ 533,261	\$ 934,194		\$ 910,199	\$ 860,746
NET REVENUES OVER EXPENSES	\$ 1,887,075	\$ 228,419	\$ 1,800,346		\$ 1,403,651	\$ 1,450,234
OTHER SOURCES (USES)*						
Cash Sources (Uses)					\$ 81,349	\$ 599
Bond Principal					(1,485,000)	(1,450,833)
TOTAL OTHER SOURCES (USES)					\$ (1,403,651)	\$ (1,450,234)
NET CASH BASIS SOURCES (USES)	\$ 1,887,075	\$ 228,419	\$ 1,800,346		\$ -	\$ -

*Actuals intentionally left blank.

**San Jacinto River Authority - Future Facilities
Actual to Budget Comparison
FY2020 - FY2022**

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	8/31/2020	Sept-Mar FY2021	Apr 2020- Mar 2021	FY2021	FY2021	Budget FY2022
OPERATING REVENUES						
Capital Contributions	\$ 88,323	\$ -	\$ 84,926	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUES	\$ 88,323	\$ -	\$ 84,926	\$ -	\$ -	\$ -
OTHER REVENUES						
Interest Income	\$ 67,796	\$ 2,118	\$ 8,346	\$ 36,000	\$ 1,200	\$ 1,200
Proceeds From Sale Of Assets	6,000	-	6,000	-	-	-
TOTAL OTHER REVENUES	\$ 73,796	\$ 2,118	\$ 14,346	\$ 36,000	\$ 1,200	\$ 1,200
NET REVENUES OVER EXPENSES	\$ 162,119	\$ 2,118	\$ 99,272	\$ 36,000	\$ 1,200	\$ 1,200
NET CASH BASIS SOURCES (USES)	\$ 162,119	\$ 2,118	\$ 99,272	\$ 36,000	\$ 1,200	\$ 1,200

*Actuals intentionally left blank.

SJRA FY2022 Woodlands Division Risk Management – July 2021

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

		<ul style="list-style-type: none"> • Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts. • Can request a cash call from the MUDs.
Operations and Maintenance		
<p>Interruption of operations due to emergency incident (ie. Fire, Storm, Line Break, Power Outage, Terrorist Threat).</p>	Med	<ul style="list-style-type: none"> • Woodlands Emergency Response Plan provides instruction for responding to emergency incidents.

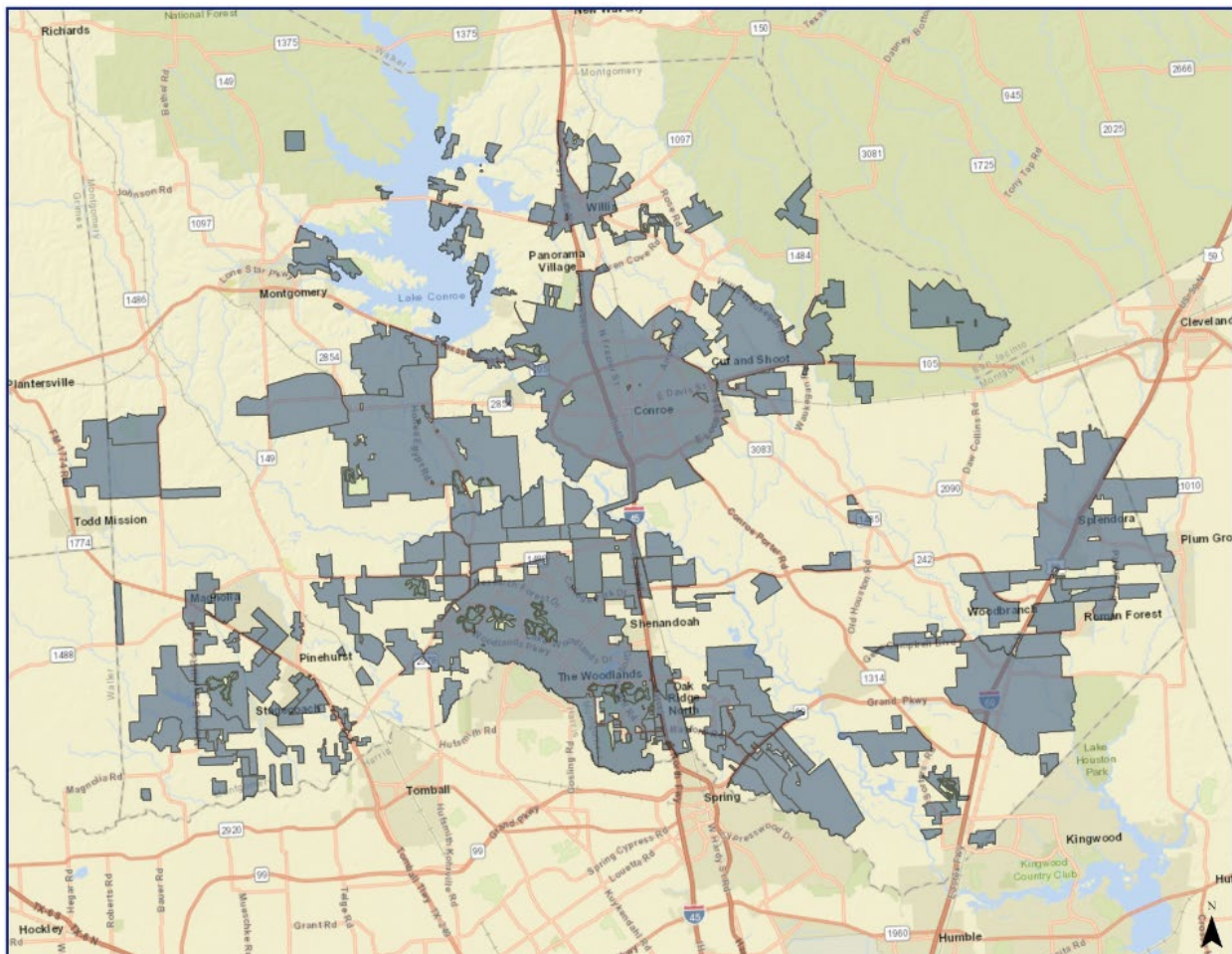
GRP DIVISION



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 seven participants, ahead of the LSGCD regulations.

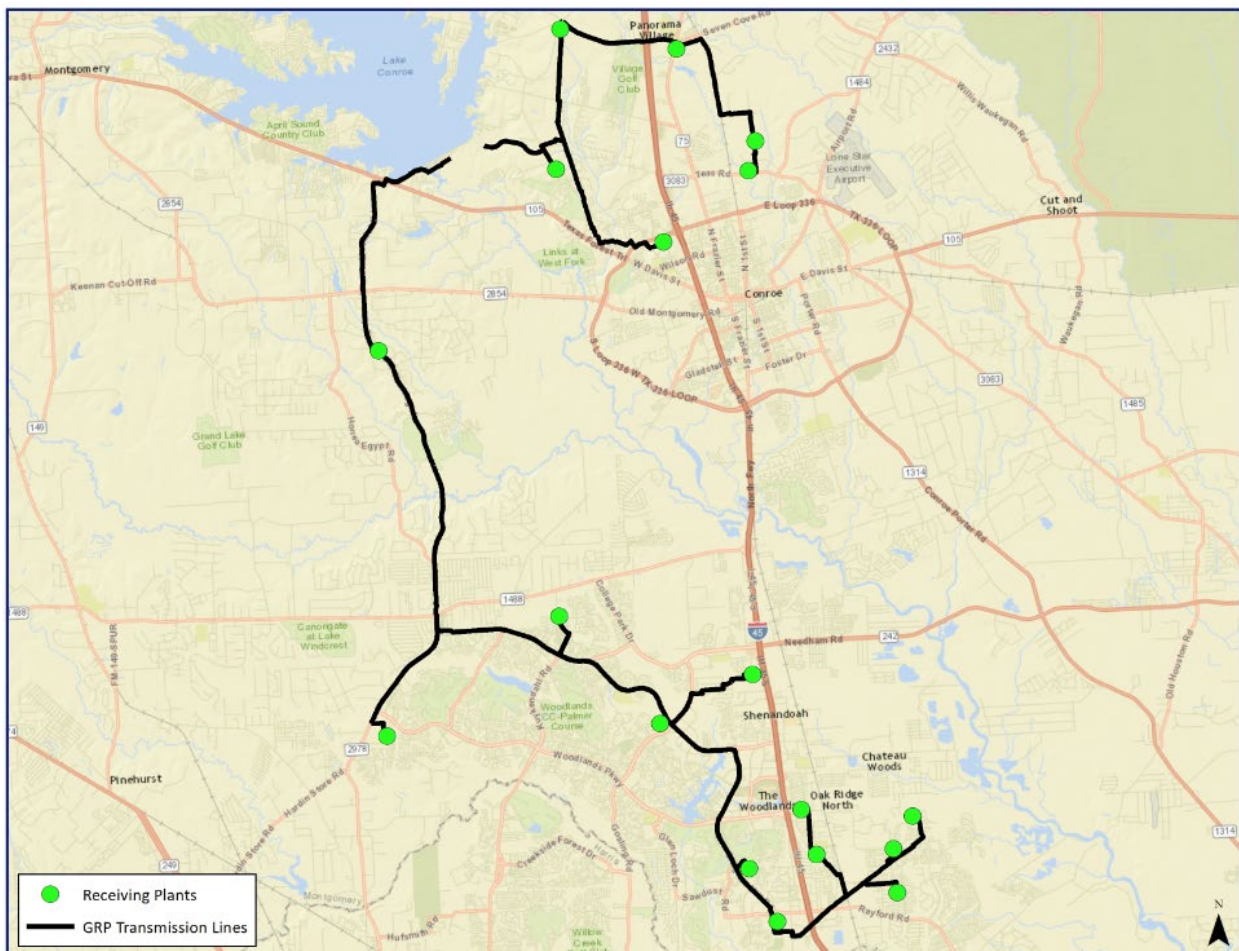
Adjustment to LSGCD Rules and Regulations

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. In September 2020, LSGCD adopted new management rules that removed the requirement for GRPs like SJRA and requirements to maintain a reduced pumpage through DFCs.

Responsible Action for GRP

With that judgement, the requirement that GRP Participants must reduce groundwater pumpage is no longer in place. In response, the GRP Division will maintain the existing participant contracts, and will properly operate, manage and maintain nearly \$500 million in assets while GMA-14 develops future DFCs and LSGCD develops new groundwater management plans and rules.

MAP OF GRP TRANSMISSION LINES AND RECEIVING FACILITIES



Major Initiatives: During FY2020 & FY2021 and planned for FY2022, 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 is be focused on improving the management of their assets through the revision and expansion of their current asset management program. The GRP Division has embraced the use of the Authority's 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.

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 FY2022.

Total Indebtedness and Annual Debt Service: At August 31, 2020, the GRP Division currently had \$466,550,000 of total indebtedness, made up of the following bond issuances:

- Series 2009 Special Project Revenue Bonds (Outstanding: \$16,550,000; Matures 10/1/28)
- Series 2011 Special Project Revenue Bonds (Outstanding: \$69,790,000; Matures 10/1/37)
- Series 2011A Special Project Revenue Bonds (Outstanding: \$52,365,000; Matures 10/1/35)
- Series 2012 Special Project Revenue Bonds (Outstanding: \$139,760,000; Matures 10/1/37)
- Series 2012A Special Project Revenue Bonds (Outstanding: \$151,990,000; Matures 10/1/40)
- Series 2013 Special Project Revenue Bonds (Outstanding: \$34,055,000; Matures 10/1/40)
- Series 2016 Special Project Revenue Bonds (Outstanding: \$2,040,000; Matures 10/1/41)

Annual debt service (principal and interest) for FY2022 for the above bond issuances is \$34,618,836. 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 have been fully funded for the majority of FY2021; however, the budgeted drawdown for FY2021 may still become necessary to facilitate division cash flow.

