

RESOLUTION NO. 2022-R-07

A RESOLUTION OF THE SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING ON SEPTEMBER 1, 2022, AND ENDING AUGUST 31, 2023, INCLUSIVE.

WHEREAS, the General Manager of the San Jacinto River Authority (the "Authority") prepared a proposed budget of revenues and expenditures for the Authority's fiscal year beginning September 1, 2022, and ending August 31, 2023 ("Fiscal Year 2023"); and

WHEREAS, the General Manager submitted the proposed budget to the Finance Committee of the Board of Directors (the "Board"), and the Finance Committee met on March 25, 2022, May 10, 2022, and June 14, 2022, to review and comment on same; and

WHEREAS, the General Manager of the Authority addressed comments to the proposed budget received from the Finance Committee and thereafter submitted the proposed budget to the Board; and

WHEREAS, the Board has considered the approval and adoption of the proposed budget and received the Finance Committee's recommendation that the same be approved and adopted as presented.


NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY, THAT:

Section 1. The recitals set forth hereinabove are hereby adopted by the Board of Directors as findings of fact and incorporated herein for all purposes.

Section 2. The budget attached hereto as Exhibit "A" is hereby approved and adopted by the Board of Directors for the Authority's Fiscal Year 2023.


APPROVED AND ADOPTED by the San Jacinto River Authority Board of Directors, at a regular meeting on the 25th day of August, 2022.

ATTEST:



Wil Faubel, Secretary

SAN JACINTO RIVER AUTHORITY



Ronnie Anderson, President





**Approved Budget
FY2023**

**Adopted by Board
August 25, 2022**

San Jacinto River Authority

Approved Operating Budgets

For Fiscal Year September 1, 2022 to August 31, 2023

TABLE OF CONTENTS

Introduction	3
Vision, Mission, and Principles	5
Organizational Structure	6
Budget Process and Schedule	9
Capital Improvements and Other Project Plan Development	10
General Budgetary Assumptions	11
Raw Water Enterprise	12
Raw Water Supply	14
Budget Summary and Details	20
Highlands Division	22
Budget Summary and Details	28
Lake Conroe Division	32
Budget Summary and Details	41
Raw Water Enterprise Summary.....	45
Budget Summary	47
Fiscal Year 2023 Risk Management	48
Woodlands Division	52
Budget Summary and Detail	61
Fiscal Year 2023 Risk Management	68
GRP Division	70
Budget Summary and Detail	77

Fiscal Year 2023 Risk Management	80
Flood Management Division	82
Budget Summary and Detail	88
General and Administration (G&A) Division	90
Budget Summary and Detail	98
Bear Branch Reservoir System	102
Budget Summary and Detail	106
Region H Water Planning Group	108
Budget Summary and Detail	111
Capital Equipment List	112

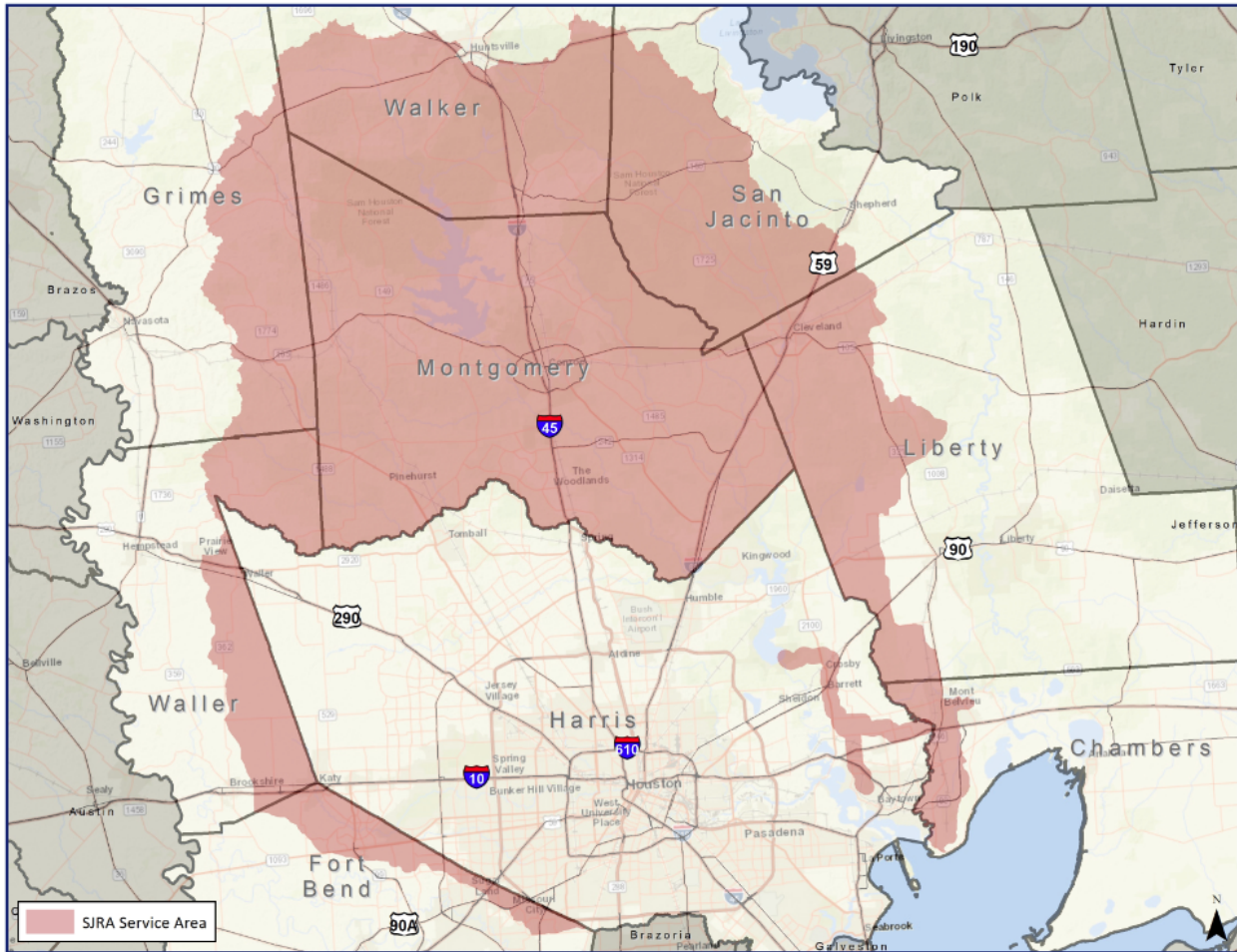


Introduction

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



Stephanie Johnson
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 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, and Flood Management Divisions as well as the remaining unallocated expenses of the G&A Division.

Post Hurricane Harvey (FY2018), Governor Greg Abbott directed the Authority to identify opportunities to mitigate flood events along the West Fork of the San Jacinto River., in response, the Authority formed the Flood Management Division. Located at the Lake Conroe Dam, the Flood Management Division's primary functions include: developing short-term and long-term regional flood management strategies within the Authority's portion of the San Jacinto River; building partnerships with federal, state, and local government entities; identifying funding sources and opportunities; and coordinating, collaborating, and potentially partnering with other flood management entities throughout the entire San Jacinto River Basin. The Flood Management Division oversees the partnership and implementation of planned and funded projects, including the transfer of operations and maintenance of completed projects to partnering entities. For FY23, 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 composed of five separate budgets: Operations, Repair & Replacement Fund; Water System Bonds; Waste Disposal Bonds; and Future Facility funds. These funds are 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) and drainage system for stormwater management 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 solely for those specific purposes.

BUDGET PROCESS AND SCHEDULE

Each Fall, the Authority’s management team begins the budgeting process for the next fiscal year. The process begins in November 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.

FISCAL YEAR 2023 SCHEDULE	
<i>November/December</i>	<ul style="list-style-type: none"> • Updates to five-year business plans
<i>November/February</i>	<ul style="list-style-type: none"> • Updates to ten-year project plans
<i>January</i>	<ul style="list-style-type: none"> • Development of water and wastewater demand forecasting and general budgetary assumptions
<i>March</i>	<ul style="list-style-type: none"> • G&A Department budget development
<i>March – April</i>	<ul style="list-style-type: none"> • Operating Division budget development
<i>April – June</i>	<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 presentations to Finance Committee
<i>July</i>	<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
<i>August</i>	<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, Capital Improvement and 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 FY2023-FY2032.



GENERAL BUDGETARY ASSUMPTIONS

Key assumptions affecting all SJRA divisions and departments for FY2023 are as follows:

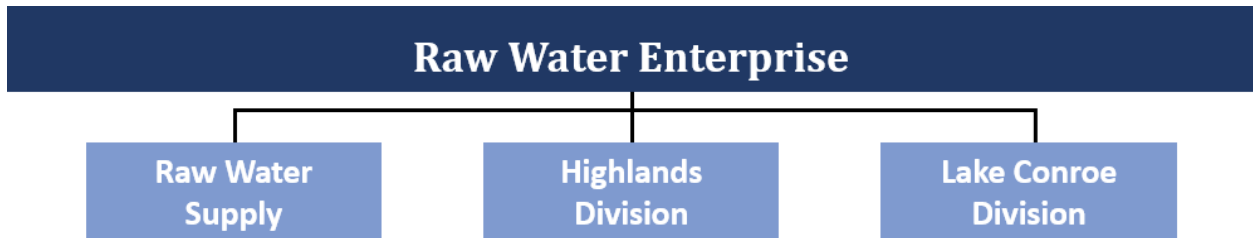
- Staffing of 179 Full Time Equivalent (FTE) for FY2023
- The FY2023 budget includes no intern, part-time, or temporary positions
- For FY2023, total salaries and benefits have been budgeted at 97% to address vacancies throughout the year
- Salary and wage increases are budgeted at a combined average of 4% for performance-based merit increases, promotions, market adjustments, and equalizations and 2% for inflationary adjustment, totaling 6%
- 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 FY2023
 - Authority health and wellness program, including participation incentives
- Retirement benefits for FY2023 are budgeted at 11% of salaries for employees hired prior to August 1, 2016, under the defined benefit plan and 11% 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 FY2023 based on a running three-year historical experience modifier
- Normal weather and operating conditions were utilized in preparation of the FY2023 budget
- Fuel prices per gallon for gasoline and diesel are forecasted to increase for FY2023 to \$4.00 and \$4.25, respectively
- Utility usage, electric, and natural gas prices are forecasted to increase for FY2023
- Specific division rates for FY2023
 - Raw Water = \$0.51 per 1,000 gallons through December 31, 2022, increasing to \$0.545 beginning January 1, 2023
 - Woodlands Wholesale Water = \$2.73 per 1,000 gallons
 - Woodlands Wholesale Wastewater = \$5.53 per 1,000 gallons
 - GRP Groundwater Pumpage = \$2.99 per 1,000 gallons
 - GRP Surface-water = \$3.41 per 1,000 gallons



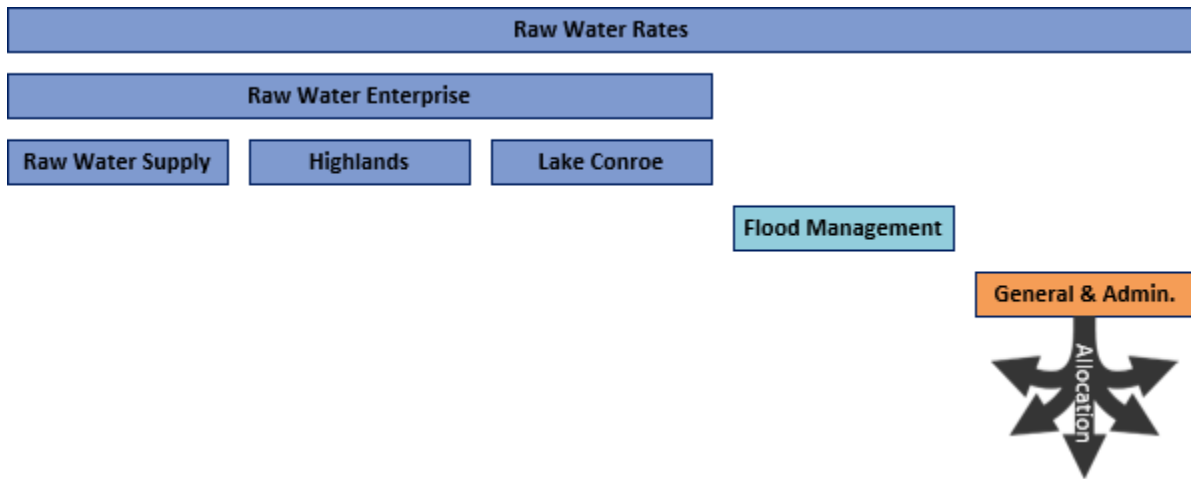
Raw Water Enterprise

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.





Raw Water Supply

RAW WATER SUPPLY

Raw Water Supply Revenue: The sale of all non-treated raw water for municipal, industrial, and agricultural (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 future water supplies. SJRA supplies raw water to municipal, industrial, and agricultural (irrigation) customers in Montgomery County and eastern Harris County from Lake Conroe, Lake Houston, and water delivered from the Trinity River. This water is available based on SJRA’s water rights in the San Jacinto River, Lake Conroe, Lake Houston, the Highlands Reservoir, 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. In exception, short-term water sale agreements are also available for entities/individuals requiring water over a short period at a higher rate. However, these agreements are not included in the budget since they are difficult to predict, temporary, and sporadic in nature.

Major Initiatives: The Raw Water Enterprise is currently engaged in, and planning in FY2023 to continue, or begin, a number of activities as outlined below:

- 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 may seek from time to time 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 is currently developing a joint water right permit application with the City of Houston for a small amount of return flows into Lake Conroe from the City of Huntsville and Montgomery County MUDs 8 and 9, based on a previously executed agreement between all five parties. The Authority also anticipates pursuit of additional, larger-scale return flows in the Upper San Jacinto River Basin in the near future. Water rights acquisition activities are anticipated to extend into FY2023 and beyond.
- 3. Raw Water Rate Model Update and Raw Water Rate Study:** 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. Specifically, the creation of the Flood Management Division, changes in reserve fund policies, and the transition away from debt funding to pay-as-you-go funding strategies for the Lake Conroe and Highlands Divisions, referred to as Repair and Replacement (R&R) 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 original model required updates to increase its functionality and allow staff to provide accurate modeling estimates. This required model update was completed, and staff are currently in the process of testing the updated model to ensure its accuracy and functionality prior to the next rate study. SJRA is contractually required to have a raw water rate study performed by an outside consultant every five years. The next rate study is due, and will be performed in, FY2023.

- 4. *Raw Water Supply Master Plan:*** The Raw Water Supply Master Plan (RWSMP), completed in 2018, determined the 50-year demand projections for industrial, municipal, and agricultural (irrigation) water for the Montgomery County and Highlands service areas, and identified and evaluated several strategies or water-supply sources for meeting these demands. SJRA is currently performing a minor update to the RWSMP, to incorporate new data (census, updated technical data, cost estimates, regulatory changes, etc.) and perform updated analysis of water supply strategies and portfolios to ensure regional water supply master planning is kept up to date. The majority of activities related to the ongoing minor update are anticipated to be completed in FY2023, with some efforts potentially extending into FY2024. Major RWSMP updates are planned for FY2027/28 and every 5 years thereafter.
- 5. *Aquifer Storage and Recovery (ASR) Demonstration:*** Aquifer Storage and Recovery (ASR) is a water management strategy where groundwater is artificially recharged, increasing the volume of water stored in an aquifer and allowing for subsequent withdrawal at a future date. This strategy is part of the recommended portfolio of future water supply sources for Montgomery County in SJRA's Raw Water Supply Master Plan (RWSMP). Phase one feasibility study efforts (FY2022-23) are currently being performed by the Texas Water Development Board (TWDB) at no cost to SJRA, and are anticipated to include, but not necessarily limited to: detailed aquifer characterization of the Gulf Coast Aquifer in SJRA's service area, analysis from the Statewide ASR Suitability Survey, and site selection considerations and suggestions based on hydrogeology. The scope and timing of future phase efforts will be based on the results of this study and updates to the RWSMP.
- 6. *Trinity River Interbasin Transfer:*** The Authority has an option for raw water supply from the Trinity River Authority (TRA) to purchase 50,000 acre-feet of raw water annually. This option is a recommended future raw water source in SJRA's Raw Water Supply Master Plan (RWSMP). The Authority's most recent Raw Water Enterprise 10-Year Project Plan anticipates executing a service area agreement with TRA by FY2023, performing interbasin transfer permitting activities in FYs 2023 through 2027, and performing a route study of the routes identified in the RWSMP for transferring water from the Trinity River basin to the San Jacinto River Basin in FYs 2031 and 2032. Design, permitting, and construction activities would occur beyond FY2032. Results of RWSMP updates, as described above, could impact the schedule and/or scope of these efforts. Additional expenditures related to this water supply strategy include costs related to contracting with TRA, including an option fee (5% of TRA water rate cost) scheduled to run through roughly April 2028, to then be replaced by a water reservation fee (50% of TRA water rate cost) until such time as SJRA enters into a contract to take water.

Capital Improvement and Other Project Plans: The Raw Water Supply does not currently maintain any physical assets, as facilities used to store and deliver raw water are owned, operated, and maintained by the Highlands and Lake Conroe Divisions. No maintenance or construction projects are planned for Raw Water Supply outside the Divisions for FY2023. As water sources recommended in the Authority’s Raw Water Supply Master Plan are needed, construction projects for Raw Water Supply, outside the Lake Conroe and Highlands Divisions, are anticipated to be required. However, these projects are not anticipated to be necessary for a number of years. Studies and other non-construction efforts related to Raw Water Supply are scheduled for FY2023, as described above. These efforts are funded from the O&M budget and may extend over multiple fiscal years.

Raw Water Supply - Projects	Stage	Est. FY2023	
		Cost	Funding Source
MUDs 8&9 and Huntsville Return Flows Water Right Permit	Permitting	\$ 70,000	O&M Budget
Raw Water Supply Master Plan Updates	Study	\$ 167,000	O&M Budget
Regional Return Flows Feasibility Study and Permitting	Study/Permit	\$ 134,000	O&M Budget
Raw Water Rate Study	Study	\$ 167,000	O&M Budget
Trinity River Interbasin Transfer	Permitting	\$ 248,500	O&M Budget
Total		\$ 786,500	

Total Indebtedness and Annual Debt Service: At August 31, 2021, the Raw Water Enterprise had \$5,620,000 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: \$5,620,000; Matures 10/1/24)

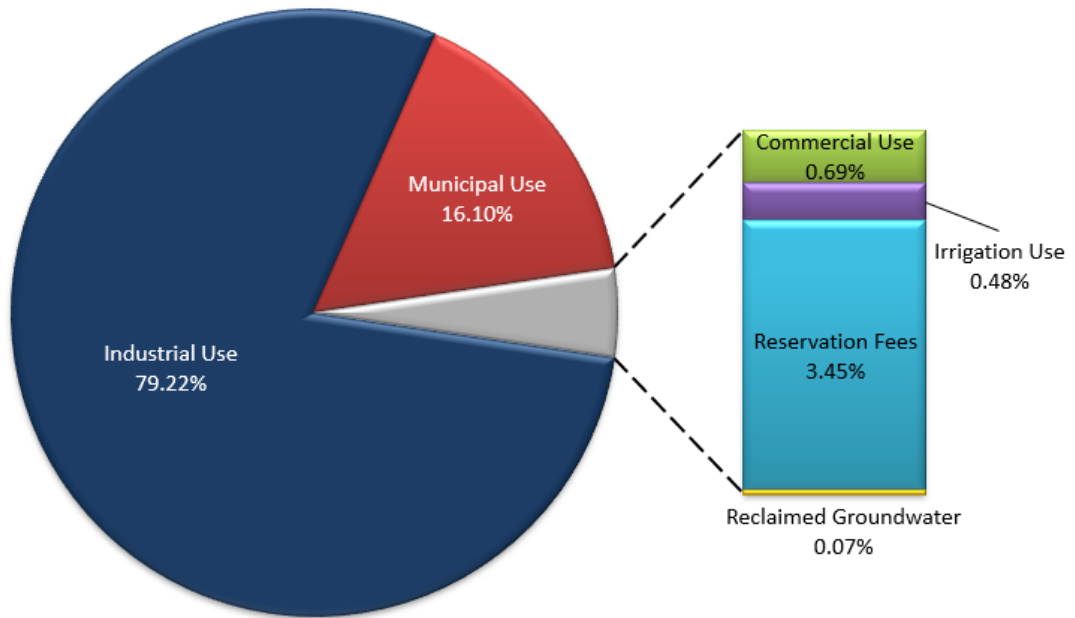
Annual debt service (principal and interest) for FY2023 for the above bond issuance is \$1,663,017. Bond payments are made each year in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. Debt Service Reserves for the above bond issuance are fully funded.

Staffing Plans: The Raw Water Supply’s staffing plan for FY2023 includes zero direct FTE positions, with no part-time, temporary, or intern positions. The Raw Water Supply is allocated 3.10 FTEs for FY2023 from the Lake Conroe and Flood Management Divisions and G&A Departments.

Revenues: The raw water rate contained within the FY2023 budget and the Raw Water Rate Order passed by the Board of Directors is within the range of rates presented in the existing 2018 Raw Water Rate Study at \$0.51 per 1,000 gallons for calendar year 2022. Beginning January 1, 2023, through December 31, 2023, the raw water rate is budgeted to be \$0.545 per 1,000 gallons (\$177.59 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 2022 (the first four months of FY2023), the raw water rate will continue to be \$0.51 per 1,000 gallons (\$166.18 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 FY2023 total \$22,787,145.

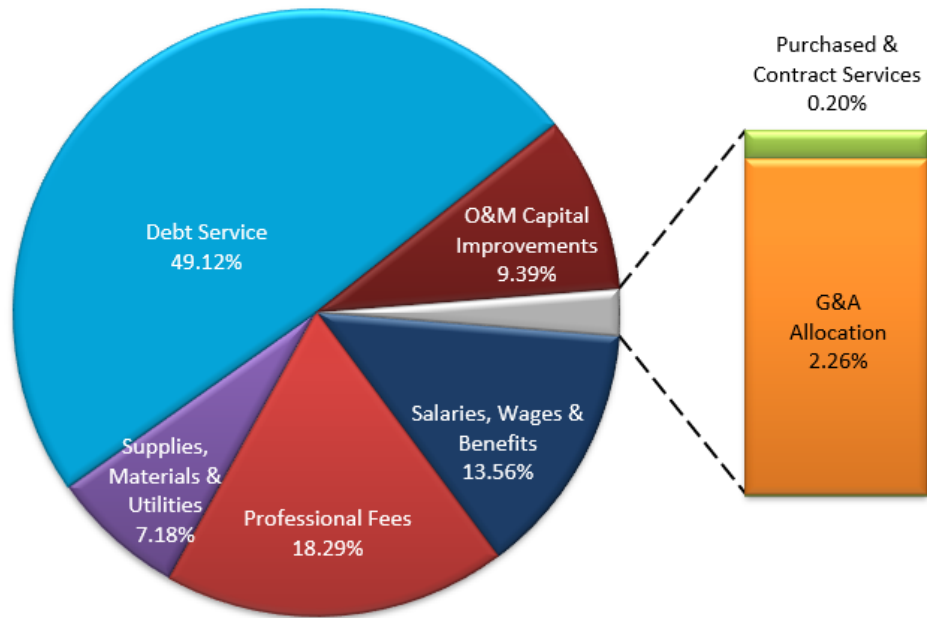
Raw Water Supply FY2023 Total Operating Revenues:



Expenditures: The Raw Water Supply for FY2023 contains expenses related to the development, maintenance, permitting, tracking, and reporting of water rights and supplies necessary to meet current and future water demands in SJRA’s service areas. Such expenditures include, but are not limited to, Authority salaries and benefits, legal and professional fees, and debt service from previously purchased water rights.

Expected total expenditures for the Authority’s Raw Water Supply for FY2023, including operating, debt service, capital improvements, and any other cash uses, totals \$3,385,436.

**Raw Water Supply FY2023 Total Operating Expenditures:
Operating, Debt Service, & Capital Improvements**



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

For FY2023, the net balance of the Raw Water Supply revenues, expenditures, and bond payments is \$19,401,710. 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 otherwise unallocated net expenses of the G&A Division.

San Jacinto River Authority - Raw Water Supply
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
General Industrial Water Revenue	\$ 15,409,654	\$ 9,152,032	\$ 15,680,639	\$ 15,802,675	\$ 16,688,746
General Industrial Water Revenue-Lake Customers	1,251,950	747,338	1,274,306	1,290,240	1,362,585
Water Sales-Municipal	2,716,555	1,461,022	2,716,204	3,293,292	3,668,215
Water Sales-Commercial	160,428	97,025	164,462	148,099	156,399
Lawn Irrigation Fees	118,636	72,000	113,625	105,000	105,000
Water Sales-Reclaimed Groundwater	16,388	8,262	16,525	15,000	15,000
Water Sales-Irrigation	5,110	1,385	3,597	5,101	5,387
Fines	800	290	580	-	-
SJRA Reservation Fee	438,196	298,792	543,086	328,217	299,054
Industrial Reservation Fee	430,800	235,035	400,275	414,720	438,083
Municipal Reservation Fee	37,391	26,573	45,506	46,080	48,676
TOTAL OPERATING REVENUES	\$ 20,585,908	\$ 12,099,753	\$ 20,958,805	\$ 21,448,425	\$ 22,787,145
OTHER REVENUES					
Interest Income	\$ 669	\$ 26	\$ 308	\$ -	\$ -
TOTAL OTHER REVENUES	\$ 669	\$ 26	\$ 308	\$ -	\$ -
OPERATING EXPENSES					
SALARIES, WAGES, & EMPLOYEE BENEFITS					
Salary & Wage Allocation	\$ 138,335	\$ 85,236	\$ 150,674	\$ 181,218	\$ 337,641
Group Insurance	20,722	16,092	25,018	32,840	55,917
Group Retirement Expense	14,173	11,461	17,691	19,606	37,140
Workers Compensation Insurance	752	512	866	1,441	4,009
Social Security Taxes	9,220	5,800	10,421	12,880	24,323
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 183,203	\$ 119,100	\$ 204,671	\$ 247,986	\$ 459,030
PROFESSIONAL FEES					
Legal Fees	\$ 76,630	\$ 24,175	\$ 79,035	\$ 150,000	\$ 234,000
Disclosure Filing	500	-	-	500	500
Paying Agent Fees	500	-	-	500	750
Engineering	28,867	5,049	31,874	550,000	384,000
TOTAL PROFESSIONAL FEES	\$ 106,498	\$ 29,224	\$ 110,909	\$ 701,000	\$ 619,250
PURCHASED & CONTRACTED SERVICES					
State Fees	\$ 6,701	\$ 6,701	\$ 6,701	\$ 6,701	\$ 6,701
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 6,701	\$ 6,701	\$ 6,701	\$ 6,701	\$ 6,701
SUPPLIES, MATERIALS & UTILITIES					
Travel	\$ -	\$ -	\$ -	\$ -	\$ 1,250
Training-External	-	-	-	-	1,250
Training-Employee HR	36	119	155	75	1,325
Managers Expense	-	-	-	-	600
Additional Water Fees	237,500	237,500	237,500	237,500	237,500
Health & Wellness Program	-	-	-	40	140
Recruiting Expenses	47	46	75	450	900
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 237,583	\$ 237,664	\$ 237,730	\$ 238,065	\$ 242,965
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 38,258	\$ 22,220	\$ 38,182	\$ 63,399	\$ 76,473
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 38,258	\$ 22,220	\$ 38,182	\$ 63,399	\$ 76,473
NON-OPERATING EXPENSES					
Interest Expense	\$ 228,250	\$ 102,533	\$ 196,200	\$ 172,367	\$ 112,600
TOTAL NON-OPERATING EXPENSES	\$ 228,250	\$ 102,533	\$ 196,200	\$ 172,367	\$ 112,600
TOTAL EXPENSES	\$ 800,492	\$ 517,443	\$ 794,393	\$ 1,429,518	\$ 1,517,019
NET REVENUES OVER EXPENSES	\$ 19,786,085	\$ 11,582,336	\$ 20,164,720	\$ 20,018,907	\$ 21,270,126
CAPITAL IMPROVEMENTS*					
Capital Improvements				\$ -	\$ 318,000

*Actuals intentionally left blank.