Staffing Plans: The GRP Division's staffing plan for FY2022 includes 24.10 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 24.10 direct GRP Division FTEs, the Division receives an allocation of 17.34 FTEs for FY2022 from G&A Departments and the Utility Enterprise. Total FY2022 FTEs associated with the GRP Division, direct and allocated, is 41.44 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 projections and the surface water production rate, the average of the actual water demand over the previous 36 months will be used as the projected demand for FY2022 and the surface water production rate is planned to be 4.4 billion gallons.

The GRP Pumping Fee rate to its participants will be adjusted from a rate of \$2.73 per 1,000 gallons to \$2.88 per 1,000 gallons resulting in groundwater revenues totaling \$42,783,839. The GRP Surface-Water Fee to its participants will be adjusted from a rate of \$3.15 per 1,000 gallons to \$3.30 per 1,000 gallons, resulting in surface-water revenues totaling \$14,470,084. Other revenues from office rental total \$5,400. In addition, the GRP Division will receive Industrial Revenue and Industrial Reservation Fees in the amount of \$714,688 from Entergy, which will help offset costs of water supply reserved for future use but not required to meet FY22 Surface Water production demands.

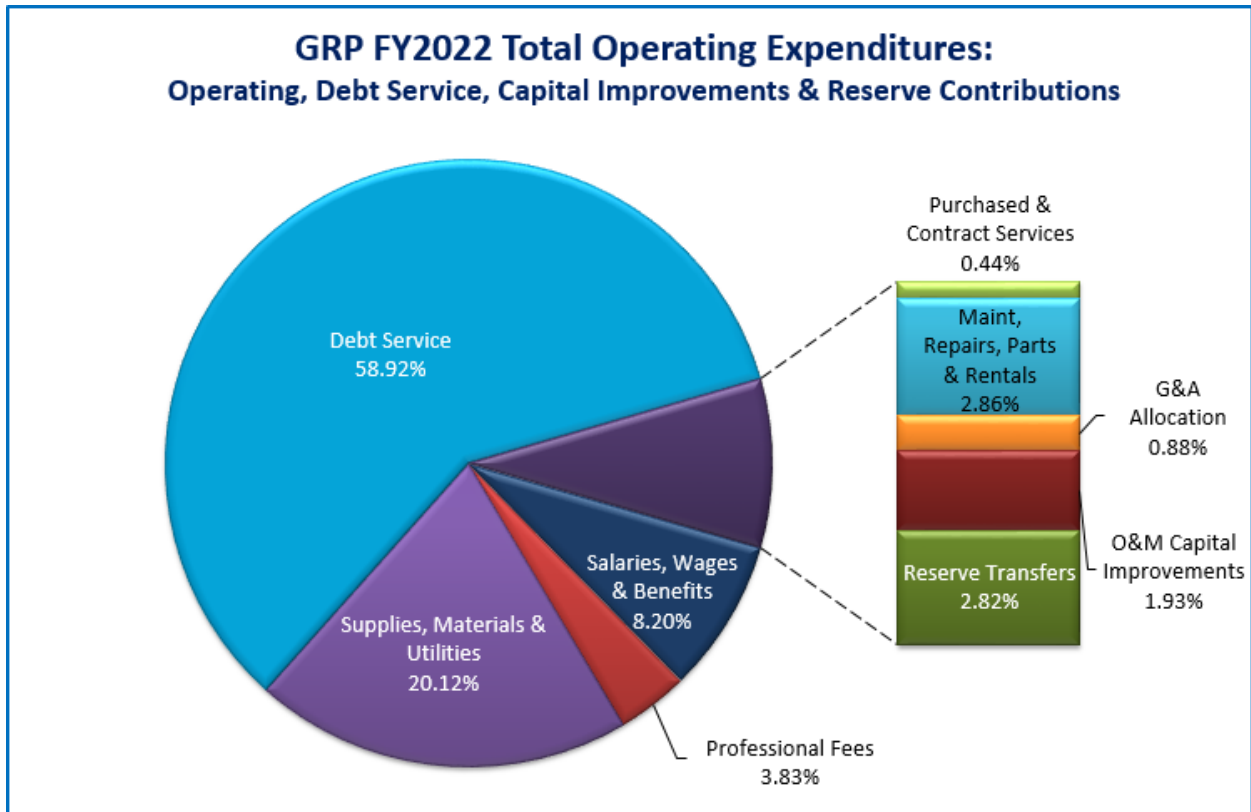
Expected O&M revenues for the GRP Division for FY2022 total \$57,974,011.

Expenditures: The FY2022 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 FY2022, including operating, debt service, capital improvements, and any other cash uses, totals \$58,764,011.

**GRP FY2022 Total Operating Expenditures:
Operating, Debt Service, Capital Improvements & Reserve Contributions**



Fund Balance and Reserves: Based upon actual monthly revenues and expenditures for FY2022, along with the forecasted monthly revenues and expenditures for the remaining FY2021 months, the operating fund balance for the GRP Division for the end of FY2021, beginning of FY2022, 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 FY2021, the GRP Division has not continuously met the three-month Operating & Rate Stabilization Reserve target. As of the beginning of FY2021 the Operating Reserve balance was \$3,218,506, roughly 2.16 months of operating reserves. For year-end of FY2021, 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 GRP 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. In FY2022, \$350,000 is budgeted for transfer into the Emergency Reserve. Currently there are no Emergency Reserves.

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 5 - 10 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. For FY2022, \$600,000 is budgeted for transfer to the R&R Fund. Currently there are no Repair & Replacement funds.

For FY2022, 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
FY2020 - FY2022**

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12		Budget FY2021	Budget FY2022
			Mo. Actuals Apr 2020- Mar 2021			
OPERATING REVENUES						
General Industrial Water Revenue	\$ -	\$ 214,456	\$ 214,456	\$ 571,886	\$ 580,642	
Industrial Reservation Fee	217,005	140,951	357,955	226,081	134,046	
GRP Pumping Fees	35,957,122	18,588,606	36,654,997	28,890,076	31,652,677	
GRP Pumping Fees-Woodlands	9,161,419	3,695,407	8,164,120	10,469,550	11,131,162	
LSGCD Revenue	513,923	(44,959)	53,870	899,508	-	
LSGCD Revenue-Woodlands	199,682	-	71,602	325,975	-	
GRP Surface Water Sales	5,439,093	3,655,761	6,666,546	7,291,714	7,527,037	
GRP Surface Water Sales-Woodlands	7,307,984	4,655,892	8,541,045	6,504,750	6,943,047	
Repair Recovery Revenue	1,280,000	-	1,280,000	-	-	
TOTAL OPERATING REVENUES	\$ 60,076,227	\$ 30,906,114	\$ 62,004,592	\$ 55,179,540	\$ 57,968,611	
OTHER REVENUES						
Interest Income	\$ 1,424,524	\$ 793,385	\$ 1,151,352	\$ 27,000	\$ -	
Office Rental Revenue	17,688	3,150	10,520	5,400	5,400	
Proceeds From Sale Of Assets	4,000	-	-	-	-	
Other Gains & Losses	1,657	-	-	-	-	
TOTAL OTHER REVENUES	\$ 1,447,869	\$ 796,535	\$ 1,161,872	\$ 32,400	\$ 5,400	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 1,766,155	\$ 975,214	\$ 1,673,938	\$ 1,654,307	\$ 1,712,142	
Salary & Wage Allocation	1,356,890	849,098	1,478,711	1,595,788	1,682,587	
Staffing Services	2,536	-	-	-	-	
Compensated Absences	(18,460)	-	(18,460)	-	-	
Group Insurance	587,466	378,447	638,706	787,864	737,468	
Group Retirement Expense	388,028	216,933	374,494	346,043	373,049	
Workers Compensation Insurance	56,841	28,674	40,518	56,266	60,943	
Social Security Taxes	237,061	128,525	235,053	242,539	255,202	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 4,376,518	\$ 2,576,891	\$ 4,422,960	\$ 4,682,808	\$ 4,821,392	
PROFESSIONAL FEES						
Legal Fees	\$ 1,919,769	\$ 712,426	\$ 1,937,242	\$ 2,090,000	\$ 2,100,000	
Disclosure Filing	-	500	500	500	500	
Annual Financial Audit	29,625	17,504	22,904	30,000	30,000	
Arbitrage Rebate Audit	3,250	-	-	6,500	6,500	
Paying Agent Fees	2,500	5,000	5,000	6,000	6,000	
Engineering	34,903	68,997	80,652	100,000	100,000	
Safety Inspections & Testing	1,054	306	306	5,000	2,000	
Graphic Design	330	-	-	6,000	6,000	
TOTAL PROFESSIONAL FEES	\$ 1,991,431	\$ 804,733	\$ 2,046,604	\$ 2,244,000	\$ 2,251,000	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 4,581	\$ 5,203	\$ 8,129	\$ 3,000	\$ 3,700	
Sludge Disposal	100,937	97,822	150,642	121,157	135,000	
Meter Calibration Services	3,278	2,200	2,200	6,500	3,800	
Commercial Laboratory Fees	7,240	5,521	7,421	27,100	21,600	
Other Services	5,610	2,855	5,306	5,100	5,500	
Groundwater District Fees	1,231,341	(44,834)	643,177	1,225,983	500	
Employee Testing- New	382	42	42	4,800	3,700	
Janitorial Services	26,525	33,973	50,417	38,400	38,400	
Water Quality Testing	9,436	-	2,195	-	-	
Public Relations Expense	-	-	-	1,500	-	
Water Conservation & Public Education	-	-	-	4,000	31,500	
Meeting Expenses	2,490	1,485	2,262	6,000	5,400	
Public Official Liability	4,603	2,685	4,603	5,000	7,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 1,396,423	\$ 106,952	\$ 876,394	\$ 1,448,540	\$ 256,100	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 1,463	\$ 1,522	\$ 2,225	\$ 5,000	\$ 13,000	
Other Office Expense	10,742	3,545	11,128	7,000	-	
Travel	807	23	23	3,000	3,500	
Automobile & Truck Expense	3,894	5,225	6,699	20,000	22,500	