San Jacinto River Authority - Raw Water Supply
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
TOTAL CAPITAL IMPROVEMENTS				\$ -	\$ 318,000
OTHER SOURCES (USES)*					
Bond Principal				\$ (1,494,167)	\$ (1,550,417)
TOTAL OTHER SOURCES (USES)				\$ (1,494,167)	\$ (1,550,417)
NET CASH BASIS SOURCES (USES)	\$ 19,786,085	\$ 11,582,336	\$ 20,164,720	\$ 18,524,741	\$ 19,401,710

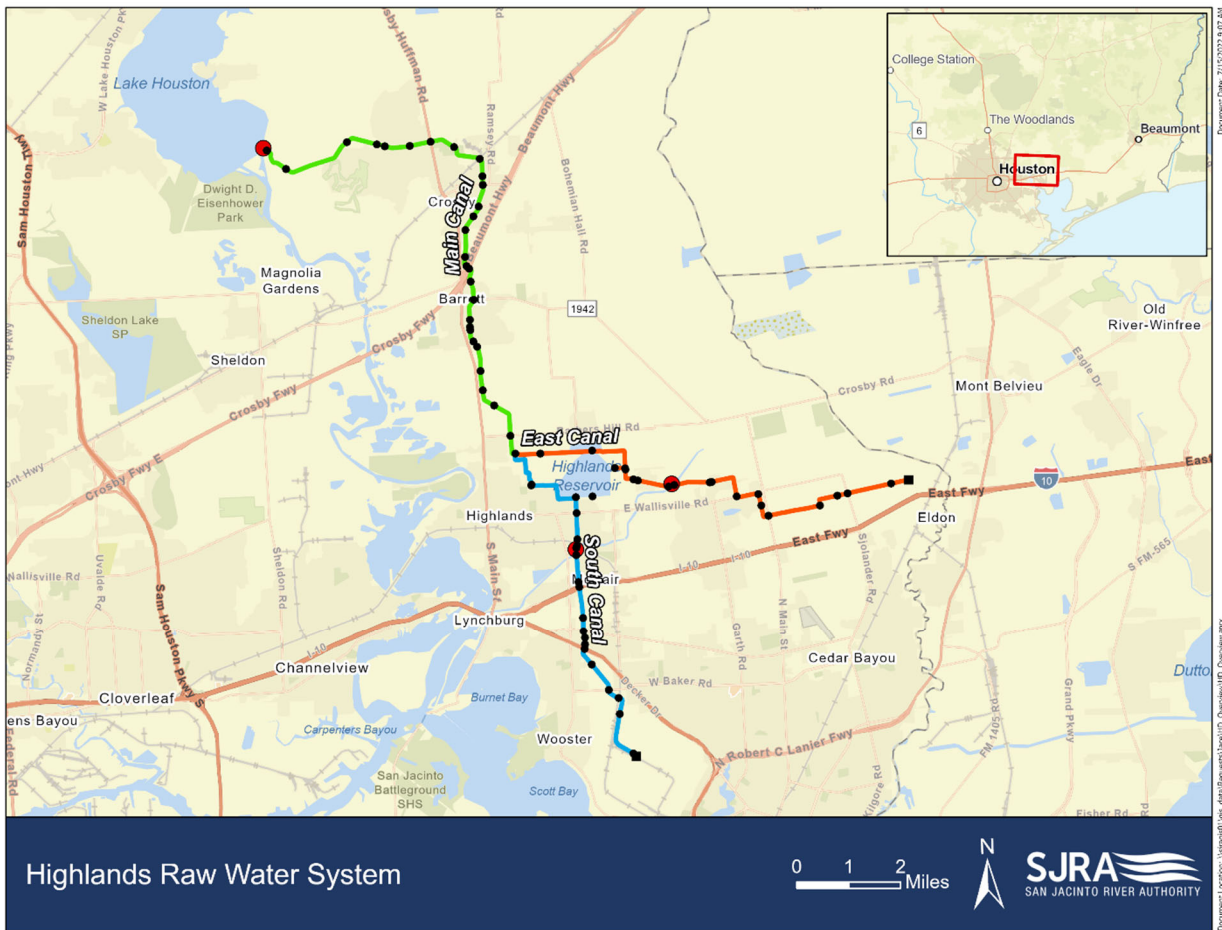


Highlands Division

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 original East Canal is made up of 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



Document Date: 7/15/2022 9:07 AM
Document Location: I:\spigato\gis_data\References\10_Overview\10_Overview.aprx

Major Initiatives: Several major initiatives to improve the operations of the Highlands system occurred in FY2022 or are planned for FY2023.

- 1. South Canal Improvements:** Construction began in FY2022 on improvements to the South Canal. These improvements are being addressed by five projects packaged together to achieve the most efficient/lowest cost design and construction. These projects include the replacement of Siphon 25 and 26, levee improvements between Siphon 24 and 27, and improvements to access at the reservoir, and the South Canal Bypass.
- 2. 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. However, there is still a need to provide on-site operators during emergency 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.
- 3. Main Canal Improvements – Lake Houston Pump Station to Siphon 6:** In 2015, a preliminary engineering design report identified this section of the main canal as a hydraulic restriction in the Highlands System, where hydraulic modeling had shown bank overtopping at increase flows that could be required due to Industrial Customer demand increases. In 2016, the relocation of a private pipeline below the canal at three locations (Siphons 3, 4, and 5) eliminated the need for these three siphon crossings. In 2017, the three crossings were removed by in-house staff and by doing so reduced the priority of this project. These improvements helped, but did not eliminate the need for improvements required to reconstruct the canal levee segment and repair eroded areas to provide increased flow capacity and flow reliability for canal conveyance of current and potential increased flow demands.

Capital Improvement and Other Project 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 FY2023, the following projects are slated for design and/or construction:

Highlands - Projects	Stage	Est. FY2023 Cost	Funding Source
Reservoir Access Culvert	Construction	\$ 151,000	R&R
Lake Houston Pump Station Campus Improvements	Construction	\$ 2,152,000	R&R
Siphon 7 Improvements	Construction	\$ 590,000	R&R
Siphon 37 Generator	Design/Const	\$ 76,000	R&R
HCFC Ditch Siphon Generator	Design/Const	\$ 46,000	R&R
Pontikes Bridge SCADA Improvements	Design/Const	\$ 34,000	R&R
Siphon 18 Grade Repairs	Design	\$ 30,000	R&R
Emergency Operations Center Improvements	Design/Const	\$ 667,000	R&R
South Canal Bypass Access Culvert	Construction	\$ 425,000	R&R
South Canal Levee Imp. between Siphons 24 and 27	Construction	\$ 258,000	R&R
Siphon 25 Improvements	Construction	\$ 975,000	R&R
Siphon 26 Improvements	Construction	\$ 943,000	R&R
Reservoir Access Road	Construction	\$ 947,000	R&R
Main Canal Imp. - Lake Houston Pump Station to Siphon 6	Design/Const	\$ 2,601,000	R&R
Main Canal Levee Imp. - Siphon 6 to Highlands Reservoir	Design	\$ 87,000	R&R
Enterprise Resource Planning System	Implement	\$ 375,000	R&R
Total		\$ 10,357,000	

Total Indebtedness and Annual Debt Service: At August 31, 2021, the Highlands Division currently had \$50,615,000 of total indebtedness from bonds related to Highlands projects, made up of the following bond issuances:

- Series 2013 Water Revenue Bonds (Outstanding: \$5,425,000; Matures 10/1/38)
- Series 2014 Water Revenue Bonds (Outstanding: \$4,545,000; Matures 10/1/39)
- Series 2015 Water Revenue Bonds (Outstanding: \$24,680,000; Matures 10/1/39)
- Series 2019A Water Revenue Refunding Bonds (Outstanding: \$15,965,000; Matures 10/1/35)

As approved by the Board of Directors on August 26, 2021, the Series 2013 Water Revenue Bonds were paid off early in September 2021.

Annual debt service (principal and interest) for FY2023 for the above bond issuances is \$3,650,366. Bond payments each year are made in April (interest only) and October (principal and interest). Accruals of principal and interest are made monthly. The Debt Service Reserve is fully funded for the above bond issuances.

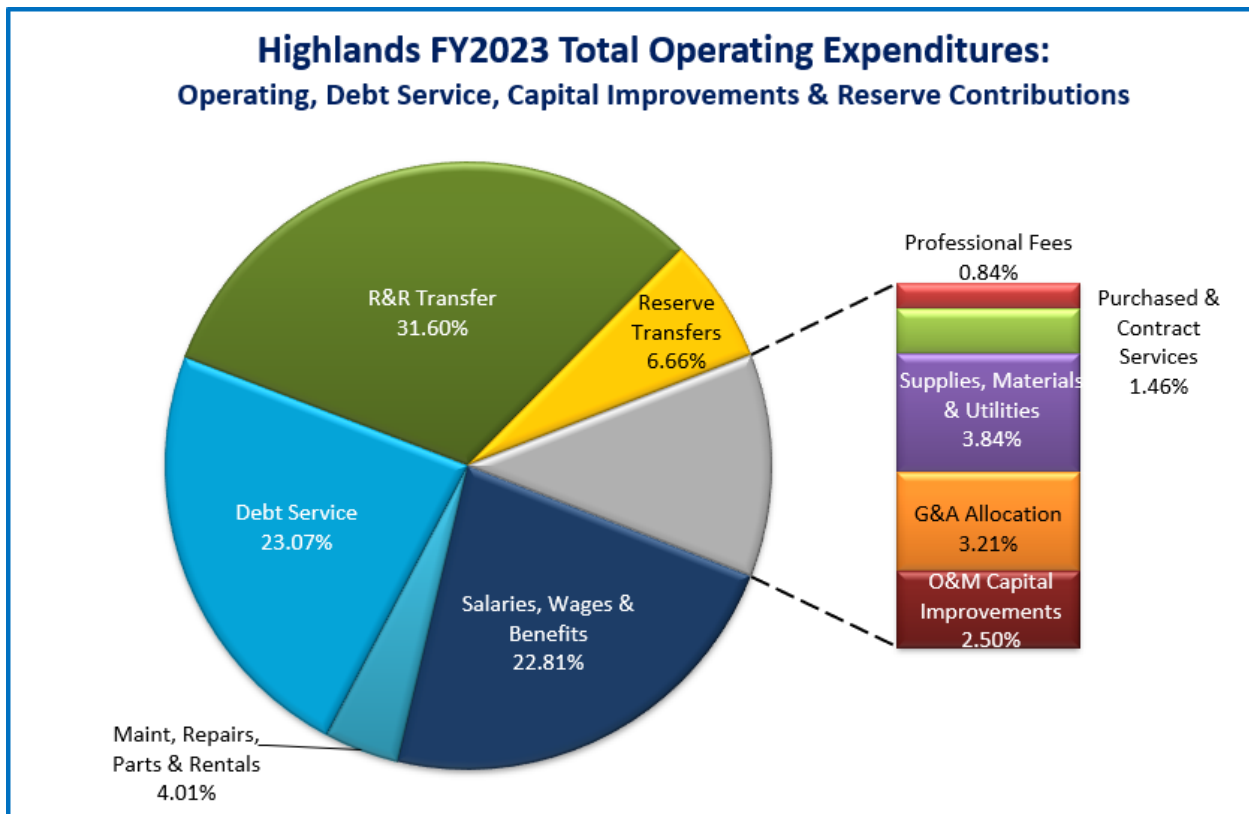
Staffing Plans: The Highlands Division's staffing plan for FY2023 includes 13 direct FTE positions, with no part-time, temporary, or intern positions. Of these 13 direct FTE positions, Highlands allocates 0.10 FTEs to other divisions, leaving 12.90 FTEs allocated directly to Highlands. In addition to these 12.90 FTEs, the Highlands is allocated 14.78 FTEs for FY2023 from the G&A Departments. Total staff in FY2023 associated with the Highlands Division, direct and allocated, is 27.68 FTEs.

Revenues: The Highlands Division has no revenues forecast for FY2023.

Expenditures: The Highlands Division for FY2023 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 FY2023, including operating, non-operating, debt service, capital improvements, and any other cash uses, totals \$10,821,689. Highlands expected R&R Fund operating expenses and capital improvements, totals \$10,357,000.



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 March 24, 2022, the reserve policy for the Highlands Division utilizes two reserves and an R&R Fund:

- 1. *Operating & Rate Stabilization Reserve:*** The Highlands Division Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow, and stabilize rates and revenues. The Operating Reserve target for FY2023 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 FY2022, the Highlands Operating Reserve is at \$2,552,838, equivalent to six months of operating expenses. For FY2023, the Operating Reserve is projected to be under the targeted balance and a contribution of \$54,424 of additional funds are budgeted to bring the balance back up to the target.
- 2. *Emergency Reserve:*** The Highlands Division 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 \$6,000,000, which is based on estimate amounts of \$2,500,000 for Lake Conroe, \$3,000,000 for the Highlands, and \$500,000 for the G&A Division. For FY2022, the Highlands Emergency Reserve was utilized to fund emergency repairs to a siphon at Spring Meadow. To begin recovering the balance used for the Spring Meadow siphon repair, a contribution of \$1,000,000 was budgeted for the Emergency Reserve with the remaining \$2,000,000 anticipated to be funded in FY2024-2025.
- 3. *Repair & Replacement (R&R Fund):*** The Highlands Division Repair & Replacement Fund was established to fund large ongoing and planned projects to prevent significant rate fluctuations. The R&R is 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. A contribution to the R&R fund of \$5,000,000 was budgeted for FY2023. This amount was reduced by \$1,000,000 compared to FY2022 to fund the Emergency Reserve contribution.

For FY2023, the net balance between O&M revenues and expenditures for the Highlands Division, including annual debt service and scheduled contributions to the two reserves and R&R Fund, is (\$15,716,689). 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
FY2021 - FY2023

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
OTHER REVENUES						
Interest Income	\$ 6,993	\$ (16,367)	\$ (15,100)	\$ 6,000	\$ -	
Land Use Agreements	5,767	-	-	5,767	-	
FEMA Grant Revenue	-	82	82	-	-	
Proceeds From Sale Of Assets	76,000	-	76,000	-	-	
Other Gains & Losses	1,846	-	1,846	-	-	
TOTAL OTHER REVENUES	\$ 90,606	\$ (16,285)	\$ 62,828	\$ 11,767	\$ -	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 734,274	\$ 331,797	\$ 663,510	\$ 884,321	\$ 947,298	
Salary & Wage Allocation	1,157,853	578,540	1,085,641	1,543,951	1,523,033	
Staffing Services	13,246	54,704	67,950	-	100,000	
Compensated Absences	7,248	-	7,248	-	-	
Group Insurance	364,922	220,998	374,380	506,642	475,177	
Group Insurance - Retirees	12,001	7,087	12,116	13,156	13,356	
Group Insurance - Retiree OPEB	(26,364)	-	(26,364)	50,000	50,000	
Group Retirement Expense	175,162	92,839	164,469	257,874	271,737	
Workers Compensation Insurance	28,352	11,670	24,137	45,721	43,457	
Social Security Taxes	136,882	67,109	129,199	182,603	185,011	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 2,603,576	\$ 1,364,744	\$ 2,502,286	\$ 3,484,269	\$ 3,609,068	
PROFESSIONAL FEES						
Legal Fees	\$ 29,345	\$ 3,998	\$ 26,470	\$ 25,000	\$ 25,000	
Disclosure Filing	500	500	500	500	500	
Legal Fees-Crossings	5,740	-	4,230	-	-	
Annual Financial Audit	8,573	8,201	9,776	12,000	14,000	
Paying Agent Fees	3,500	3,250	4,000	3,000	4,500	
Engineering	79,605	15,687	57,764	140,000	60,000	
Crane Inspections	-	680	680	1,000	1,000	
Safety Inspections & Testing	306	500	500	2,000	2,000	
Siphon & Pipe Inspections	-	-	-	-	20,000	
Graphic Design	2,941	4,221	4,662	6,000	6,000	
TOTAL PROFESSIONAL FEES	\$ 130,511	\$ 37,036	\$ 108,582	\$ 189,500	\$ 133,000	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 4,792	\$ 3,091	\$ 5,205	\$ 5,000	\$ 11,500	
State Fees	125	125	125	125	125	
Employee Testing- New	272	999	1,149	2,500	2,950	
Janitorial Services	6,662	4,105	7,616	8,000	6,420	
Stream Gauging & Water Quality-USGS	16,300	9,508	16,300	17,115	17,115	
South Canal CWA Water Conveyance	71,799	40,723	74,966	130,000	130,000	
East Canal CWA Water Conveyance	20,156	10,275	19,592	70,000	50,000	
Trucking	500	-	250	2,000	2,000	
Public Relations Expense	257	-	257	-	-	
Water Conservation & Public Education	3,623	10,241	13,864	8,000	8,000	
Meeting Expenses	1,953	1,076	2,325	2,500	2,500	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 126,439	\$ 80,145	\$ 141,648	\$ 245,240	\$ 230,610	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 2,961	\$ 371	\$ 1,504	\$ 3,500	\$ 3,500	
Other Office Expense	3,137	256	2,283	3,000	3,000	
Travel	540	949	1,119	2,500	2,500	
Automobile & Truck Expense	10,052	10,737	18,192	20,000	25,000	
Storm Preparedness & Response	154	92	246	2,000	1,500	
Postage	436	123	378	750	750	
Property Insurance	21,856	12,398	21,434	22,800	27,360	
Auto Insurance	17,672	10,923	18,224	21,450	25,740	
Liability Insurance	17,046	(566)	5,290	22,550	27,060	
Small Tools Purchases	4,637	1,293	4,601	6,000	10,000	
Training-External	4,601	4,290	6,530	9,530	10,000	
Training-Internal	444	-	379	500	500	

San Jacinto River Authority - Highlands
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals			Rolling 12 Mo. Actuals	
	Actuals FY2021	Actuals Sept-Mar FY2022	Actuals Apr 2021-Mar 2022	Budget FY2022	Budget FY2023
Training-Employee HR	693	3,020	3,712	1,650	11,250
Managers Expense	44	-	-	500	500
Employee Relations	1,809	1,203	2,014	2,500	3,000
Fuel	29,681	22,507	38,385	35,000	40,000
Uniform Services	5,328	2,776	4,487	5,000	6,000
Operations Supplies	10,852	14,200	19,474	25,000	21,500
Memberships & Professional Dues	604	194	644	160	400
Signage	-	57	57	1,000	1,000
Janitorial Supplies	811	293	629	1,000	1,000
Copier, Scanner & Fax	7,190	4,059	7,514	11,000	7,500
Utilities-Electric	7,498	3,978	7,325	12,000	12,000
Utilities-Natural Gas	3,334	2,724	3,881	4,000	4,000
Utilities-Water	1,452	456	890	1,500	1,700
Utilities-Electric-LHPS Pumping Costs-Direct	97,150	51,863	94,370	110,000	100,000
Utilities-Electric-ECTPS Pumping Costs-Direct	14,670	7,732	13,649	23,000	17,500
Utilities-Electric-SCTPS Pumping Costs-Direct	6,908	4,104	6,679	22,000	16,000
Pumping Costs-Indirect	20,329	12,150	20,913	19,000	18,000
Personal Protective Equipment	2,294	2,359	2,997	4,500	4,800
Safety Equipment & Meetings	12,678	1,256	11,379	3,000	3,000
Health & Wellness Program	-	-	-	650	1,200
Recruiting Expenses	3,131	350	2,805	7,500	7,500
Computer Hardware	30,771	680	16,769	29,266	39,026
Software & Support	60,044	53,540	84,012	61,074	53,302
Software Maintenance	18,156	14,888	24,551	37,070	35,900
Physical Security	363	-	363	12,250	12,863
Imagery & Data Sets	5,000	-	5,000	-	-
Network Communications	5,069	2,190	4,616	15,840	16,632
Publications & Subscriptions	101	-	101	-	500
Newspaper Ads	2,992	2,464	4,928	5,000	5,000
Wireless Devices & Services	20,109	10,249	19,321	24,420	24,960
Emergency Operations Communications	805	469	1,003	684	684
Landline Telephone Services	1,023	324	652	2,400	4,200
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 454,426	\$ 260,952	\$ 483,300	\$ 592,545	\$ 607,827
RENTALS					
Equipment Rentals	\$ 14,974	\$ 9,625	\$ 13,158	\$ 30,000	\$ 166,000
Fiber Rental	1,892	36,120	38,012	61,920	61,920
TOTAL RENTALS	\$ 16,866	\$ 45,745	\$ 51,170	\$ 91,920	\$ 227,920
MAINTENANCE, REPAIRS & PARTS					
Office, Furniture, & Fixtures	\$ 2,289	\$ -	\$ -	\$ 2,000	\$ 2,500
Buildings & Grounds Maintenance	38,344	23,552	58,577	35,300	26,800
Security System Monitoring	360	360	360	800	800
Generators	11,624	1,358	11,341	19,500	19,500
Machinery, Tools, & Implements	49,707	65,081	92,662	45,000	60,000
Instrumentation Equipment & Parts	58,604	15,820	48,130	71,000	68,400
Bridges, Culverts, & Siphons	8,200	303,614	310,617	20,000	65,000
Networking and Communications - SCADA	2,498	-	47	2,800	3,100
Canals, Levees, & Dams-Maintenance & Repairs	54,519	255	19,807	45,000	45,000
Invasive Species Management	14,696	9,693	24,303	40,000	40,000
Streets & Roads	9,450	-	9,450	20,000	30,000
Lake Houston Pump Station Maintenance & Repairs	19,964	820	3,231	20,000	20,000
East Canal Pump Station Maintenance & Repairs	137	-	90	35,000	10,000
South Canal Pump Station Maintenance & Repairs	1,049	-	657	15,000	15,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 271,442	\$ 420,553	\$ 579,270	\$ 371,400	\$ 406,100
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 352,341	\$ 174,517	\$ 310,425	\$ 560,760	\$ 507,569
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 352,341	\$ 174,517	\$ 310,425	\$ 560,760	\$ 507,569
NON-OPERATING EXPENSES					
Interest Expense	\$ 1,998,800	\$ 1,023,781	\$ 1,854,730	\$ 1,939,437	\$ 1,655,366

*Actuals intentionally left blank.

San Jacinto River Authority - Highlands
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
TOTAL NON-OPERATING EXPENSES	\$ 1,998,800	\$ 1,023,781	\$ 1,854,730	\$ 1,939,437	\$ 1,655,366
TOTAL EXPENSES	\$ 5,954,402	\$ 3,407,472	\$ 6,031,411	\$ 7,475,071	\$ 7,377,460
NET REVENUES OVER EXPENSES	\$ (5,863,796)	\$ (3,423,757)	\$ (5,968,583)	\$ (7,463,304)	\$ (7,377,460)
CAPITAL IMPROVEMENTS*					
Highlands Improvements				\$ -	\$ 35,000
Maintenance Equipment				207,000	-
Transportation Equipment				110,000	235,000
Software				517	540
Computer Equipment				157,327	124,265
Electronic Test Equipment				6,000	-
TOTAL CAPITAL IMPROVEMENTS				\$ 480,844	\$ 394,805
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 269,984	\$ 105,000
Bond Principal				(2,144,167)	(1,995,000)
Operating Reserve Fund				-	(54,424)
Emergency Reserve Fund				-	(1,000,000)
Repair and Replacement Transfers				(6,000,000)	(5,000,000)
TOTAL OTHER SOURCES (USES)				\$ (7,874,183)	\$ (7,944,424)
NET CASH BASIS SOURCES (USES)	\$ (5,863,796)	\$ (3,423,757)	\$ (5,968,583)	\$ (15,818,331)	\$ (15,716,689)

*Actuals intentionally left blank.

San Jacinto River Authority - Highlands Repair and Replacement
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OTHER REVENUES					
Interest Income	\$ 5,117	\$ 3,953	\$ 4,657	\$ -	\$ -
Other Gains & Losses	69	-	69	-	-
TOTAL OTHER REVENUES	\$ 5,186	\$ 3,953	\$ 4,726	\$ -	\$ -
OPERATING EXPENSES					
PROFESSIONAL FEES					
Engineering	\$ 48,959	\$ 29,967	\$ 29,967	\$ -	\$ -
TOTAL PROFESSIONAL FEES	\$ 48,959	\$ 29,967	\$ 29,967	\$ -	\$ -
MAINTENANCE, REPAIRS & PARTS					
Networking and Communications - SCADA	\$ 148,131	\$ 280	\$ 87,133	\$ -	\$ -
Canals, Levees, & Dams-Maintenance & Repairs	255,873	9,627	62,574	211,000	2,946,000
Lake Houston Pump Station Maintenance & Repairs	249,735	-	-	-	30,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 653,739	\$ 9,907	\$ 149,707	\$ 211,000	\$ 2,976,000
TOTAL EXPENSES	\$ 702,697	\$ 39,874	\$ 179,674	\$ 211,000	\$ 2,976,000
NET REVENUES OVER EXPENSES	\$ (697,512)	\$ (35,921)	\$ (174,948)	\$ (211,000)	\$ (2,976,000)
CAPITAL IMPROVEMENTS*					
Office Buildings				\$ 260,000	\$ 667,000
Highlands Improvements				5,935,000	6,305,000
Software				-	375,000
Radio Communications Equipment				92,000	34,000
TOTAL CAPITAL IMPROVEMENTS				\$ 6,287,000	\$ 7,381,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 10,124,031	\$ 12,940,025
Repair and Replacement Transfers				6,000,000	5,000,000
TOTAL OTHER SOURCES (USES)				\$ 16,124,031	\$ 17,940,025
NET CASH BASIS SOURCES (USES)	\$ (697,512)	\$ (35,921)	\$ (174,948)	\$ 9,626,031	\$ 7,583,025



Lake Conroe Division

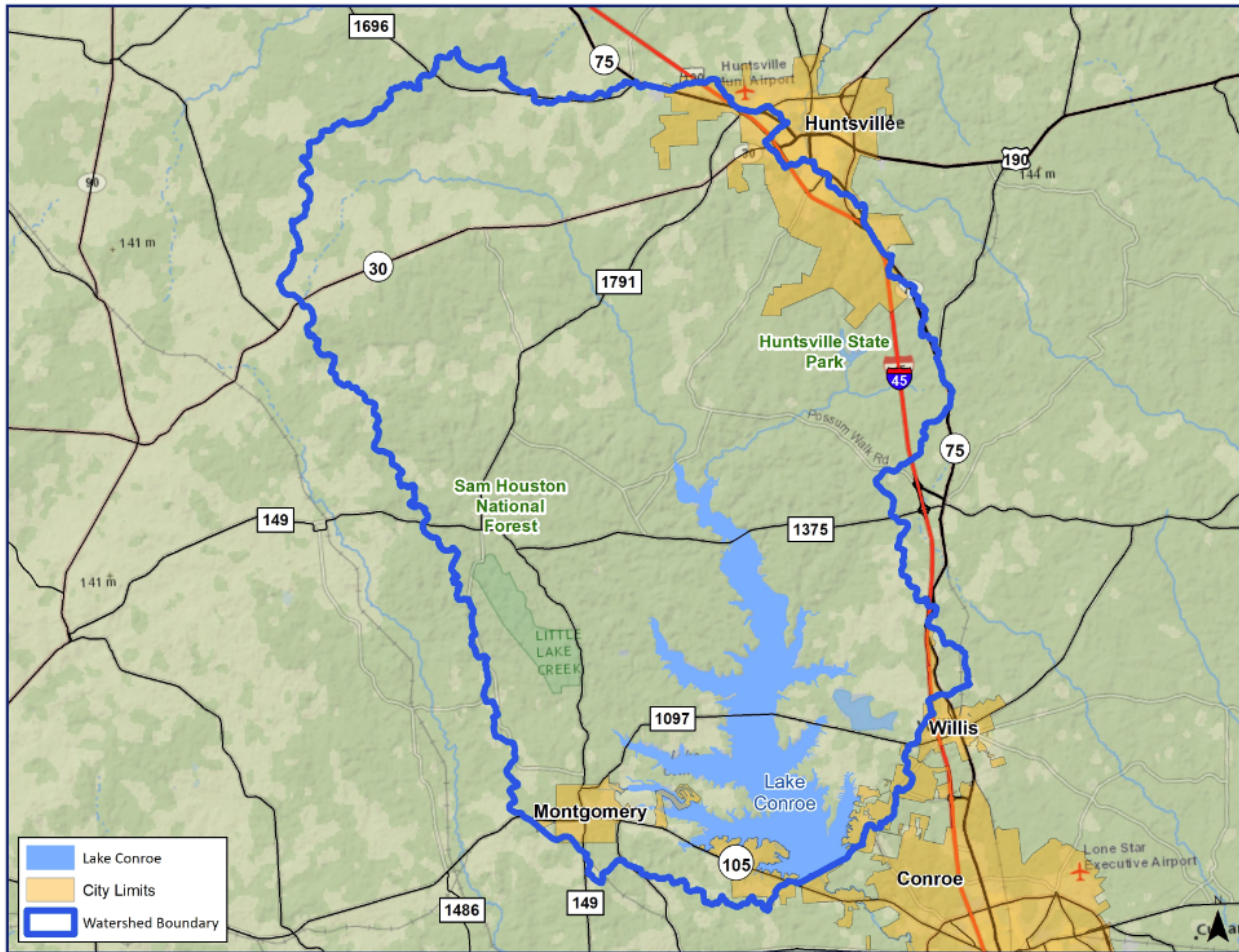
LAKE CONROE DIVISION

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 one-third of the annual permitted yield of Lake Conroe, while the City of Houston holds the other two-thirds of the water rights. As a two-thirds owner in Lake Conroe, the City of Houston reimburses roughly two-thirds 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;
- conduct 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 safe navigation and recreation;
- manage native-vegetation restoration and invasive-vegetation control program;
- construct and deploy artificial fish habitat;
- facilitate zebra mussel prevention and control program;
- monitor the construction of permanent structures and other encroachments onto Authority lands including the reservoir; and
- enforce the rules and regulations for the Lake Conroe reservoir.