San Jacinto River Authority - GRP
Actual to Budget Comparison
FY2020 - FY2022

Description	Rolling 12				
	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Mo. Actuals Apr 2020- Mar 2021	Budget FY2021	Budget FY2022
Storm Preparedness & Response	-	2,143	2,143	-	1,000
Postage	2,162	2,580	3,648	2,500	3,800
Property Insurance	202,043	253,033	340,916	414,000	496,800
Auto Insurance	14,879	8,383	14,858	15,300	16,830
Liability Insurance	16,668	9,029	14,292	27,900	30,690
Small Tools Purchases	6,174	6,878	8,994	12,500	15,500
Training-External	7,503	4,687	7,553	12,000	9,800
Training-Internal	-	-	-	5,000	5,000
Training-Employee HR	2,167	-	-	2,500	2,400
Copper Sulfate	10,367	-	-	18,561	20,000
Citric Acid	60,533	40,280	69,316	59,203	70,000
Granulated Activated Carbon	1,853,432	618,503	1,855,509	2,600,000	2,500,000
Aluminum Chlorohydrate	344,383	307,689	489,087	509,724	568,500
Sodium Permanganate	57,950	55,328	84,681	100,005	106,955
Sodium Bisulfate	15,114	8,614	18,739	9,840	15,000
Sodium Hydroxide	139,432	29,471	99,202	158,407	140,000
Sodium Hypochlorite	156,332	89,486	176,279	168,808	180,000
Polymer	18,724	6,946	17,365	33,245	38,500
Managers Expense	806	-	-	2,000	2,000
Employee Relations	1,233	1,633	1,825	3,000	5,000
Fuel	32,524	24,816	32,172	50,400	76,000
Uniform Services	1,461	11,278	12,738	13,800	16,400
Maintenance Supplies	6,367	3,236	7,724	14,500	8,000
Supplies - Lab	26,885	6,968	19,923	13,200	13,200
Operations Supplies	19,044	11,634	20,050	24,500	24,500
Memberships & Professional Dues	782	664	664	1,500	1,000
Signage	357	-	-	-	-
Copier, Scanner & Fax	5,358	3,047	4,989	7,300	5,300
Utilities-Electric	850,541	618,250	998,818	941,900	942,000
Utilities-Sewer	219,387	219,901	326,686	155,000	219,000
Lab Contracts-Support/Maintenance	-	3,982	3,982	12,300	10,000
Reservation Fees-City of Houston	2,634,906	1,838,621	1,838,621	2,373,874	2,790,419
Reservation Fees-SJRA	467,619	241,192	377,681	452,841	328,217
Supply Use Fee-City of Houston	-	-	-	544,653	-
Supply Use Fee-SJRA	1,978,565	1,318,086	2,398,090	2,148,268	2,767,980
Bank Service Charges	(99)	-	(35)	-	-
Personal Protective Equipment	3,345	1,724	4,484	4,000	700
Safety Equipment & Meetings	6,164	1,252	7,416	10,000	2,000
Health & Wellness Program	-	-	-	980	950
Recruiting Expenses	6,117	267	2,126	7,850	10,500
Computer Hardware	101,626	68,154	125,850	48,273	95,605
Software & Support	89,428	64,535	102,467	93,649	102,527
Software Maintenance	35,313	18,908	34,253	80,800	56,250
Physical Security	-	-	-	-	45,750
Network Communications	4,832	6,288	8,399	5,624	5,122
Publications & Subscriptions	316	97	413	500	500
Newspaper Ads	244	528	772	1,000	1,000
Wireless Devices & Services	25,502	14,924	25,190	31,540	30,320
Landline Telephone Services	6,555	5,495	8,179	5,168	4,707
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 9,449,946	\$ 5,938,847	\$ 9,586,139	\$ 11,232,912	\$ 11,824,721
RENTALS					
Equipment Rentals	\$ 1,383	\$ -	\$ 1,303	\$ 1,500	\$ 1,500
TOTAL RENTALS	\$ 1,383	\$ -	\$ 1,303	\$ 1,500	\$ 1,500
MAINTENANCE, REPAIRS & PARTS					
Office, Furniture, & Fixtures	\$ 2,284	\$ 579	\$ 579	\$ 2,000	\$ 2,000
Air Conditioner	71,915	48,798	78,196	72,000	179,600
Mowing	37,356	23,475	40,854	30,000	75,000
Buildings & Grounds Maintenance	43,489	27,422	58,503	50,000	102,900
Building Repair & Modifications	394	6,892	6,892	5,000	10,000
Plants & Facilities	21,319	5,837	24,154	18,600	60,400
Security System Monitoring	2,503	2,483	3,709	2,400	7,680

San Jacinto River Authority - GRP
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12	Budget FY2021	Budget FY2022
			Mo. Actuals Apr 2020- Mar 2021		
Electrical	265,243	66,688	269,835	194,000	100,500
Generators	21,643	17,702	23,220	38,000	38,000
Pumps & Motors	28,517	17,590	25,869	77,000	81,200
Compressor	10,864	472	4,971	6,300	6,500
Aerators	152,616	1,542	61,207	6,400	6,400
Machinery, Tools, & Implements	5,570	10,461	10,747	17,500	15,000
Belt Press	615	1,118	1,732	18,300	15,500
Clarifier	194	3,760	3,954	10,000	8,000
Pipeline Transmission System	199,446	286,023	(416,532)	305,500	405,200
Lines, Valves, & Pipes	20,542	61,348	77,046	155,000	75,000
Laboratory Equipment	915	-	317	3,500	3,500
Instrumentation Equipment & Parts	65,844	62,420	90,779	88,600	168,500
Pretreatment	1,907	561	561	18,000	6,000
Membrane	8,584	6,954	10,219	20,600	20,000
Networking and Communications - SCADA	4,073	20	4,093	5,600	4,800
Backwash Equalization	3,687	-	3,687	-	-
Chemical Handling	15,633	1,298	11,445	21,500	12,000
A/C Contracts-Support/Maintenance	-	2,013	2,013	10,800	9,500
Electrical Contracts-Support/Maintenance	-	59,086	59,086	103,100	104,100
Compressor Contracts-Support/Maintenance	-	12,608	12,608	10,700	19,600
Aerator Contracts-Support/Maintenance	-	77,000	77,000	132,000	132,000
Membrane Contracts-Support/Maintenance	-	4,317	4,317	7,400	7,400
Inventory Gains and Losses	(6,891)	(2,183)	(7,251)	-	-
Bad Debt Expense	186,820	-	186,820	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 1,165,079	\$ 806,283	\$ 730,629	\$ 1,429,800	\$ 1,676,280
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 351,868	\$ 242,042	\$ 391,318	\$ 526,394	\$ 518,640
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 351,868	\$ 242,042	\$ 391,318	\$ 526,394	\$ 518,640
NON-OPERATING EXPENSES					
Interest Expense	\$ 20,175,084	\$ 11,537,666	\$ 19,930,199	\$ 19,753,631	\$ 19,285,502
TOTAL NON-OPERATING EXPENSES	\$ 20,175,084	\$ 11,537,666	\$ 19,930,199	\$ 19,753,631	\$ 19,285,502
TOTAL EXPENSES	\$ 38,907,731	\$ 22,013,414	\$ 37,985,545	\$ 41,319,585	\$ 40,635,135
NET REVENUES OVER EXPENSES	\$ 22,616,364	\$ 9,689,235	\$ 25,180,919	\$ 13,892,355	\$ 17,338,876
CAPITAL IMPROVEMENTS*					
Water Treatment Plant & Facilities				\$ -	\$ 869,000
Transmission Line & Facilities				-	156,000
Maintenance Equipment				40,000	8,000
Transportation Equipment				65,000	53,500
Software				1,086	994
Computer Equipment				129,991	49,474
TOTAL CAPITAL IMPROVEMENTS				\$ 236,077	\$ 1,136,969
OTHER SOURCES (USES)*					
Bond Proceeds				\$ -	\$ 790,000
Bond Principal				(14,800,833)	(15,333,333)
Debt Service Reserve Funds				2,967,733	-
Accounts Receivable-Uncollected				(1,823,177)	-
Operating Reserve Fund				-	(708,574)
Emergency Reserve Fund				-	(350,000)
Capital Repair/Replacement Reserve Fund				-	(600,000)
TOTAL OTHER SOURCES (USES)				\$ (13,656,278)	\$ (16,201,907)
NET CASH BASIS SOURCES (USES)	\$ 22,616,364	\$ 9,689,235	\$ 25,180,919	\$ (0)	\$ -

*Actuals intentionally left blank.

SJRA FY2022 GRP Risk Management – July 2021

Risk	Probability	Management Method
Revenue		
Total water demand lower than projected will cause revenue shortfall	Med	<ul style="list-style-type: none"> Lowered SWTP production rate to reduce operating costs and account for years with higher amounts of rainfall.
Lacking full funding of reserves <ul style="list-style-type: none"> Leaves inadequate funding for unexpected emergencies Fails to save for known replacement needs GRP unable to respond to possible line extension requests 	High	<ul style="list-style-type: none"> Delay capital / maintenance 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	<ul style="list-style-type: none"> 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.
Labor (Staffing)		
Inadequate staff available for daily operations in Operations and Maintenance Departments.	Low	<ul style="list-style-type: none"> Hire temporary personnel to support operations and maintenance staff. Outsource some maintenance related items. Increase overtime to bridge gap in staffing. Conduct workload analysis to map out critical tasks.
Professional, Construction and Miscellaneous Services		
Inadequate and/or poorly performing providers of professional, construction and/or miscellaneous services	Low	<ul style="list-style-type: none"> SJRA staff in key management positions to oversee/drive progress. Project management procedures are implemented for effective project delivery including control of scope, fee, schedule and risk. Implement the Project Management Plan, as appropriate. All contracts contain termination clauses. Professional services contracts are typically work order based, which authorizes work one phase at a time, thereby allowing opportunity to adjust services provided.
Expenses		
Additional or extended lawsuits	Med	<ul style="list-style-type: none"> Delay O&M expenses where possible. Utilize Debt Service Reserve to cover expenses.
Failure of a key Water or wastewater system component, requiring	Low	<ul style="list-style-type: none"> Emergency Reserve Funds are available for critical and immediate repair of failed system components.

<p>immediate funds greater than budgeted.</p>		<ul style="list-style-type: none"> • Increase surface water delivery till funds become available. • Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts. • Can request a cash call from the MUDs.
<p>Operations and Maintenance</p>		
<p>Interruption of operations due to emergency incident (i.e. Fire, Storm, Line Break, Power Outage, Terrorist Threat).</p>	<p>Med</p>	<ul style="list-style-type: none"> • GRP Emergency Response Plan provides instruction for responding to emergency incidents.

FLOOD MANAGEMENT DIVISION



Flood Management Division: The Flood Management Division was created in Spring 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 FY2021 and continuing into FY2022, the Flood Management Division focused on and will continue the following initiatives:

- 1. Spring Creek Watershed Flood Control Dams Conceptual Engineering Feasibility Study:** Texas Water Development Board (TWDB) awarded grant funding from the Flood Infrastructure Fund (FIF) to SJRA for a continuation of the Spring Creek Siting Study, a sub-task of the San Jacinto Regional Watershed Master Drainage Plan project (SJMDP) led by Harris County Flood Control District (HCFCD) with SJRA as one of multiple partners. The Spring Creek Siting Study explored multiple alternative projects and detention siting locations to provide flood mitigation benefits to the Spring Creek watershed. Two of the more cost-effective alternatives identified in the Spring Creek watershed – dams on Walnut Creek and Birch Creek – were recommended for implementation in the SJMDP. This project will include a conceptual-level design for each of the two dams, as well as definition of benefits and costs for each dam and a combination of the two dams. The outcome of this study will allow project sponsors to determine the most feasible and economical alternative(s) for design and construction. The cost of the project is estimated at \$1,000,000. City of Humble, HCFCD, and five (5) Municipal Utility Districts (the Partners) have each agreed to fund a portion of the fifty percent local match (\$500,000) required by the FIF grant. SJRA will perform in-kind services in an effort to reduce the local match amount to be funded by the Partners. The remaining fifty percent (\$500,000) of the project cost will be funded by TWDB FIF grant funds.
- 2. Upper San Jacinto River Basin Regional Sedimentation Study:** Texas Water Development Board (TWDB) has awarded grant funding from the Flood Infrastructure Fund (FIF) to SJRA to perform a regional sedimentation study of the Upper San Jacinto River Basin (Lake Houston Watershed). The Upper San Jacinto River Basin Regional Sedimentation Study will identify the sub-watersheds in the basin that produce and store the most sediment. With this information, sub-watersheds and individual locations can be prioritized for improvements, and conceptual solutions and non-construction best management practices can be developed and analyzed. The goal of these efforts is to reduce sediment inputs and/or enhance sediment storage to mitigate the loss of floodway conveyance. All identified projects, efforts, and practices will be ranked and included in an implementation plan, and ultimately all information developed as part of this project will be compiled into a regional sediment management plan which can guide future sedimentation mitigation efforts. The cost of the project is estimated at \$750,000. City of Houston, City of Humble, and Harris County Flood Control District (the Partners) have each agreed to fund a portion of the fifty percent local match (\$375,000) required by the FIF grant. SJRA will perform in-kind services in an effort to reduce the local match amount to be funded by the Partners. The remaining fifty percent (\$375,000) of the project cost will be funded by TWDB FIF grant funds.