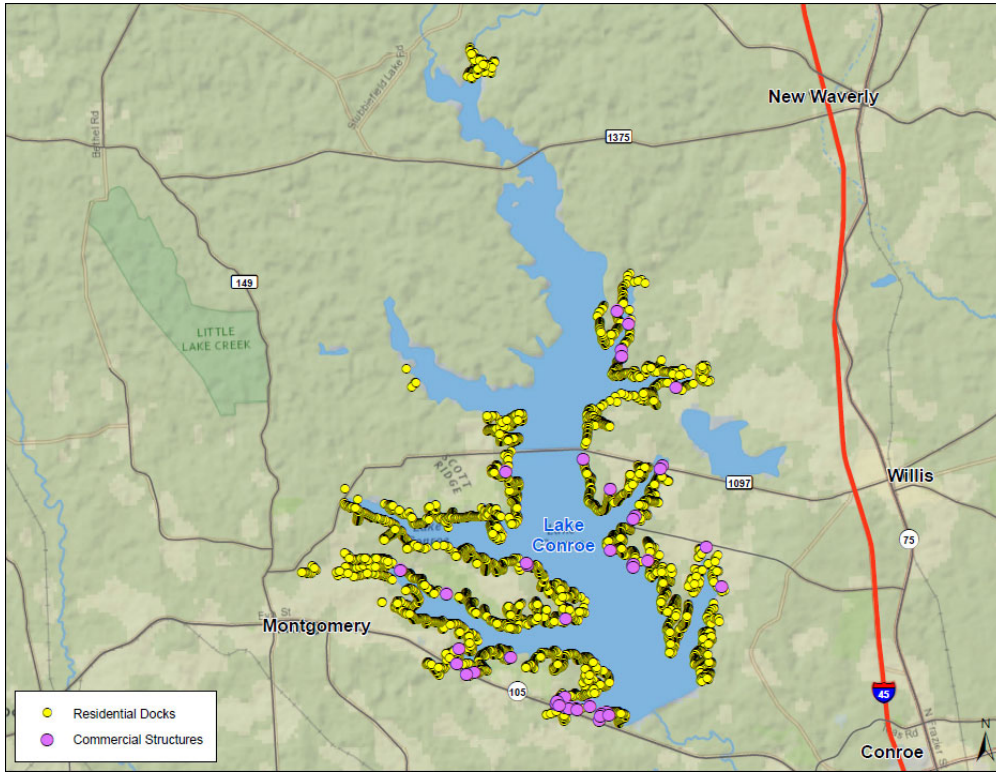


MAP OF LAKE CONROE WATERSHED

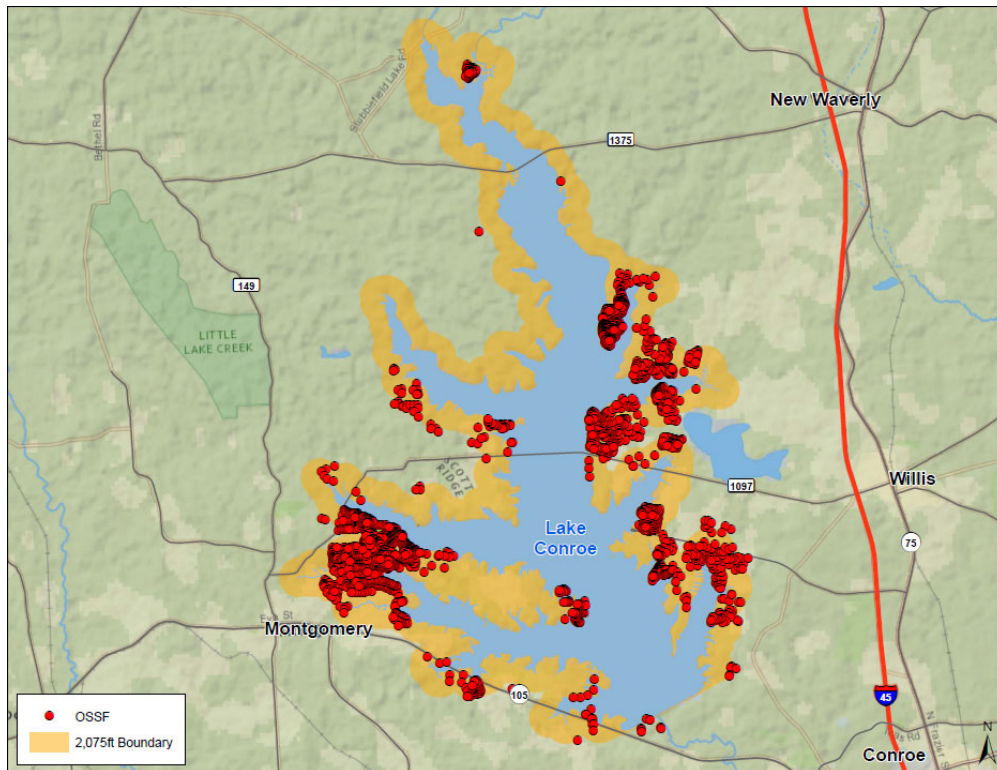


As permitted by the State of Texas, the annual yield of Lake Conroe is 100,000 acre-feet (ac-ft) per year, with the Authority's portion being 33,333 ac-ft per year and the City of Houston's portion being 66,667 ac-ft per year. Lake Conroe was formed by the creation of a 2.2-mile-long earthen dam and gated spillway on the West Fork of the San Jacinto River. The reservoir covers an area of approximately 20,000 surface acres within Montgomery and Walker Counties. When full (water level at 201 feet above mean sea-level) the reservoir impounds approximately 400,000 ac-ft 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: Several major initiatives to improve the operations and maintenance of the Lake Conroe Dam occurred in FY2022 or are planned for FY2023.

- 1. Westside Diversion Channel Improvements:** In June 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 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 expected to be completed in FY2022.
- 2. Service Outlet Sluice Gate Rehabilitation:** At the Lake Conroe Dam service outlet, several components used to operate three (3) sluice gates are aging, including the hydraulic power unit, gate actuators, and associated equipment. Based on an inspection of the current system, the current system has extensive deterioration, and requires replacement. Replacement is anticipated to consist of removal of the existing hydraulic system and replacement with screw drives and electric actuators.
- 3. 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

degradation of the spillway’s electrical system. The Division engaged Kalluri Group, Inc. to design necessary repairs and in July 2021, SJRA executed a construction contract with Boyer, Inc. to complete the restoration. The project is expected to be completed in July 2022.

- 4. West End Facility Improvements:** Facility improvements at the west end of the dam include rehabilitating the electrical components at the existing boat dock, followed by replacing the existing boat ramp. The project is required to ensure safe access to Lake Conroe. The existing electrical components for the boat dock and fuel dispensing station require upgrading. The existing boat ramp will be lengthened for use during drought conditions and poured as a single slab to replace the existing ramp configuration.

- 5. Maintenance Facility Improvements:** The Division’s current Maintenance Facility was constructed during the original construction of the dam and is in disrepair due to age and exposure to the elements. During FY2022, the Division began design on 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.

Capital Improvement and Other Project 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 Project Plan for FY2023 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 FY2023 budget for design and/or construction:

Lake Conroe - Projects	Stage	Est. FY2023 Cost	Funding Source
Service Outlet Sluice Gate Hydraulics Rehabilitation	Design/Const	\$ 203,500	R&R
Lake Conroe Dam Emergency Action Plan	Planning	\$ 50,000	R&R
West End Facility Improvements	Design/Const	\$ 50,000	R&R
Maintenance Facilities Improvements	Design/Const	\$ 1,614,000	R&R
Enterprise Resource Planning System	Implement	\$ 375,000	R&R
Total		\$ 2,292,500	

Total Indebtedness and Annual Debt Service: The Lake Conroe Division does not have any indebtedness as of FY2022 and has no plans for future indebtedness in FY2023 or beyond.

Staffing Plans: The Lake Conroe Division’s staffing plan for FY2023 includes 13 direct FTE positions, with no part-time, temporary, or intern positions. Of these 13 direct FTE positions, Lake Conroe allocates 0.68 FTEs to other divisions, leaving 12.32 FTEs allocated directly to Lake Conroe. In addition to these 12.32 FTEs, the Division is allocated 14.36 FTEs for FY2023 from G&A Departments. The net total FY2023 FTEs associated with the Lake Conroe Division, direct and allocated, is 26.68 FTEs.

Revenues: Since the City of Houston is a two-thirds partner with the Authority in the annual operation and maintenance of Lake Conroe, the City of Houston's two-thirds reimbursement of normal and customary O&M expenses for FY2023 is \$4,195,080.

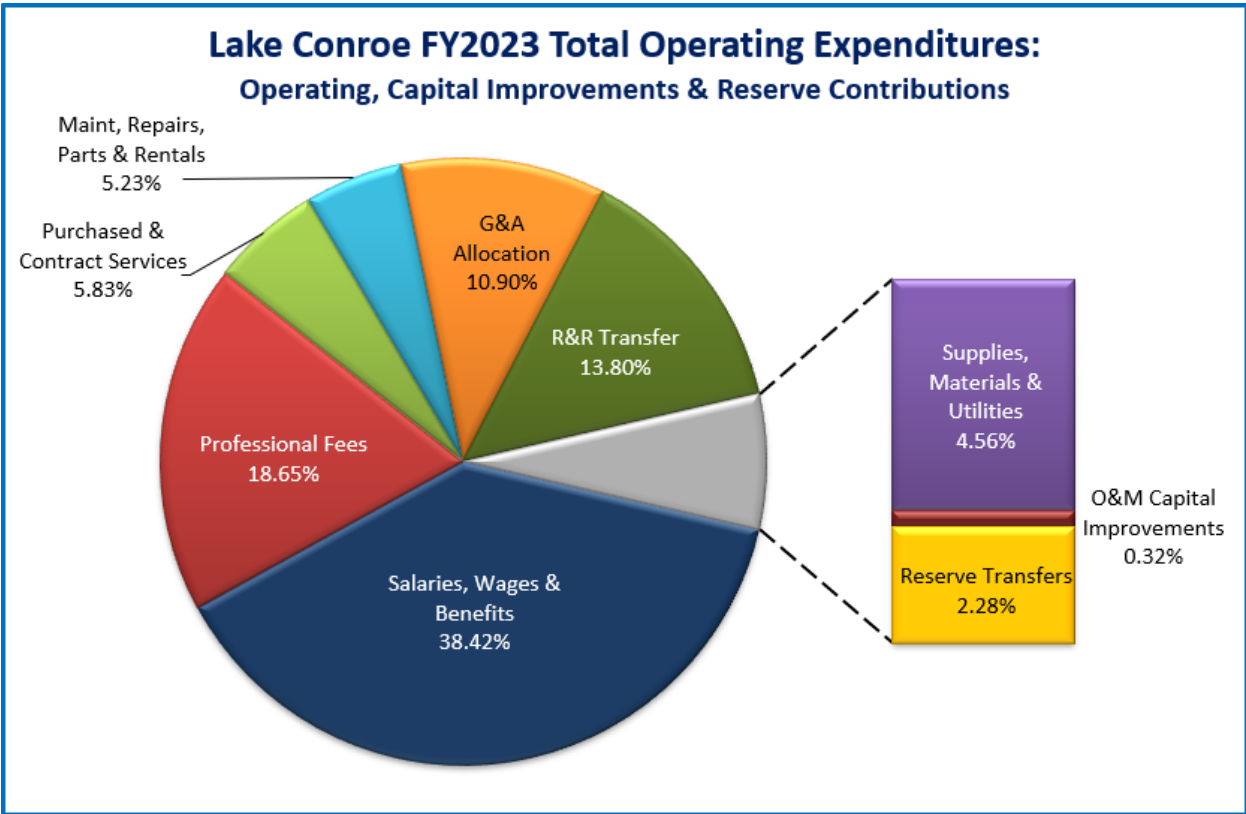
Additionally, the Lake Conroe Division issues licenses for commercial businesses operating on the lake, permits for commercial and residential docks, and permits for the installation of OSSFs. Annual permits are required for all boat docks on Lake Conroe. The Division forecasts the number and size of commercial and residential docks each year based on historical permits. Docks fees are expected to remain the same for FY2023 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 \$1,117,423. 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 FY2023.

Expected total revenues for the Lake Conroe Division for FY2023 totals \$5,333,103.

Expenditures: The Lake Conroe Division for FY2023 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 FY2023, including operating, capital improvements, and any other cash uses, totals \$7,601,936. Lake Conroe expected R&R Fund operating expenses and capital improvements, totals \$1,277,042. Please note, Capital Improvements is presented net of City of Houston's two-thirds 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 March 24, 2022, 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 one-third portion of the Lake Conroe Division excluding the City of Houston’s two-thirds portion.

1. **Operating & Rate Stabilization Reserve:** The Lake Conroe Division Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow, and stabilize rates and revenues. The Operating Reserve target for FY2023 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 FY2022, the Lake Conroe Operating Reserve is at \$988,206, equivalent to six months of operating expenses. For FY2023, the Operating Reserve is projected to be under the targeted balance and a contribution of \$206,718 of additional funds are budgeted to bring the balance back up to the target.

2. **Emergency Reserve:** The Lake Conroe Division 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 \$6,000,000, which is based on estimate amounts of

\$2,500,000 for Lake Conroe, \$3,000,000 for the Highlands, and \$500,000 for the G&A Division. For FY2023, the Lake Conroe Emergency Reserve is fully funded and no funds were budgeted for the Emergency Reserve.

- 3. *Repair & Replacement (R&R Fund):*** The Lake Conroe Division 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. A contribution of \$1,250,000 to the R&R Fund was budgeted for FY2023.

For FY2023, 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 (\$3,725,551). 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
FY2021 - FY2023

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
OPERATING REVENUES						
Permits, Licenses, & Fees - Residential	\$ 738,705	\$ 353,775	\$ 698,933	\$ 661,856	\$ 675,000	
Permits, Licenses & Fees - Commercial	477,034	244,907	466,027	442,423	442,423	
Fines	9,197	4,340	8,526	-	-	
Septic Tank Licenses	27,740	16,880	27,880	20,600	20,600	
City of Houston Share of Lake Conroe Operations	3,324,760	1,885,507	3,511,001	3,899,275	4,195,080	
TOTAL OPERATING REVENUES	\$ 4,577,436	\$ 2,505,409	\$ 4,712,367	\$ 5,024,154	\$ 5,333,103	
OTHER REVENUES						
Interest Income	\$ 7,107	\$ 991	\$ 1,975	\$ -	\$ -	
FEMA Grant Revenue	-	132	132	-	-	
Proceeds From Sale Of Assets	149,001	42,546	42,606	-	-	
Other Gains & Losses	6,524	500	2,774	-	-	
TOTAL OTHER REVENUES	\$ 162,633	\$ 44,169	\$ 47,488	\$ -	\$ -	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 818,011	\$ 462,970	\$ 820,651	\$ 878,111	\$ 932,896	
Salary & Wage Allocation	1,023,114	611,862	1,070,083	1,357,360	1,429,952	
Staffing Services	26,219	19,694	24,187	-	75,000	
Compensated Absences	(2,094)	-	(2,094)	-	-	
Group Insurance	432,313	324,687	513,912	541,815	493,119	
Group Insurance - Retirees	24,001	14,173	24,231	26,312	26,712	
Group Insurance - Retiree OPEB	(49,421)	-	(49,421)	50,000	50,000	
Group Retirement Expense	203,952	122,809	218,278	247,446	259,913	
Workers Compensation Insurance	22,593	12,637	22,736	35,095	36,326	
Social Security Taxes	130,586	77,998	137,255	167,632	176,833	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 2,629,275	\$ 1,646,830	\$ 2,779,819	\$ 3,303,771	\$ 3,480,751	
PROFESSIONAL FEES						
Legal Fees	\$ 1,863,364	\$ 704,927	\$ 1,660,110	\$ 1,535,000	\$ 1,560,000	
Legal Fees-Enforcement	11,383	13,814	20,739	30,000	20,000	
Annual Financial Audit	8,573	8,201	9,776	12,000	18,000	
Engineering	14,615	972	14,351	30,000	80,000	
Crane Inspections	4,309	2,155	4,309	4,000	-	
Safety Inspections & Testing	149	171	171	5,000	5,000	
Graphic Design	3,760	4,221	6,731	6,000	6,000	
TOTAL PROFESSIONAL FEES	\$ 1,906,153	\$ 734,459	\$ 1,716,187	\$ 1,622,000	\$ 1,689,000	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 3,719	\$ 2,611	\$ 4,345	\$ 4,000	\$ 4,500	
State Fees	720	450	670	1,500	1,000	
Patrolling & Security Services	239,341	221,881	332,119	300,000	300,000	
Employee Testing- New	87	995	1,040	1,465	2,485	
Janitorial Services	21,467	10,234	17,689	17,136	10,500	
Stream Gauging & Water Quality-USGS	70,750	41,271	70,750	75,000	173,000	
Public Relations Expense	513	-	513	-	-	
Water Conservation & Public Education	3,623	10,241	13,864	37,000	37,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 340,220	\$ 287,684	\$ 440,990	\$ 436,101	\$ 528,485	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 2,107	\$ 1,795	\$ 2,823	\$ 5,000	\$ 5,000	
Other Office Expense	1,484	355	997	2,500	2,500	
Travel	468	1,956	2,416	8,320	18,570	
Automobile & Truck Expense	9,212	7,728	12,690	19,500	27,500	
Storm Preparedness & Response	201	-	201	1,000	6,000	
Postage	13,571	5,925	11,572	14,100	14,100	
Property Insurance	12,074	9,633	14,582	13,800	16,560	
Auto Insurance	12,516	7,030	12,103	16,940	20,328	
Liability Insurance	9,974	4,853	9,081	17,380	20,856	
Training-External	7,291	2,819	5,477	5,940	9,555	
Training-Internal	261	130	260	500	500	

San Jacinto River Authority - Lake Conroe
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
Training-Employee HR	638	2,745	3,383	1,500	11,075	
Managers Expense	2,178	2,328	3,769	2,500	3,000	
Fuel	21,626	13,502	25,030	29,835	38,300	
Uniform Services	4,289	3,103	4,162	4,600	4,600	
Supplies - Lab	1,029	234	1,038	2,500	1,500	
Operations Supplies	4,667	1,166	2,571	8,950	6,950	
Memberships & Professional Dues	419	463	881	1,997	1,899	
Signage	-	33	33	2,000	2,000	
Janitorial Supplies	386	761	1,147	1,000	1,000	
Copier, Scanner & Fax	5,046	3,202	5,482	5,950	5,950	
Utilities-Electric	18,244	24,201	33,295	18,000	25,000	
Utilities-Natural Gas	2,417	1,461	2,465	3,000	4,000	
Personal Protective Equipment	2,964	937	2,333	4,000	4,250	
Safety Equipment & Meetings	8,334	3,577	7,913	5,500	7,500	
Health & Wellness Program	-	-	-	600	1,180	
Recruiting Expenses	2,062	320	2,246	6,775	7,375	
Computer Hardware	20,678	2,758	9,744	27,459	20,035	
Software & Support	103,216	68,858	116,422	86,181	86,165	
Software Maintenance	1,460	1,472	2,432	1,403	2,300	
Physical Security	-	-	-	10,750	11,288	
Network Communications	7,418	3,935	7,300	2,663	3,774	
Newspaper Ads	1,672	-	1,144	2,500	2,500	
Wireless Devices & Services	14,553	9,288	15,191	15,648	16,661	
Phone System-Install, Maintenance, & Changes	-	-	-	-	419	
Landline Telephone Services	5,814	3,122	5,857	2,448	2,549	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 298,268	\$ 189,694	\$ 326,039	\$ 352,738	\$ 412,739	
RENTALS						
Equipment Rentals	\$ 8,779	\$ 2,701	\$ 11,066	\$ 20,000	\$ 20,000	
Office Rent	25,206	14,704	25,206	25,206	25,206	
Rent-U.S. Forest Lands	16,697	9,740	16,697	17,000	16,697	
TOTAL RENTALS	\$ 50,682	\$ 27,145	\$ 52,969	\$ 62,206	\$ 61,903	
MAINTENANCE, REPAIRS & PARTS						
Instrumentation	\$ 19,896	\$ 4,090	\$ 2,177	\$ 22,500	\$ 30,200	
Office, Furniture, & Fixtures	754	2,537	3,291	6,600	1,500	
Buildings & Grounds Maintenance	57,132	18,678	47,428	75,000	80,000	
Generators	8,927	3,333	8,513	6,000	6,000	
Machinery, Tools, & Implements	30,050	13,135	28,444	35,250	35,250	
Boat Maintenance & Repairs	16,642	5,272	15,786	13,000	13,000	
Instrumentation Equipment & Parts	13,314	1,042	3,447	27,000	13,800	
Networking and Communications - SCADA	2,241	-	-	-	800	
Canals, Levees, & Dams-Maintenance & Repairs	42,821	58,541	86,267	80,000	80,000	
Clearing	14,014	11,034	20,168	10,000	10,000	
Invasive Species Management	76,477	29,070	62,631	80,000	80,000	
Streets & Roads	-	16,634	16,634	15,000	35,000	
Ayer Island Maint & Repair	34,052	-	34,052	10,000	15,000	
Lake Conroe Park Maint & Repair	-	16,600	16,600	-	-	
Gates & Fencing Repairs	6,980	6,157	13,037	5,000	11,500	
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 323,300	\$ 186,123	\$ 358,474	\$ 385,350	\$ 412,050	
GENERAL & ADMINISTRATIVE EXPENSES						
General & Administrative Expense Allocated	\$ 832,185	\$ 458,300	\$ 848,682	\$ 924,325	\$ 987,739	
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 832,185	\$ 458,300	\$ 848,682	\$ 924,325	\$ 987,739	
TOTAL EXPENSES	\$ 6,380,083	\$ 3,530,235	\$ 6,523,161	\$ 7,086,491	\$ 7,572,667	
NET REVENUES OVER EXPENSES	\$ (1,640,014)	\$ (980,657)	\$ (1,763,305)	\$ (2,062,337)	\$ (2,239,565)	
CAPITAL IMPROVEMENTS*						
Dam Rehabilitation				\$ -	\$ 5,000	
Maintenance Equipment				11,833	6,000	

*Actuals intentionally left blank.

San Jacinto River Authority - Lake Conroe
Actual to Budget Comparison
FY2021 - FY2023

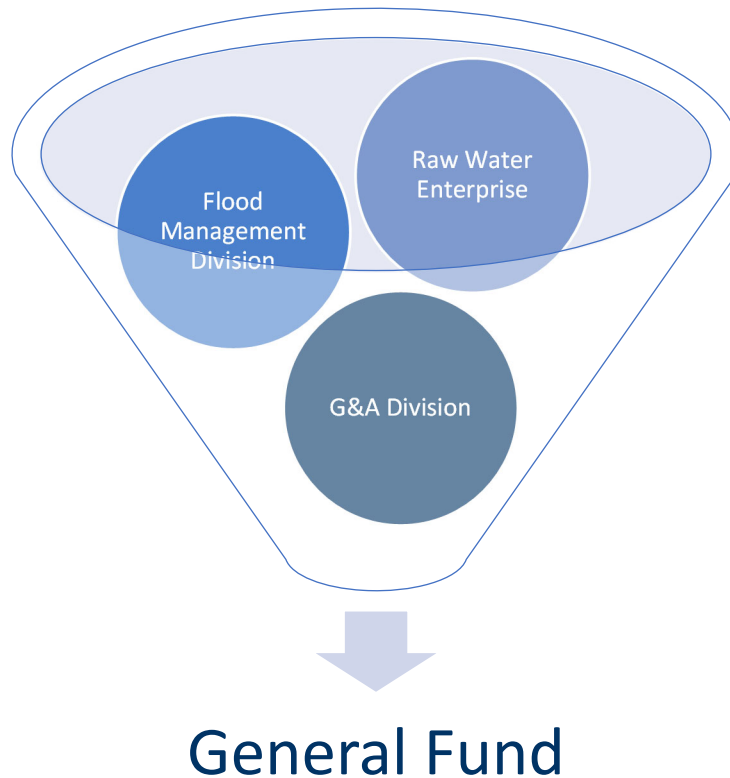
Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
Transportation Equipment				15,333	16,667
Software				172	180
Computer Equipment				776	1,422
TOTAL CAPITAL IMPROVEMENTS				\$ 28,115	\$ 29,268
OTHER SOURCES (USES)*					
Operating Reserve Fund				\$ -	\$ (206,718)
Repair and Replacement Transfers				(1,250,000)	(1,250,000)
TOTAL OTHER SOURCES (USES)				\$ (1,250,000)	\$ (1,456,718)
NET CASH BASIS SOURCES (USES)	\$ (1,640,014)	\$ (980,657)	\$ (1,763,305)	\$ (3,340,452)	\$ (3,725,551)

San Jacinto River Authority - Lake Conroe Repair and Replacement
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
City of Houston Share of Lake Conroe Operations	\$ 112,746	\$ 161,980	\$ 209,541	\$ 392,000	\$ 398,250
TOTAL OPERATING REVENUES	\$ 112,746	\$ 161,980	\$ 209,541	\$ 392,000	\$ 398,250
OTHER REVENUES					
Interest Income	\$ 1,664	\$ 1,299	\$ 1,492	\$ -	\$ -
Grant Revenue	48,691	15,000	63,691	-	-
TOTAL OTHER REVENUES	\$ 50,355	\$ 16,299	\$ 65,182	\$ -	\$ -
OPERATING EXPENSES					
PROFESSIONAL FEES					
Engineering	\$ 95,483	\$ 4,756	\$ 50,415	\$ 50,000	\$ 50,000
TOTAL PROFESSIONAL FEES	\$ 95,483	\$ 4,756	\$ 50,415	\$ 50,000	\$ 50,000
PURCHASED & CONTRACTED SERVICES					
Stream Gauging & Water Quality-USGS	\$ -	\$ 32,000	\$ 32,000	\$ 128,000	\$ -
TOTAL PURCHASED & CONTRACTED SERVICES	\$ -	\$ 32,000	\$ 32,000	\$ 128,000	\$ -
MAINTENANCE, REPAIRS & PARTS					
Canals, Levees, & Dams-Maintenance & Repairs	\$ 35,977	\$ 84,101	\$ 90,407	\$ 130,000	\$ 203,500
Streets & Roads	-	-	-	90,000	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 35,977	\$ 84,101	\$ 90,407	\$ 220,000	\$ 203,500
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 86,350	\$ 137,113	\$ 205,180	\$ 318,000	\$ 343,875
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 86,350	\$ 137,113	\$ 205,180	\$ 318,000	\$ 343,875
TOTAL EXPENSES	\$ 217,809	\$ 257,970	\$ 378,002	\$ 716,000	\$ 597,375
NET REVENUES OVER EXPENSES	\$ (54,709)	\$ (79,691)	\$ (103,279)	\$ (324,000)	\$ (199,125)
CAPITAL IMPROVEMENTS*					
Office Buildings				\$ 173,333	\$ 538,000
Dam Rehabilitation				443,333	16,667
Software				-	125,000
TOTAL CAPITAL IMPROVEMENTS				\$ 616,667	\$ 679,667
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 2,151,934	\$ 3,179,468
Repair and Replacement Transfers				1,250,000	1,250,000
TOTAL OTHER SOURCES (USES)				\$ 3,401,934	\$ 4,429,468
NET CASH BASIS SOURCES (USES)	\$ (54,709)	\$ (79,691)	\$ (103,279)	\$ 2,461,267	\$ 3,550,676

RAW WATER ENTERPRISE SUMMARY

Collectively the Raw Water Enterprise (made up of the Raw Water Supply, the Highlands and Lake Conroe Divisions), the Flood Management Division, and any remaining expenses from the General and Administration (G&A) Division that are not otherwise allocated to other divisions, make up the General Fund for the San Jacinto River Authority.



Fund Balance: For FY2023, the net balance of O&M revenues and 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 (\$929,054).

In the Lake Conroe Repair and Replacement (R&R) Fund, the City of Houston's Share of budgeted Lake Conroe Operations and Capital Improvements of \$1,757,583, less General & Administrative Expense Allocated of \$343,875, totals to a net revenue of \$1,413,708. 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 two-thirds Share.

The net balance of O&M revenues and expenditures of (\$929,054) net of City of Houston Share and G&A Allocations from the Lake Conroe R&R Fund of \$1,413,708 is budgeted to increase the General Fund

balance by \$484,654. This net cash source may appear to be a net revenue, but it is intended to be an increase in the general fund cash balance in anticipation of future years expenses.