- 3. *Lake Conroe - Lake Houston Joint Reservoir Operations Study:*** Texas Water Development Board (TWDB) has awarded grant funding from the Flood Infrastructure Fund (FIF) to perform a joint reservoir operations study for Lake Conroe and Lake Houston. The City of Houston is currently completing preliminary design of a project to add additional spillway gates at the Lake Houston dam to increase the controlled release capacity of the dam. In anticipation of the City completing these preliminary design efforts in 2021, SJRA is proposing to proceed with this study. The study will develop a joint reservoir operations and communications strategy for both Lake Conroe and Lake Houston, with the goal of determining the most efficient and safe operation of the two reservoirs in series. The project is planned to include evaluation of synced operations protocols, joint notification protocols and public communication strategies, pre-releases and related impacts on water supply, and the use of forecasting tools. The cost of the project is estimated at \$1,000,000. City of Houston and City of Humble (the Partners) have each agreed to fund a portion of the fifty percent local match (\$500,000) required by the FIF grant. SJRA will perform in-kind services in an effort to reduce the local match amount to be funded by the Partners. The remaining fifty percent (\$500,000) of the project cost will be funded by TWDB FIF grant funds.
- 4. *Flood Early Warning System for San Jacinto County:*** Texas Water Development Board (TWDB) has awarded grant funding from the Flood Infrastructure Fund (FIF) to SJRA for a project to install three new rain and stream gages in San Jacinto County at locations identified by the county based on previous flood events. These proposed gages will provide early warning notification to residents, businesses, property owners, etc. downstream of the gage locations, as well as county emergency personnel and responders, thus protecting life and allowing protection of property which can be moved to a safe location with adequate warning. SJRA will perform project management and equipment installation efforts in-house, with some external supplementary/support efforts. After their installation, SJRA will make the data collected by the gages available for public viewing on its Conrail website. Grant funds are anticipated to cover the majority of capital expenses related to the project, with actual funding requirements from SJRA estimated to be very minor. San Jacinto County has agreed to fund the costs of future operation and maintenance of the gages and associated equipment, including the cost of labor to be provided by SJRA.
- 5. *San Jacinto River and Tributaries Sediment Removal and Sand Trap Development:*** A bill was passed in the 2019 Texas Legislative Session allowing the SJRA and Harris County Flood Control District (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 of the San Jacinto River, and identifies viable sites for a sand trap pilot project. This conceptual design study is nearing completion, and in FY2022 SJRA plans to begin preliminary design efforts for one to two sand traps along the West Fork, in partnership with HCFCD.

Capital Improvement and Other Project Plans: The Flood Management Division does not maintain any physical assets at this time. For FY2022, the Division plans to utilize awarded grant funding and related

partner contributions to perform multiple flood mitigation projects as described in the Division’s 10-Year Project Plan. The Division will continue to seek additional funding from various sources for future project phases and/or other projects such as those recommended in the San Jacinto Regional Watershed Master Drainage Plan. The Flood Management Division included the following projects in the FY2022 budget:

Flood Management - Projects	Stage	Est. FY2022 Cost	Funding Source
SJ River and Tributaries Sediment Removal & Sand Trap Dev.	Design	\$ 77,000	O&M/ILA
Upper San Jacinto River Basin Regional Sedimentation Study	Study	\$ 333,333	Grant/ILA
Spring Creek Watershed Flood Control Dams Feasibility	Study	\$ 846,154	Grant/ILA
Lake Conroe - Lake Houston Joint Reservoir Operations Study	Study	\$ 178,571	Grant/ILA
Flood Early Warning System for San Jacinto County	Design/Const	\$ 65,000	O&M/Grant
Total		\$ 1,500,059	

Total Indebtedness and Annual Debt Service: The Flood Management Division does not have any indebtedness as of FY2021 and no plans for future indebtedness in FY2022 or beyond.

Staffing Plans: The Flood Management Division’s staffing plan for FY2022 includes 2 direct FTE positions, with no part-time, temporary, or intern positions. Of these 2 direct FTE positions, Flood Management allocates 0.45 FTEs to other divisions, leaving 1.55 FTEs allocated directly to Flood Management. In addition, the Division is allocated 3.02 FTEs for FY2022 from G&A Departments and 0.14 FTEs from the Lake Conroe Division. The net total FY2022 FTEs associated with the Flood Management Division, direct and allocated, is 4.71 FTEs.

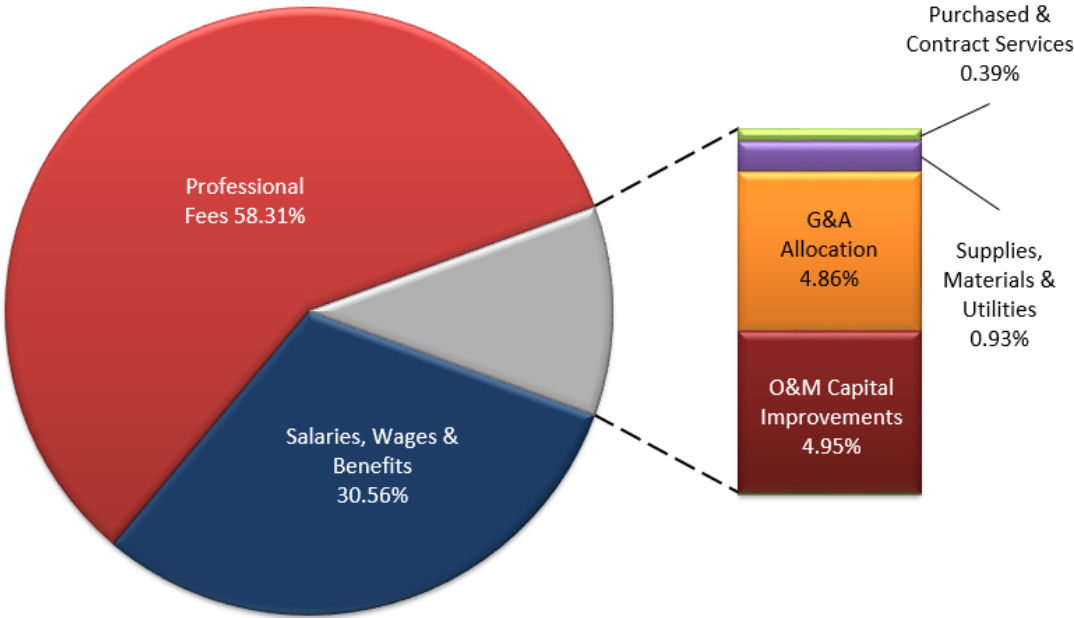
Revenues: The Flood Management Division does not generate revenues through its operations. The Raw Water Enterprise funds the Division’s expenses that are not otherwise offset by regional partners or grant funds. The Flood Management Division is tasked with studying and implementing regional flood management solutions and building regional partnerships, including the potential identification of state and federal grants. The Flood Management budget for FY2022 includes assumptions of receiving \$2,140,629 in grant funds and partner contributions in FY2021 and FY2022 to fund the FY2022 projects shown in the Division’s Project Plan.

Expenditures: In FY2022, 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 FY2022 is \$2,553,827.

**Flood Management FY2022 Total Operating Expenditures:
Operating & Capital Improvements**



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

For FY2022, the net between O&M revenues and expenditures for the Flood Management Division is (\$413,198). This amount will be covered by the Raw Water Supply revenues.

San Jacinto River Authority - Flood Management
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2020	Sept-Mar FY2021	Apr 2020-Mar 2021	FY2021	FY2022	
OPERATING REVENUES						
Capital Contributions	\$ 128,820	\$ -	\$ 128,820	\$ 723,000	\$ 38,500	
TOTAL OPERATING REVENUES	\$ 128,820	\$ -	\$ 128,820	\$ 723,000	\$ 38,500	
OTHER REVENUES						
Interest Income	\$ -	\$ 8,096	\$ 8,096	\$ -	\$ -	
Grant Revenue	-	-	-	-	727,129	
TOTAL OTHER REVENUES	\$ -	\$ 8,096	\$ 8,096	\$ -	\$ 727,129	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 65,625	\$ 40,784	\$ 69,650	\$ 72,803	\$ 183,204	
Salary & Wage Allocation	223,364	124,365	213,031	282,795	381,982	
Compensated Absences	300	-	300	-	-	
Group Insurance	57,802	35,143	58,224	81,431	103,509	
Group Retirement Expense	38,380	(12,788)	2,400	38,871	60,943	
Workers Compensation Insurance	2,557	1,382	1,690	3,573	9,745	
Social Security Taxes	19,340	10,607	18,975	25,095	41,022	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 407,368	\$ 199,493	\$ 364,270	\$ 504,567	\$ 780,406	
PROFESSIONAL FEES						
Legal Fees	\$ 7,788	\$ 9,226	\$ 12,073	\$ 50,000	\$ 50,000	
Engineering	12,470	91,078	103,548	50,000	1,433,058	
Graphic Design	-	-	-	6,000	6,000	
TOTAL PROFESSIONAL FEES	\$ 20,258	\$ 100,304	\$ 115,622	\$ 106,000	\$ 1,489,058	
PURCHASED & CONTRACTED SERVICES						
Employee Testing- New	\$ -	\$ -	\$ -	\$ 50	\$ 75	
Public Relations Expense	-	-	-	2,000	-	
Water Conservation & Public Education	-	-	(426)	17,500	10,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ -	\$ -	\$ (426)	\$ 19,550	\$ 10,075	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 8	\$ 1	\$ 1	\$ 3,300	\$ 300	
Travel	67	-	-	800	1,650	
Automobile & Truck Expense	12	-	-	500	500	
Postage	13	1,311	1,318	100	100	
Auto Insurance	330	1,156	1,486	-	-	
Liability Insurance	58	201	259	-	-	
Training-External	1,914	1,511	1,544	650	1,150	
Training-Internal	530	-	405	600	450	
Training-Employee HR	-	-	-	200	250	
Managers Expense	142	38	180	500	500	
Fuel	388	-	42	500	550	
Uniform Services	-	27	27	100	100	
Memberships & Professional Dues	-	-	-	100	219	
Personal Protective Equipment	-	-	-	200	300	
Health & Wellness Program	-	-	-	80	100	
Recruiting Expenses	-	-	-	650	1,150	
Computer Hardware	255	862	994	2,400	2,600	
Software & Support	992	2,318	2,872	2,360	3,090	
Network Communications	170	506	580	209	410	
Newspaper Ads	1,219	1,056	2,275	4,400	8,250	
Wireless Devices & Services	-	-	-	1,320	2,100	
Landline Telephone Services	141	321	378	192	-	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 6,237	\$ 9,308	\$ 12,359	\$ 19,161	\$ 23,769	
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 65,569	\$ 40,653	\$ 64,928	\$ 111,268	\$ 124,081	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 65,569	\$ 40,653	\$ 64,928	\$ 111,268	\$ 124,081	
NON-OPERATING EXPENSES						

**San Jacinto River Authority - Flood Management
Actual to Budget Comparison
FY2020 - FY2022**

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals Apr 2020- Mar 2021	Budget FY2021	Budget FY2022
TOTAL EXPENSES	\$ 499,432	\$ 349,759	\$ 556,752	\$ 760,546	\$ 2,427,389
NET REVENUES OVER EXPENSES	\$ (370,612)	\$ (341,663)	\$ (419,837)	\$ (37,546)	\$ (1,661,760)
CAPITAL IMPROVEMENTS*					
Property Acquisition				\$ 939,000	\$ 77,000
Software				41	80
Computer Equipment				1,296	358
Radio Communications Equipment				50,000	49,000
TOTAL CAPITAL IMPROVEMENTS				\$ 990,337	\$ 126,438
OTHER SOURCES (USES)*					
Partner Contributions				\$ -	\$ 1,375,000
TOTAL OTHER SOURCES (USES)				\$ -	\$ 1,375,000
NET CASH BASIS SOURCES (USES)	\$ (370,612)	\$ (341,663)	\$ (419,837)	\$ (1,027,883)	\$ (413,198)

*Actuals intentionally left blank.

G & A DIVISION



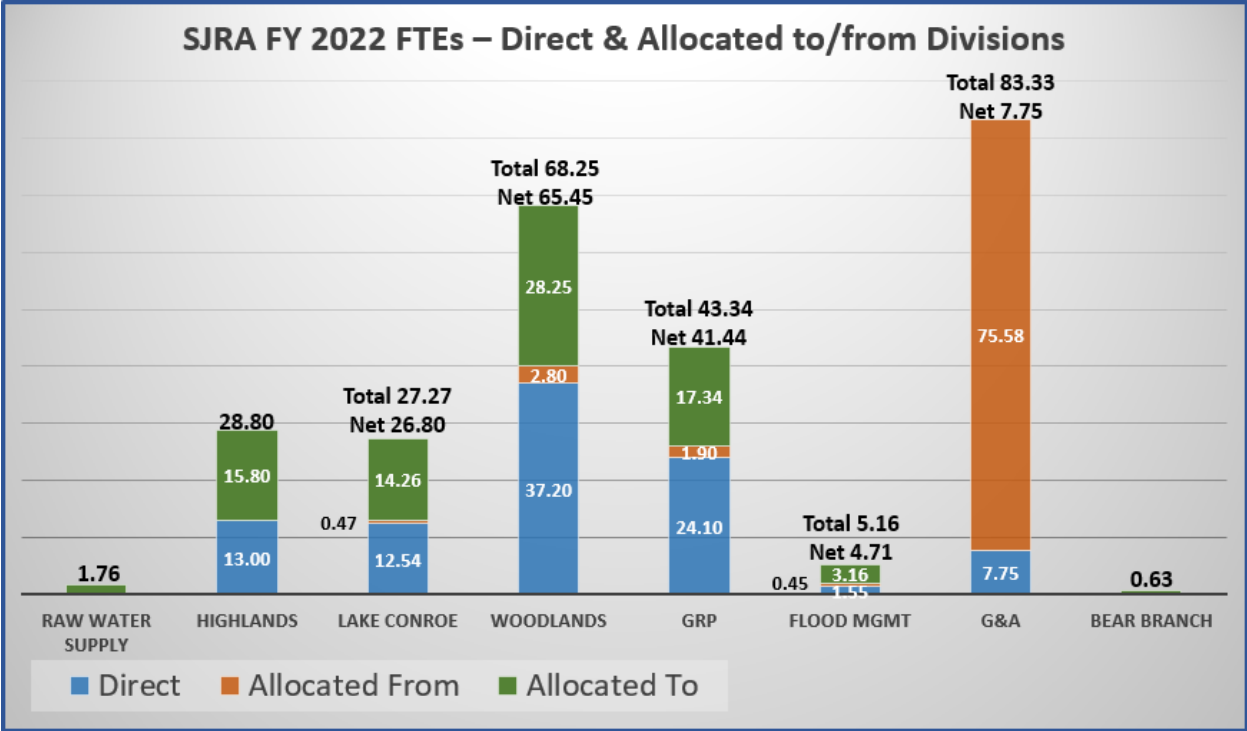
GENERAL AND ADMINISTRATION DIVISION

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:

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

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 customer 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 177.33 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 FY2022.



Major Initiatives: During FY2021 and planned for FY2022, 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 FY2021, 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 in collaboration with IT, Purchasing, and other stakeholders have selected a consultant to aid in 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. During FY2021, Accounting in collaboration with the Raw Water Supply Division and a third party consultant has begun updating the existing Raw Water Rate model and should be completed by the end of FY2021. This update was necessary to incorporate policy and structure changes that have occurred since the model was created in FY2017-18. Going forward into FY2022, Accounting will evaluate GASB Statement No. 87 Leases and GASB Statement No. 84 Fiduciary Activities and implement any changes necessary to financial tracking, accounting, and reporting.

Administrative Services: The Administrative Services Department responds to the needs of its internal and external customers by providing high quality, supportive, and responsive services. The department supports all divisions and departments in implementing the priorities of Senior Management and the Board of Directors.

In Fiscal Year 2021, the Administrative Services Department assisted in the Texas Sunset Advisory Commission's Review process. Due to the pandemic, the department assisted in the development and implementation of a platform to hold virtual board meetings that included public participation while complying with the Governor's orders. The department also coordinated and helped facilitate the onboarding of three new Board Members appointed by the Governor and three new members of the Senior Management Team, by utilizing new onboarding processes and material. The development of the General and Administration Asset Management Plan commenced and the process will continue into Fiscal Year 2022. This will help identify repair and replacement of assets as well as capital improvements needed in the 10-Year Project Plan.

In Fiscal Year 2022, the Administrative Services Department will again be heavily involved in the 2023 Texas Sunset Advisory Commission's Review process and will assist in any initiatives recommended or mandated by staff and/or the legislature. Also, the department will review and refresh the various practices, forms, processes, procedures, and policies to be sure they continue to be effective and efficient and achieve their purpose.

HR: The HR Department continues to improve policies, processes, and systems in FY2021 and will continue to develop and implement improvements in FY2022. 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 to 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 systems authority wide. 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. These initiatives include software project management, enhanced cybersecurity, upgrades of critical infrastructure, data sharing initiatives with customers and other entities for improved information visibility.

Public Communications: The Public Communications Department is responsible for proactively communicating SJRA's key strategic priorities, initiatives, core services, and messages to a broad range of audiences including residents within the San Jacinto River basin, local and state elected officials, community groups, civic organizations, and the general public. Public Communications utilizes a variety of communications methods including the SJRA website, social media platforms, email, press releases, graphic design, blog posts, and interactive web design.

The Department works across all five Divisions of SJRA in order to help facilitate each Division's needs in communicating to its own customers and constituents via regular newsletters, educational materials, presentations, networking meetings, and press releases. The Department assists the division and project managers, construction team, and engineers on numerous construction projects to ensure the proper line of communication between the Authority, local leaders, and

residents. Additionally, the Public Communications Department informs the public and other water entities by giving tours of SJRA facilities and participating in various conferences within the water industry. For FY2022, the Public Communications Department will continue to work with the entire Authority to improve internal and external communications/relations by developing key messages and identifying the tools best used to communicate those messages.

Purchasing: During FY2021, the Procurement Policy was updated and approved by the Board of Directors. The Board of Directors delegated to the General Manager to approve the Authority's procurement procedures consistent with the Board policy and all state and federal requirements. The Procurement Department is working collaboratively with SJRA Divisions and Departments to develop these procedures on a chapter-by-chapter basis. Training for our internal staff will be a priority in FY2022 as we implement the Procurement Policy and Procedures. Additionally, the Procurement Department will be offering training to our vendors on how to successfully do business with SJRA.

Risk Management: The Risk Management Department identifies any potential loss to all SJRA resources including but not limited to asset infrastructure, human capital (employees), reputational, operational and organizational risks. The Risk Management Department designs and implements programs and strategies to protect SJRA from losses. The Risk Management department has undergone a reorganization and will be fully staffed for the first time in FY2021. The department will continue to working to implement a comprehensive Enterprise Risk Management program for SJRA.

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 significant project ran into some hurdles in FY 2021. The GRP system will be completed in FY 2021. We lost some key staff that has hindered our efforts but we will continue to move forward with the upgrades as we continue to support the existing systems. In the Highlands Division, we began the implementation of the fiber optic communications backbone and are in the process of completing it. In both the Woodlands and Highlands Divisions, new sites continue to be added. Cybersecurity continues to be a major point of focus. With the continued emergence of cyberattacks around the world, the SCADA team will continue to look into options for continuing to expand our cybersecurity. This began with the implementation of our new software in FY 2021. SCADA will continue to work with IT to create a cohesive cybersecurity policy for all IP networks within the SJRA.

Technical Services: The Technical Services Department (TSD) supports each of the operating divisions with planning, asset management, project management for capital projects, construction management and inspection, GIS, operations support, and emergency assistance. The budget for TSD considers the number of upcoming projects, planned in-house design/construction management/inspection, and other support typically needed by the operating divisions. Staffing levels are expected to remain consistent with last fiscal year, but will require additional evaluation pending the conclusion of the Woodlands Wastewater System Consolidation Feasibility Study and the resulting recommended projects.

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

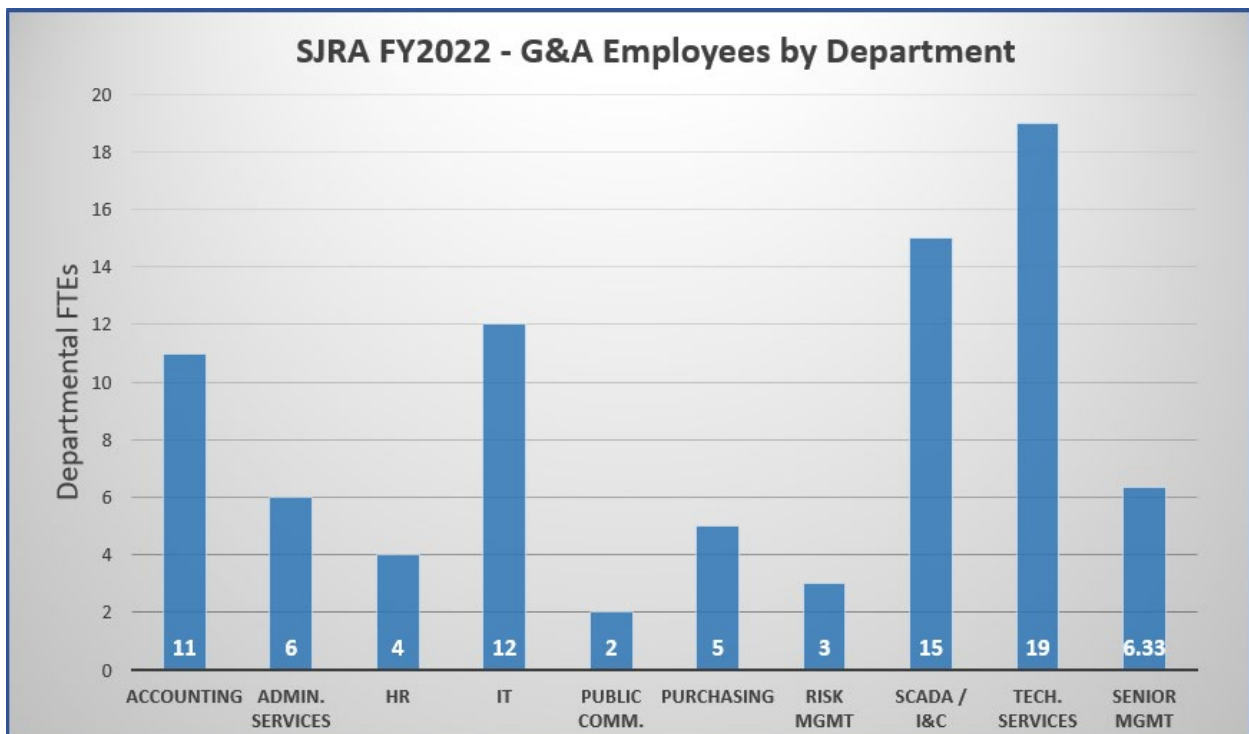
to reliable, cost-effective service. The projects included within G&A’s Project Plan for FY2022 are anticipated to be funded from R&R funds as highlighted below:

General & Administration - Projects	Stage	Est. FY2022 Cost	Funding Source
Lake Conroe Campus Pavement Improvements	Construction	\$ 575,000	R&R
G&A Building HVAC System Replacement	Design	\$ 25,000	R&R
G&A Building Backup Generator Improvements	Design	\$ 25,000	R&R
Total		\$ 625,000	

Total Indebtedness and Annual Debt Service: As of August 31, 2020, the G&A Division had \$1,371,156 of total indebtedness, comprised of one bank loan for the construction of the G&A office building.