San Jacinto River Authority - Raw Water Enterprise Operating Summary
(Raw Water Supply, Highlands, Lake Conroe, Flood Management, and General and Administration)
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	Actuals FY2021	Actuals Sept-Mar FY2022	Apr 2021- Mar 2022	Budget FY2022	Budget FY2023	
OPERATING REVENUES	\$ 25,163,345	\$ 14,620,032	\$ 25,686,043	\$ 26,511,078	\$ 28,741,467	
TOTAL OTHER REVENUES	\$ 291,131	\$ 70,491	\$ 160,926	\$ 770,102	\$ 707,906	
OPERATING EXPENSES						
Salaries, Wages, & Employee Benefits	\$ 6,728,014	\$ 3,957,479	\$ 6,897,863	\$ 8,815,386	\$ 9,242,924	
Professional Fees	2,678,567	1,058,184	2,406,237	4,643,758	4,299,869	
Purchased & Contracted Services	585,451	483,874	761,229	886,767	963,166	
Supplies, Materials & Utilities	1,782,815	1,135,564	1,832,763	2,381,898	2,508,999	
Rentals	81,506	78,434	115,145	181,526	312,223	
Maintenance, Repairs & Parts	713,271	657,654	1,049,820	931,190	976,950	
General & Administrative Expenses	(1,305,778)	(781,523)	(1,373,843)	(1,724,216)	(1,775,759)	
TOTAL OPERATING EXPENSES	\$ 11,263,845	\$ 6,589,666	\$ 11,689,214	\$ 16,116,309	\$ 16,528,372	
TOTAL NON-OPERATING EXPENSES	\$ 2,280,146	\$ 1,126,315	\$ 2,072,056	\$ 2,149,995	\$ 1,767,966	
TOTAL EXPENSES	\$ 13,543,991	\$ 7,715,981	\$ 13,761,270	\$ 18,266,303	\$ 18,296,338	
NET REVENUES OVER EXPENSES	\$ 11,910,485	\$ 6,974,542	\$ 12,085,698	\$ 9,014,877	\$ 11,153,035	
TOTAL CAPITAL IMPROVEMENTS				\$ 723,552	\$ 982,861	
OTHER SOURCES (USES)*						
Cash Sources (Uses)				\$ 269,984	\$ 105,000	
Loan Principal				(355,309)	-	
Bond Principal				(3,638,333)	(3,545,417)	
Operating Reserve Fund				-	(308,811)	
Emergency Reserve Fund				-	(1,000,000)	
Repair and Replacement Transfers				(7,250,000)	(6,350,000)	
Partner Contributions				1,375,000	-	
TOTAL OTHER SOURCES (USES)				\$ (9,598,658)	\$ (11,099,228)	
NET CASH BASIS SOURCES (USES)	\$ 11,910,485	\$ 6,974,542	\$ 12,085,698	\$ (1,307,333)	\$ (929,054)	

SJRA FY2023 Raw Water Enterprise Risk Management – July 2022

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 July 2020 in August 2021. • 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.

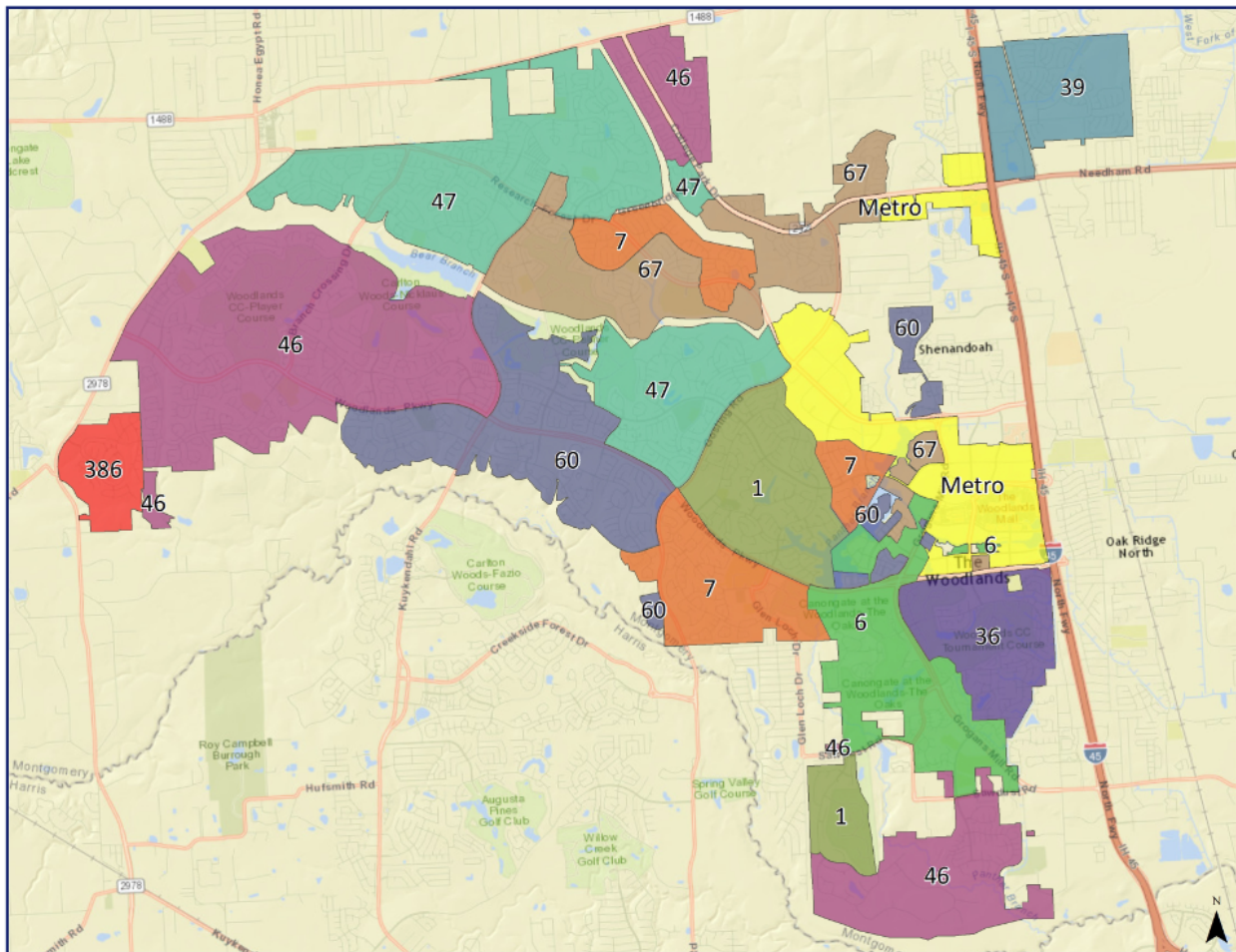


Woodlands Division

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 11 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 125,000 people.

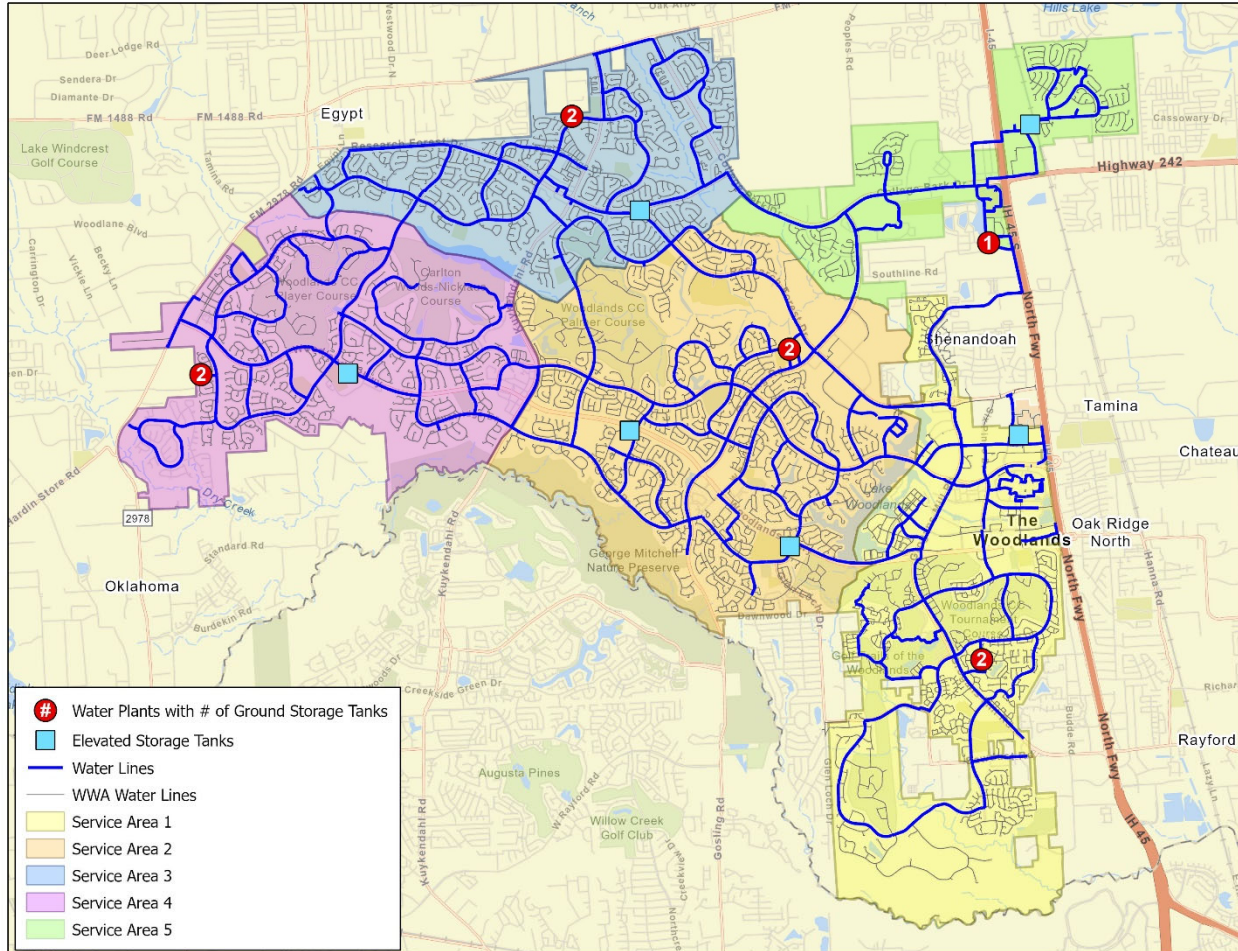
MAP OF WOODLANDS MUDS



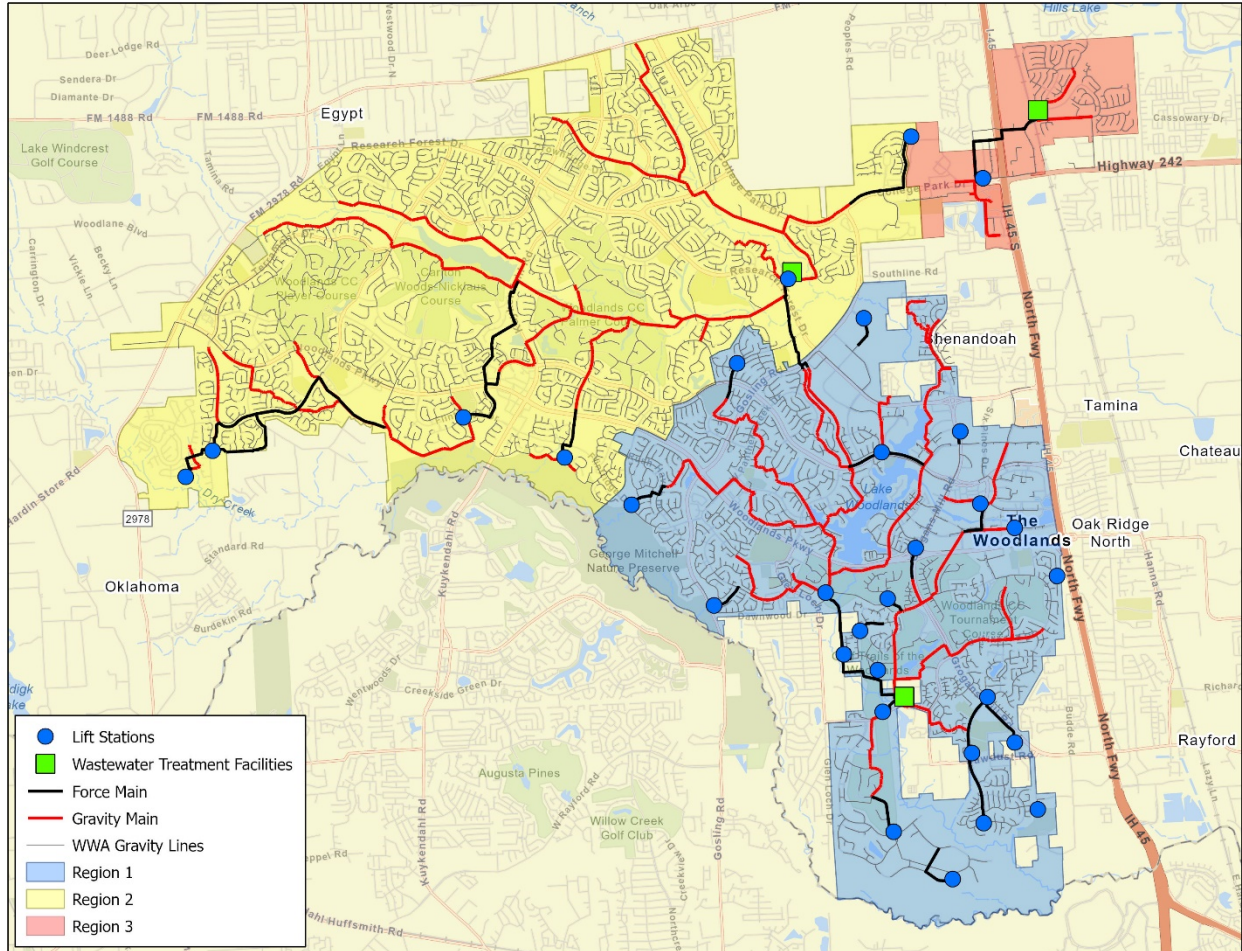
The Woodlands wholesale water system consists of 38 water wells drilled into the Evangeline or Jasper aquifers, five water plants, six elevated storage tanks, nine ground storage tanks, and over 120 miles of water transmission lines with a diameter of twelve inches or greater. The Woodlands wholesale wastewater system consists of thirty lift stations, three regional wastewater treatment plants, over 50 miles of wastewater gravity lines with a diameter fifteen inches or greater, and over 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 infrastructure that routinely extends beyond one fiscal year
- **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 undertaken several major initiatives to improve the operations related to the Woodlands.

1. **Woodlands Wastewater Strategic Plan:** Over the next 40 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 strategic plan 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 community / public input/meetings, permitting, cost data and technologies.
2. **Operational Efficiencies:** The Woodlands 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. Starting in FY2022, The Woodlands Division is advancing asset management usability by implementing a Digital Water System which will collect data from existing software such as EAM and GIS and integrate into user-friendly dashboards to aid in projecting future maintenance costs and operational needs.
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 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 the Woodlands Project Plans may be funded with bonds, capacity charges to MUDs, and/or R&R funds and may extend over multiple fiscal years. In FY2022, the Woodlands Division conducted their assessments and prioritized the following projects for the start of or continuation of design and/or construction in FY2023:

Woodlands - Projects	Stage	Est. FY2023	Funding Source
		Cost	
Water Line Renewal	Construction	\$ 1,104,000	R&R
Harper's Landing Water Line	Construction	\$ 478,000	R&R
Pressure Regulating Valve on Grogan's Mill Road	Construction	\$ 79,000	R&R
Water System Technology Improvements	Design/Const	\$ 150,000	R&R
Water Well Rehabilitation	Design/Const	\$ 1,432,000	R&R
Pressure Regulating Valve Rehabilitation	Construction	\$ 345,000	R&R
Water Plant No. 2 Generator	Construction	\$ 1,125,000	R&R
Water Plant No. 3 Generator	Construction	\$ 1,285,000	R&R
Water System Mechanical Asset Replacement	Construction	\$ 485,000	R&R
Water Line Renewal	Planning	\$ 982,000	R&R
Lift Station Rehabilitation	Construction	\$ 442,000	R&R
Wastewater System Technology Improvements	Construction	\$ 150,000	R&R
Wastewater Strategic Plan	Design	\$ 5,356,000	R&R
Enterprise Resource Planning System	Implement	\$ 375,000	R&R
Total		\$ 13,788,000	

Total Indebtedness and Annual Debt Service: At August 31, 2021, the Woodlands Division had \$70,920,000 of total indebtedness, made up of the following bond issuances:

- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$7,640,000: Matures 10/1/30)
- Series 2014 Special Project Rev. Refunding Bonds (Outstanding: \$19,535,000: Matures 10/1/33)
- Series 2017 Special Project Rev. Bonds (Outstanding: \$39,615,000: Matures 10/01/42)

Total annual debt service (principal and interest) for FY2023 for the existing bond issuances listed above is \$5,387,890.