Annual debt service (principal and interest) for FY2022 for the G&A office building bank loan is \$355,309 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 83.33 direct FTE positions. There are no FTEs budgeted in FY2022 that are considered part-time, temporary, or intern positions. Of the 83.33 direct G&A Division FTEs, 75.58 FTEs are allocated to the various operating divisions. The remaining 7.75 G&A Division FTEs, 9.3%, remain unallocated to the operating divisions.

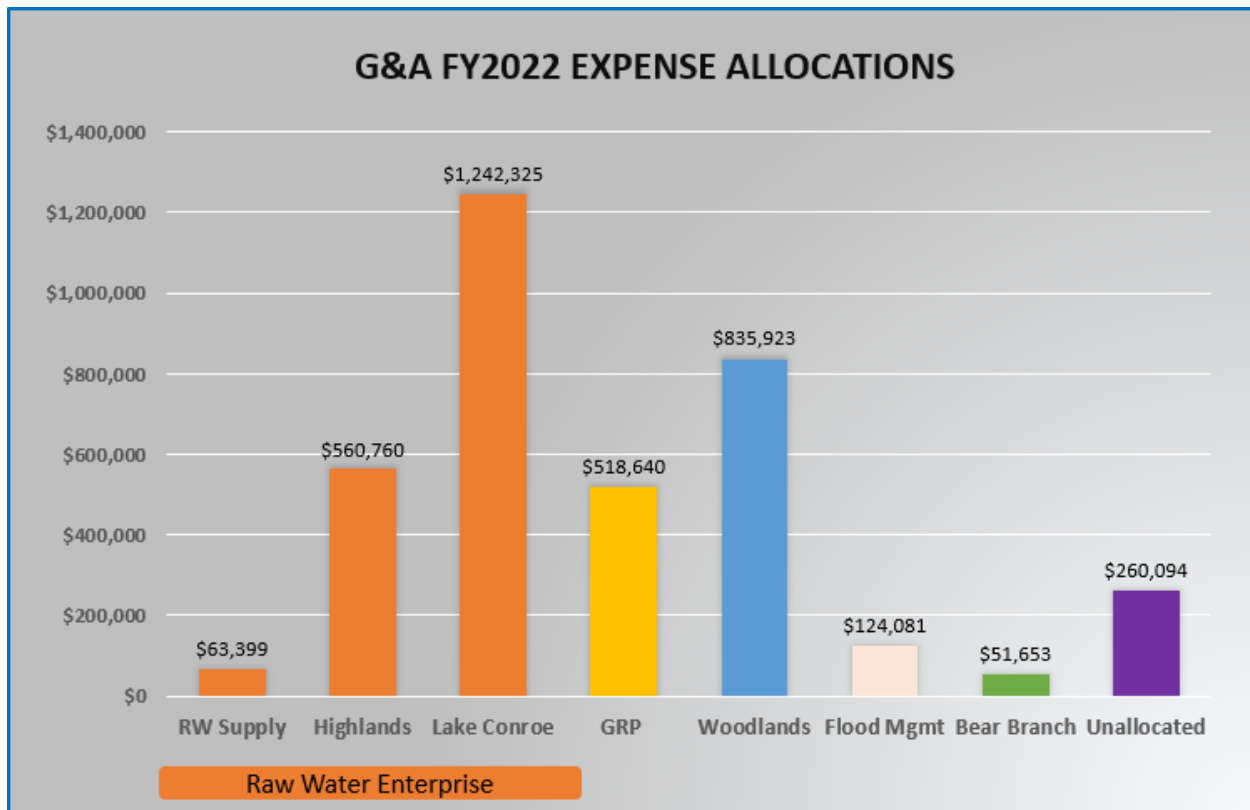


Revenues: The G&A Division has no significant revenues forecast for FY2022 with no Operating Income and only \$31,206 of Non-Operating Income from interest income and office rental.

Expenditures: The G&A Division for FY2022 contains regular and customary expenses related to the ongoing 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 FY2022, G&A expense allocations to the operating divisions, Flood Management, and Bear Branch total \$3,396,781. Expected total expenditures, after allocations to the operating divisions, and Bear Branch, for FY2022, including operating, debt service, capital improvements, and contributions to reserves, totals \$291,300. G&A has \$625,000 in expected R&R Fund operating expenses and capital improvements for FY2022.



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 FY2021, the G&A Operating Reserve is at \$1,577,292, equivalent to six months of operating expenses. For FY2022, 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. For FY2022, 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 FY2022.

For FY2022, 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 (\$260,094). This amount will be covered by the Raw Water Supply revenues.

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Apr 2020-Mar 2021			
OTHER REVENUES						
Interest Income	\$ 102,650	\$ 6,078	\$ 17,913	\$ 48,000	\$ 6,000	
Office Rental Revenue	21,005	14,704	25,206	25,206	25,206	
Proceeds From Sale Of Assets	10,185	-	-	-	-	
Other Gains & Losses	4,381	626	626	-	-	
TOTAL OTHER REVENUES	\$ 138,221	\$ 21,408	\$ 43,746	\$ 73,206	\$ 31,206	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 596,793	\$ 367,506	\$ 632,615	\$ 609,284	\$ 649,150	
Salary & Wage Allocation	-	748	748	-	-	
Staffing Services	22,028	-	2,954	-	-	
Compensated Absences	15,938	-	15,938	-	-	
Group Insurance	78,493	79,192	90,864	137,888	139,169	
Group Insurance - Retirees	5,903	3,486	5,957	9,031	6,578	
Group Insurance - Retiree OPEB	(12,468)	-	(12,468)	50,000	50,000	
Group Retirement Expense	(56,507)	42,218	(51,987)	67,017	72,016	
Workers Compensation Insurance	2,672	1,920	2,561	2,523	3,857	
Social Security Taxes	55,154	29,339	53,907	44,611	48,184	
Tuition Reimbursement	2,532	3,777	5,078	30,000	30,000	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 710,537	\$ 528,186	\$ 746,167	\$ 950,353	\$ 998,954	
PROFESSIONAL FEES						
Legal Fees	\$ 198,676	\$ 115,353	\$ 193,823	\$ 195,000	\$ 170,000	
Lobbyist	84,084	74,000	158,084	100,000	100,000	
Disclosure Filing	4,250	-	-	-	-	
Annual Financial Audit	35	35	35	-	-	
Management Audit	141,086	(4,592)	136,494	250,000	150,000	
Engineering	31,038	18,171	4,837	50,000	50,000	
Other Professional Services	3,500	-	-	73,000	68,000	
Safety Inspections & Testing	293	90	90	1,200	1,200	
Public Relations Consultant	16,000	16,450	32,450	20,000	100,000	
Graphic Design	2,635	2,500	2,500	3,000	3,000	
TOTAL PROFESSIONAL FEES	\$ 481,597	\$ 222,007	\$ 528,313	\$ 692,200	\$ 642,200	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 8,828	\$ 1,985	\$ 5,809	\$ 7,500	\$ 7,500	
Meter Calibration Services	5,963	4,243	8,689	6,000	9,520	
Employee Testing- New	994	120	175	1,065	1,130	
Janitorial Services	25,697	25,141	41,815	22,500	50,000	
Public Relations Expense	5,751	642	3,492	50,000	-	
Water Conservation & Public Education	500	-	-	30,000	63,000	
Website Hosting & Maintenance	4,035	3,848	4,668	5,000	5,000	
Directors Fees & Expenses	18,675	10,050	21,150	24,000	24,000	
Meeting Expenses	28,530	1,546	1,817	12,000	15,000	
Directors' Travel Expenses	4,173	1,843	2,305	8,500	8,500	
Document Retention/Destruction	128	128	128	10,000	5,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 103,273	\$ 49,545	\$ 90,047	\$ 176,565	\$ 188,650	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 18,772	\$ 6,199	\$ 13,701	\$ 23,360	\$ 21,960	
Travel	18,746	617	2,898	75,030	69,430	
Automobile & Truck Expense	31,703	16,843	26,358	55,160	49,360	
Postage	1,571	714	1,349	3,160	3,000	
Property Insurance	14,241	10,169	16,481	13,600	16,320	
Auto Insurance	26,530	14,818	24,789	29,800	32,780	
Liability Insurance	2,333	1,613	2,292	2,500	2,750	
Training-External	57,779	29,656	48,322	96,700	106,350	
Training-Internal	7,217	6,385	7,463	26,300	29,300	
Training-Employee HR	1,937	-	1,520	450	450	
Managers Expense	22,369	12,787	18,724	39,000	41,200	
Employee Relations	20,751	13,478	15,747	42,000	42,000	

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	8/31/2020	Sept-Mar FY2021	Apr 2020-Mar 2021	FY2021	FY2021	FY2022
Fuel	10,680	5,479	8,137	30,760	26,260	
Uniform Services	5,183	1,805	2,885	5,400	6,700	
Operations Supplies	2,510	75	1,181	1,150	1,200	
Memberships & Professional Dues	29,426	26,359	37,779	63,033	72,143	
Janitorial Supplies	8,731	3,384	8,487	9,000	9,000	
Copier, Scanner & Fax	-	1,894	1,894	5,500	5,000	
Delivery & Freight	1,197	1,277	1,564	3,750	4,000	
Utilities-Electric	40,492	21,879	40,881	45,000	45,000	
Utilities-Natural Gas	781	309	752	1,000	1,000	
Bank Service Charges	(15)	10	(110)	360	360	
Bank Account Analysis Fee	(35)	(169)	(204)	1,200	1,200	
Personal Protective Equipment	8,028	4,234	10,358	9,450	8,850	
Safety Equipment & Meetings	3,465	1,273	3,710	3,700	3,200	
Health & Wellness Program	123	-	-	180	210	
Recruiting Expenses	20,752	9,089	18,599	14,000	2,000	
Computer Hardware	60,080	90,463	124,143	175,737	152,439	
Software & Support	197,950	97,534	181,130	208,672	235,066	
Software Maintenance	3,655	2,659	4,055	5,500	4,000	
Physical Security	-	-	-	-	10,750	
Network Communications	13,774	1,126	7,146	16,662	17,005	
Publications & Subscriptions	10,430	16,318	19,246	44,640	39,050	
Newspaper Ads	-	1,232	1,232	2,000	1,000	
Wireless Devices & Services	61,952	36,934	63,069	72,220	93,180	
Emergency Operations Communications	5,231	5,957	8,067	5,640	5,640	
Landline Telephone Services	15,104	2,389	9,151	15,313	15,628	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 723,442	\$ 444,789	\$ 732,797	\$ 1,146,927	\$ 1,174,781	
RENTALS						
Equipment Rentals	\$ 1,509	\$ 171	\$ 1,045	\$ 2,500	\$ 2,000	
Office Rent	17,688	3,150	10,520	5,400	5,400	
Office Equipment Rentals	12,754	5,174	10,143	20,000	20,000	
TOTAL RENTALS	\$ 31,951	\$ 8,495	\$ 21,708	\$ 27,900	\$ 27,400	
MAINTENANCE, REPAIRS & PARTS						
Office, Furniture, & Fixtures	\$ 4,656	\$ 435	\$ 5,092	\$ 7,000	\$ 7,000	
Buildings & Grounds Maintenance	98,195	42,638	79,291	127,000	127,000	
Security System Monitoring	-	-	-	3,640	3,640	
Machinery, Tools, & Implements	16,762	14,200	18,862	18,000	26,800	
Instrumentation Equipment & Parts	88	159	247	5,000	10,000	
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 119,701	\$ 57,432	\$ 103,492	\$ 160,640	\$ 174,440	
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated to Lake Conroe	\$ (1,119,467)	\$ (460,086)	\$ (967,013)	\$ (1,126,086)	\$ (1,242,325)	
General & Administrative Expense Allocated to Bear Branch	(14,263)	(9,203)	(18,032)	(30,165)	(51,653)	
General & Administrative Expense Allocated to Highlands	(339,513)	(216,433)	(349,358)	(549,540)	(560,760)	
General & Administrative Expense Allocated to Raw Water	(40,229)	(22,296)	(36,380)	(62,019)	(63,399)	
General & Administrative Expense Allocated to Woodlands	(771,697)	(443,930)	(781,478)	(772,946)	(835,923)	
General & Administrative Expense Allocated to GRP Division	(351,868)	(242,042)	(391,318)	(526,394)	(518,640)	
General & Administrative Expense Allocated to Flood Management	(65,569)	(40,653)	(64,928)	(111,268)	(124,081)	
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ (2,702,605)	\$ (1,434,643)	\$ (2,608,507)	\$ (3,178,417)	\$ (3,396,781)	
NON-OPERATING EXPENSES						
Interest Expense	\$ 66,795	\$ 31,969	\$ 57,706	\$ 52,437	\$ 38,191	
TOTAL NON-OPERATING EXPENSES	\$ 66,795	\$ 31,969	\$ 57,706	\$ 52,437	\$ 38,191	
TOTAL EXPENSES	\$ (465,309)	\$ (92,219)	\$ (328,278)	\$ 28,604	\$ (152,165)	
NET REVENUES OVER EXPENSES	\$ 603,530	\$ 113,627	\$ 372,023	\$ 44,602	\$ 183,371	
CAPITAL IMPROVEMENTS*						
Maintenance Equipment				\$ 10,000	\$ -	
Transportation Equipment				238,000	70,000	

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals	Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021		
Software				3,219	3,301
Computer Equipment				103,679	14,855
TOTAL CAPITAL IMPROVEMENTS				\$ 354,898	\$ 88,156
OTHER SOURCES (USES)*					
Loan Principal				\$ (341,063)	\$ (355,309)
TOTAL OTHER SOURCES (USES)				\$ (341,063)	\$ (355,309)
NET CASH BASIS SOURCES (USES)	\$ 603,530	\$ 113,627	\$ 372,023	\$ (651,359)	\$ (260,094)

*Actuals intentionally left blank.

San Jacinto River Authority - General and Administration Repair and Replacement
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Apr 2020- Mar 2021			
OTHER REVENUES						
Interest Income	\$ 13,727	\$ 662	\$ 2,059	\$ -	\$ -	\$ -
TOTAL OTHER REVENUES	\$ 13,727	\$ 662	\$ 2,059	\$ -	\$ -	\$ -
NET REVENUES OVER EXPENSES	\$ 13,727	\$ 662	\$ 2,059	\$ -	\$ -	\$ -
CAPITAL IMPROVEMENTS*						
Capital Improvements				\$ -	\$ 625,000	
Office Buildings				217,000	-	
TOTAL CAPITAL IMPROVEMENTS				\$ 217,000	\$ 625,000	
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 1,128,960	\$ 2,109,394	
TOTAL OTHER SOURCES (USES)				\$ 1,128,960	\$ 2,109,394	
NET CASH BASIS SOURCES (USES)	\$ 13,727	\$ 662	\$ 2,059	\$ 911,960	\$ 1,484,394	

*Actuals intentionally left blank.

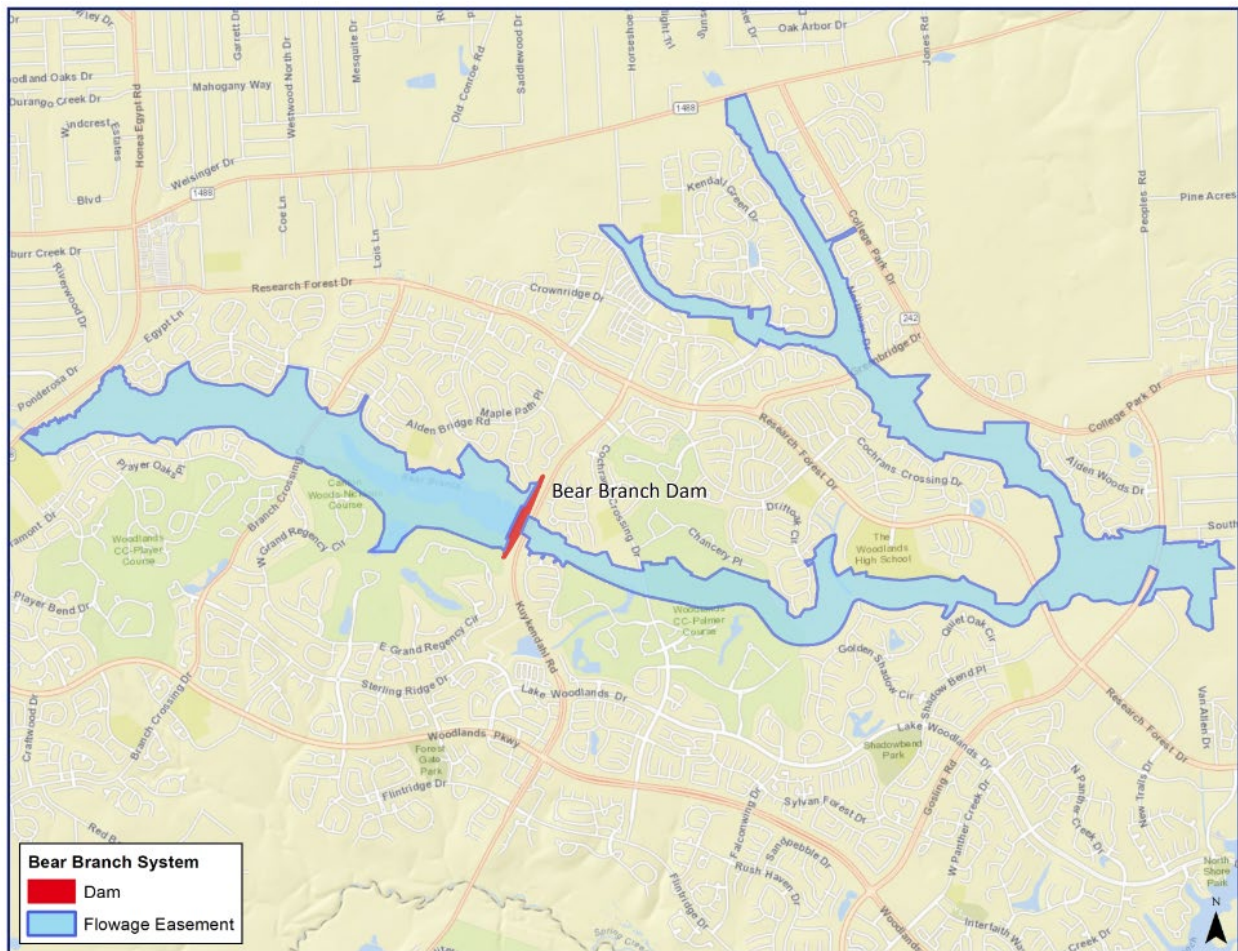
BEAR BRANCH



BEAR BRANCH

The Authority has contracted with five Woodlands MUDs to operate and maintain the Bear Branch Reservoir and drainage system (Bear Branch) for stormwater management. 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 prorated share.

MAP OF BEAR BRANCH RESERVOIR AND STORMWATER DRAINAGE SYSTEM



Major Initiatives: During FY2021 and planned for FY2022, the Bear Branch Division has either completed or started, or will complete major initiatives to improve the operations related to the Division.

- 1. Inspection Findings:** During Fiscal year 2021, SJRA contracted with HDR Engineering Inc. (HDR) to perform an Engineering Inspection of the Bear Branch dam in accordance with Texas Commission on Environmental Quality rules. The final report identified two issues requiring further investigation. Specifically, deterioration of the soil cement on the upstream face of the dam and voids beneath the concrete of the dam's service and emergency spillways.

2. **Soil Cement:** A 2014 engineering investigation of the soil cement on the upstream face of the Bear Branch dam spillway concluded that the soil cement was degrading and would require future restoration/replacement. The results of the FY2021 Engineering Inspection of the dam also identified the soil cement as needing repair within three to five years' time. Consequently, the current budget includes approximately \$1,000,000 to address the failing soil cement.

3. **Spillway Voids:** In FY2020, while conducting a routine inspection of the Bear Branch Dam, Division personnel discovered a void in the concrete of the service spillway. Under the advice of the Division's dam-safety engineer, staff made temporary repairs to prevent enlargement of the void. Subsequent field investigation by the engineer resulted in the recommendation to have a topographic and ground penetrating radar (GPR) survey performed at the spillway. Both surveys were conducted in FY2021. However, results from the GPR were inconclusive and suspect necessitating further investigation. The FY2022 budget includes \$250,000 to have a consulting engineer oversee additional non-destructive and destructive testing at the spillway, interpret the results, and recommend the appropriate course of action. It is anticipated that this engineering effort will include design of the repairs.

4. **Project Funding:** It is estimated that the combined project costs to repair the soil cement and spillway voids could be as much as \$4,500,000. Consequently, staff will recommend that the five Woodlands MUDs who support the operation and maintenance of the Bear Branch Reservoir System begin reserving the funds that will be required to make these necessary repairs. The specific recommendation will be that the Woodlands MUDs cumulatively reserve \$500,000 in FY2022, \$1,000,000 for FY2023, and \$1,500,000 each year for FY2024-FY2025, totaling \$4,500,000 in accordance with the percent allocations currently used to fund the routine operation and maintenance of the system.

Capital Improvements and Other Projects Plans: Each year the Division conducts evaluations of their limited infrastructure and prioritizes projects based on a variety of factors to ensure safe and efficient operations of the dam and Woodlands stormwater drainage system. The projects included within Bear Branch's Project Plan for FY2022 is highlighted below:

Bear Branch - Projects	Stage	Est. FY2022 Cost	Funding Source
Bear Branch Void Repairs	Design	\$ 250,000	O&M
Total		\$ 250,000	

Total Indebtedness and Annual Debt Service: The Bear Branch system does not have any indebtedness as of FY2021 and no plans for future indebtedness in FY2022 or beyond.

Staffing Plan: For FY2022, the Lake Conroe Division projects 0.18 FTEs, the Flood Management Division projects 0.11 FTEs, and the G&A Departments project 0.35 FTEs to Bear Branch for a total of 0.63 FTEs.

Revenues: For FY2022 revenues generated from the combined contributions from the five participating MUDs is \$483,769 in addition to \$120 in interest income for total revenues of \$483,889. Additionally, Bear Branch also plans to use \$84,298 of remaining cash balances from FY2021.

Expenses: Expenses for FY2022 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 FY2022 total \$568,187.

Fund Balance and Reserves: The Bear Branch System does not maintain any fund balance or reserves. For FY2022, the net between revenues and expenditures for Bear Branch is \$0.

San Jacinto River Authority - Bear Branch
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals 8/31/2020	Actuals Sept-Mar FY2021	Rolling 12 Mo. Actuals		Budget FY2021	Budget FY2022
			Apr 2020- Mar 2021			
OPERATING REVENUES						
Capital Contributions	\$ 150,204	\$ 176,927	\$ 176,927	\$ 176,927	\$ 176,927	\$ 483,769
TOTAL OPERATING REVENUES	\$ 150,204	\$ 176,927	\$ 176,927	\$ 176,927	\$ 176,927	\$ 483,769
OTHER REVENUES						
Interest Income	\$ 3,384	\$ 177	\$ 499	\$ 1,200	\$ 1,200	\$ 120
TOTAL OTHER REVENUES	\$ 3,384	\$ 177	\$ 499	\$ 1,200	\$ 1,200	\$ 120
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salary & Wage Allocation	\$ 26,468	\$ 18,060	\$ 31,765	\$ 49,039	\$ 49,039	\$ 59,667
Group Insurance	4,124	3,258	5,428	10,311	10,311	11,703
Group Retirement Expense	1,680	2,100	3,780	5,431	5,431	6,529
Workers Compensation Insurance	272	237	323	914	914	1,174
Social Security Taxes	1,963	1,330	2,351	3,686	3,686	4,532
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 34,507	\$ 24,985	\$ 43,648	\$ 69,380	\$ 69,380	\$ 83,605
PROFESSIONAL FEES						
Legal Fees	\$ -	\$ 2,303	\$ 2,303	\$ 5,000	\$ 5,000	\$ 5,000
Engineering	11,260	34,362	43,719	45,000	45,000	110,000
TOTAL PROFESSIONAL FEES	\$ 11,260	\$ 36,665	\$ 46,022	\$ 50,000	\$ 50,000	\$ 115,000
SUPPLIES, MATERIALS & UTILITIES						
Operating Supplies & Expenses	\$ 82	\$ -	\$ 82	\$ 500	\$ 500	\$ 500
Office Supplies & Printing	-	-	-	250	250	250
Postage	-	57	57	-	-	50
Liability Insurance	2,027	1,402	2,064	3,600	3,600	3,960
Managers Expense	-	80	80	250	250	250
Fuel	69	-	-	550	550	600
Signage	-	47	47	1,000	1,000	1,000
Newspaper Ads	325	-	325	1,000	1,000	1,200
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 2,503	\$ 1,585	\$ 2,654	\$ 7,150	\$ 7,150	\$ 7,810
MAINTENANCE, REPAIRS & PARTS						
Mowing	\$ 80,183	\$ 26,728	\$ 80,183	\$ 110,119	\$ 110,119	\$ 110,119
Channel Desilting & Desnagging	700	-	700	20,000	20,000	20,000
Canals, Levees, & Dams-Maintenance & Repairs	7,192	-	-	15,000	15,000	150,000
Clearing	4,250	1,900	4,900	5,000	5,000	5,000
Invasive Species Management	-	-	-	20,000	20,000	20,000
Fencing & Security Repairs	2,040	168	2,208	5,000	5,000	5,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 94,366	\$ 28,796	\$ 87,991	\$ 175,119	\$ 175,119	\$ 310,119
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 14,263	\$ 9,203	\$ 18,032	\$ 30,165	\$ 30,165	\$ 51,653
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ 14,263	\$ 9,203	\$ 18,032	\$ 30,165	\$ 30,165	\$ 51,653
TOTAL EXPENSES	\$ 156,899	\$ 101,234	\$ 198,347	\$ 331,814	\$ 331,814	\$ 568,187
NET REVENUES OVER EXPENSES	\$ (3,311)	\$ 75,871	\$ (20,921)	\$ (153,687)	\$ (153,687)	\$ (84,298)
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 153,687	\$ 153,687	\$ 84,298
TOTAL OTHER SOURCES (USES)				\$ 153,687	\$ 153,687	\$ 84,298
NET CASH BASIS SOURCES (USES)	\$ (3,311)	\$ 75,871	\$ (20,921)	\$ -	\$ -	\$ -

*Actuals intentionally left blank.

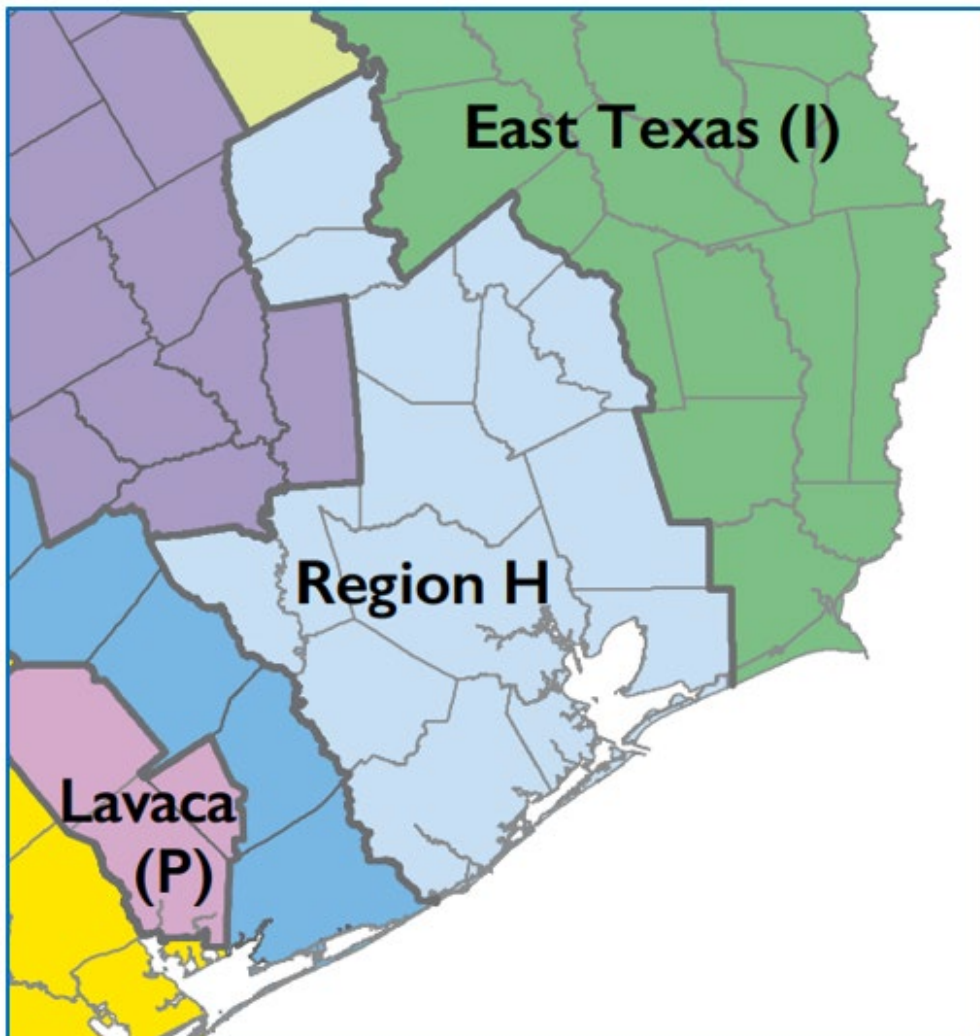


REGION H

REGION H

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 2021 and submitted it to the TWDB for inclusion in the 2022 State Water Plan. Region H is continuing the next five-year water planning process, working toward the development of the 2026 Region H Plan and resulting 2027 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 FY2022.

Total Indebtedness and Annual Debt Service: Region H does not have any indebtedness as of FY2021 and no plans for future indebtedness in FY2022 or beyond.

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

Revenues: Revenues for FY2022 for Region H combine an anticipated TWDB grant of \$275,000 with \$60 in interest income for total revenues of \$275,060.

Expenses: Expenses for FY2022 for Region H contain professional fees and miscellaneous purchased and contracted services related to the development of the 2026 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 FY2022 total \$277,972.

Fund Balance and Reserves: Region H does not maintain any fund balance or reserves. For FY2022, the net between revenues and expenditures for Region H is \$0.

San Jacinto River Authority - Region H
Actual to Budget Comparison
FY2020 - FY2022

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	Actuals 8/31/2020	Sept-Mar FY2021	Apr 2020- Mar 2021	Budget FY2021	Budget FY2022	
OPERATING REVENUES						
OTHER REVENUES						
Interest Income	\$ 756	\$ 89	\$ 293	\$ -	\$ -	
Interest Income- Region H - General Fund	1,325	65	201	600	60	
Grant Revenue	742,436	115,297	857,733	250,000	275,000	
TOTAL OTHER REVENUES	\$ 744,517	\$ 115,451	\$ 858,227	\$ 250,600	\$ 275,060	
OPERATING EXPENSES						
PROFESSIONAL FEES						
Engineering	\$ 742,376	\$ 186,705	\$ 673,715	\$ 250,000	\$ 275,000	
TOTAL PROFESSIONAL FEES	\$ 742,376	\$ 186,705	\$ 673,715	\$ 250,000	\$ 275,000	
PURCHASED & CONTRACTED SERVICES						
Meeting Expenses	\$ 355	\$ -	\$ -	\$ 1,000	\$ 1,000	
Posting Notice Expenses	188	17	40	250	250	
Public Official Liability	1,422	1,422	1,422	1,422	1,422	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 1,965	\$ 1,439	\$ 1,462	\$ 2,672	\$ 2,672	
SUPPLIES, MATERIALS & UTILITIES						
Automobile & Truck Expense	\$ 252	\$ -	\$ -	\$ 300	\$ 300	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 252	\$ -	\$ -	\$ 300	\$ 300	
TOTAL EXPENSES	\$ 744,593	\$ 188,143	\$ 675,177	\$ 252,972	\$ 277,972	
NET REVENUES OVER EXPENSES	\$ (76)	\$ (72,692)	\$ 183,050	\$ (2,372)	\$ (2,912)	
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 2,372	\$ 2,912	
TOTAL OTHER SOURCES (USES)				\$ 2,372	\$ 2,912	
NET CASH BASIS SOURCES (USES)	\$ (76)	\$ (72,692)	\$ 183,050	\$ -	\$ -	

*Actuals intentionally left blank.

**San Jacinto River Authority
FY2022 Budget
Capital Equipment List**

	FY2022 Budget	Description
General & Administration:		
Transportation Equipment	\$ 70,000	Technical Services vehicles (2) (\$70,000)
GRP:		
Equipment	\$ 8,000	Locate Equipment (\$8,000)
Transportation Equipment	\$ 53,500	(1) 3/4-ton utility truck for Maintenance (\$45,000); UTV (\$8,500)
Highlands:		
Construction Equipment	\$ 80,000	(1) Non-Commercial Dump Truck (includes trade-in of (2) older dump trucks)
Transportation Equipment	\$ 110,000	Replacement of (2) 1/2-ton trucks (\$80,000); Wide Flat Bottom Boat (\$25,000); Trailer Light Duty (\$5,000)
Equipment	\$ 133,000	Portable Light Tower (\$15,000); 6 inch Trash Pump (\$100,000); Zero Turn Mower (\$12,000); Medium Voltage Tester (\$6,000)
Lake Conroe:		
Construction & Maintenance E	\$ 35,500	Portable Light Stick (\$15,000); 15ft Batwing Mower Replacement (\$20,500)
Transportation Equipment	\$ 46,000	Replacement Truck (\$40,000); 16ft Utility Trailer (\$6,000)