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 FY2023 includes 39 direct FTE positions, with no part-time, temporary, or intern positions. Of the 39 FTEs the Woodlands Division allocates 2.3 FTEs to the GRP Division. In addition, the Division is allocated 27.42 FTEs for FY2023 from G&A Departments, other divisions, and the Utility Enterprise. The total net FY2023 FTEs associated with the Woodlands Division, direct and allocated, is 66.42 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 FY2023 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.

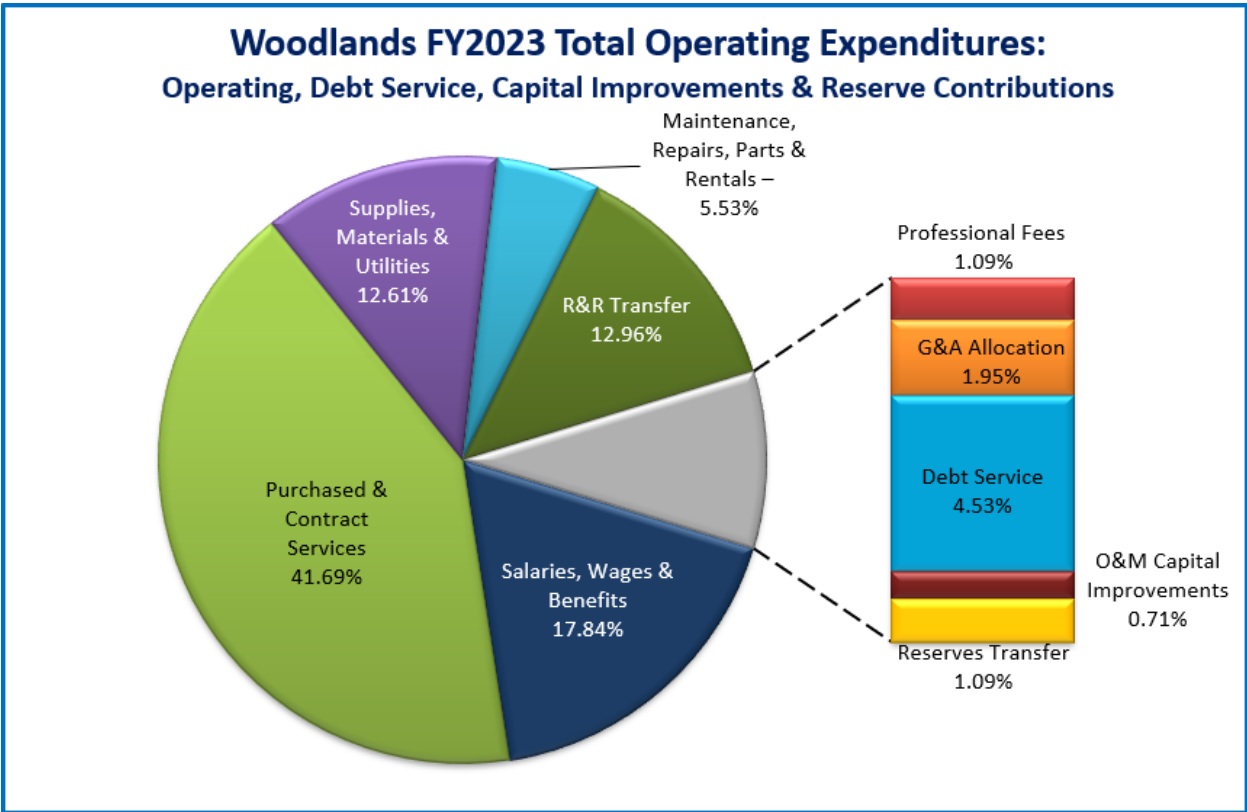
For FY2023, the Woodlands is forecasting a 250 Million Gallons per Year (MGY) reduction in water sales and a 100 MGY reduction in wastewater sales when comparing to FY2022 projections. The wholesale water rate to the MUDs for FY2023 is budgeted at \$2.73 per 1,000 gallons, resulting in wholesale water sales totaling \$14,064,960. The wholesale wastewater rate to the MUDs for FY2023 is budgeted at \$5.53, resulting in wholesale wastewater sales totaling \$15,484,000. The WWA directed the Woodlands Division to utilize a blended groundwater/surface-water GRP rate based on the anticipated FY2023 groundwater to surface-water usage ratio within the Woodlands system. The blended GRP rate for FY2023 is budgeted at \$3.20 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 FY2023 are anticipated to be \$16,486,400 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 \$207,100.

Expected O&M Operating Revenues and Other Revenues for the Woodlands Division for FY2023 total \$46,286,860. For the R&R Fund, the Woodlands expected Operating Revenues, Other Revenues, and Other Cash Sources total \$17,333,930; \$11,333,930 from cash sources, and \$6,000,000 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 \$2,313,813, \$980,950, and \$1,000, respectively.

Expenditures: The Woodlands Division O&M Budget for FY2023 contains regular and customary expenses related to the on-going operation and maintenance of the Woodlands Division’s 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)
- Operating Reserve Contributions
- R&R Fund Contributions

Expected total O&M expenditures for the Woodlands Division for FY2023, including operating, debt service, capital improvements, and contributions to the R&R Fund, totals \$46,286,860.



Woodlands expected R&R Fund operating expenses, Bond expenditures, and capital improvements, totals \$13,413,000. Woodlands expected operating and debt service expenditures for Water Bonds and Wastewater Bonds are \$2,313,813 and \$980,950 respectively. Woodlands has no budgeted expenditures for Future Facilities in FY2023; 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 Woodlands Division 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 FY2022, the Woodlands Division has not met a three-month Operating Reserve target at \$4,737,047, equivalent to three months of operating expenses. For FY2023, the Operating Reserve is projected to be \$5,397,866, equivalent to three months of operating expenses. There is a contribution of \$505,207 budgeted for FY2023 to aid in funding the reserve to approximately three months of operating expenses.

Repair & Replacement (R&R Fund): The Woodlands Division 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 FY2023, the contribution to the R&R Fund is estimated to be \$6,000,000. In addition, there is

\$11,333,930 budgeted cash carryforward from FY2022 into FY2023. Expenditures for the R&R Fund is budgeted to be \$8,057,000 for FY2023. The net of cash carryforward, R&R transfers, and expenditures leaves a net balance of \$8,901,930 budgeted to carryforward to FY2024 to cover future projects.

Emergency Reserve: The Woodlands Division 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 FY2022 and no contributions are budgeted in FY2023.

For FY2023, 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
Actual to Budget Comparison
FY2021 - FY2023

Water Rate: \$2.73 (\$0.36 Increase)

Wastewater Rate: \$5.53 (\$0.68 Increase)

GRP Blended Rate: \$3.20

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	Actuals FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2022	FY2023
OPERATING REVENUES						
Water Sales-Woodlands MUD's	\$ 11,006,957	\$ 5,553,614	\$ 10,432,409	\$ 12,864,360	\$ 14,064,960	\$ 14,064,960
Wastewater Treatment Fees	12,666,410	7,448,817	12,591,939	14,065,000	15,484,000	15,484,000
Direct Reuse Water	30,024	17,500	30,000	30,000	30,000	30,000
Permits, Licenses & Fees - Commercial	207,070	-	207,070	207,100	207,100	207,100
GRP Pumping Fees	14,012,563	7,101,364	13,318,589	16,446,840	16,486,400	16,486,400
Sampling	-	-	-	6,000	6,000	6,000
Repair Recovery Revenue	83,234	1,766	85,000	-	-	-
Other Operating Revenue	900	-	-	-	-	-
TOTAL OPERATING REVENUES	\$ 38,007,158	\$ 20,123,062	\$ 36,665,007	\$ 43,619,300	\$ 46,278,460	\$ 46,278,460
OTHER REVENUES						
Interest Income	\$ 30,639	\$ (383,287)	\$ (375,070)	\$ 8,400	\$ 8,400	\$ 8,400
FEMA Grant Revenue	1,825	44,297	44,297	-	-	-
Proceeds From Sale Of Assets	(107,226)	3,750	(104,226)	-	-	-
Other Gains & Losses	8,316	2,812	9,545	-	-	-
TOTAL OTHER REVENUES	\$ (66,446)	\$ (332,427)	\$ (425,453)	\$ 8,400	\$ 8,400	\$ 8,400
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 2,595,815	\$ 1,300,441	\$ 2,354,661	\$ 2,700,066	\$ 2,820,785	\$ 2,820,785
Salary & Wage Allocation	2,398,609	1,265,513	2,442,291	2,606,239	2,963,955	2,963,955
Staffing Services	3,697	61,485	65,182	-	50,000	50,000
Compensated Absences	5,694	-	5,694	-	-	-
Group Insurance	1,065,041	659,537	1,110,977	1,182,442	1,123,420	1,123,420
Group Insurance - Retirees	11,012	7,087	12,116	13,156	13,356	13,356
Group Insurance - Retiree OPEB	(52,300)	-	(52,300)	100,000	100,000	100,000
Group Retirement Expense	585,432	287,547	514,769	586,307	636,321	636,321
Workers Compensation Insurance	83,671	39,183	76,850	102,558	111,644	111,644
Social Security Taxes	360,421	190,120	353,493	400,474	436,473	436,473
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 7,057,093	\$ 3,810,912	\$ 6,883,733	\$ 7,691,242	\$ 8,255,955	\$ 8,255,955
PROFESSIONAL FEES						
Legal Fees	\$ 17,702	\$ 16,976	\$ 24,634	\$ 80,000	\$ 80,000	\$ 80,000
Lobbyist	12,000	48,564	60,564	-	120,000	120,000
Annual Financial Audit	37,050	33,687	37,737	42,000	42,000	42,000
Paying Agent Fees	750	1,500	1,500	750	1,500	1,500
Engineering	119,755	533,352	612,621	240,000	235,000	235,000
Crane Inspections	-	-	-	-	8,000	8,000
Safety Inspections & Testing	6,927	428	1,640	11,000	11,000	11,000
Graphic Design	3,015	2,007	2,521	7,000	8,500	8,500
TOTAL PROFESSIONAL FEES	\$ 197,199	\$ 636,513	\$ 741,218	\$ 380,750	\$ 506,000	\$ 506,000
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 93,972	\$ 57,331	\$ 110,232	\$ 95,100	\$ 28,700	\$ 28,700
Sampling-Reimbursible	-	-	-	6,000	6,000	6,000
Sludge Disposal	437,568	217,148	437,976	450,000	477,270	477,270
Meter Calibration Services	1,144	2,689	3,540	6,600	14,400	14,400
Commercial Laboratory Fees	139,292	63,306	135,574	152,448	162,640	162,640
State Fees	91,077	90,795	91,295	100,300	100,300	100,300
Groundwater District Fees	264,216	128,080	263,846	328,524	240,618	240,618
Employee Testing- New	1,194	3,811	4,569	7,130	9,130	9,130
GRP Pumpage Fees	7,669,482	4,054,455	8,028,530	11,131,162	8,464,100	8,464,100
GRP Surface Water Fees	7,712,602	3,760,515	6,817,225	6,943,047	9,653,037	9,653,037
Janitorial Services	34,670	13,895	32,783	29,250	25,650	25,650
Stream Gauging & Water Quality-USGS	69,380	40,563	69,472	70,000	75,000	75,000
Public Relations Expense	513	-	513	-	-	-
Water Conservation & Public Education	4,221	11,933	16,154	36,000	36,000	36,000
Document Retention/Destruction	984	81	243	5,000	5,000	5,000
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 16,520,315	\$ 8,444,602	\$ 16,011,952	\$ 19,360,561	\$ 19,297,845	\$ 19,297,845
SUPPLIES, MATERIALS & UTILITIES						

*Actuals intentionally left blank.

San Jacinto River Authority - Woodlands
Actual to Budget Comparison
FY2021 - FY2023

Water Rate: \$2.73 (\$0.36 Increase)

Wastewater Rate: \$5.53 (\$0.68 Increase)

GRP Blended Rate: \$3.20

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
Office Supplies & Printing	\$ 6,836	\$ 6,792	\$ 9,893	\$ 13,500	\$ 13,500	
Travel	1,866	1,007	2,891	4,000	7,500	
Office Furnishings	4,183	-	3,629	5,000	5,000	
Automobile & Truck Expense	64,815	42,053	85,382	100,000	80,000	
Storm Preparedness & Response	6,211	7,886	10,645	5,000	5,000	
Postage	1,631	612	1,601	3,225	5,025	
Property Insurance	360,607	207,923	358,022	358,800	430,560	
Auto Insurance	44,756	29,350	46,317	49,940	59,928	
Liability Insurance	37,024	1,659	16,842	49,500	59,400	
Training-External	11,539	8,812	16,217	30,300	30,350	
Training-Internal	1,586	1,413	2,513	6,000	6,000	
Training-Employee HR	1,566	6,725	8,292	3,675	28,325	
Chlorine	205,845	134,883	240,207	203,000	511,640	
Polymer	65,888	34,151	71,014	72,200	73,128	
Sulfur Dioxide	89,040	47,700	85,860	82,700	184,000	
Other Chemicals	73,435	27,260	77,826	35,074	15,400	
Employee Relations	-	7,523	7,523	7,000	9,220	
Alkalinity	190,298	107,327	233,207	112,880	298,350	
Fuel	94,377	44,974	98,794	151,000	191,500	
Uniform Services	23,310	19,320	23,017	33,500	10,920	
Maintenance Supplies	69,114	28,955	66,684	73,000	86,500	
Operations Supplies	49,136	36,143	56,203	49,100	63,300	
Other Operating Expenses	14,509	22	5,953	-	-	
Memberships & Professional Dues	17,514	8,217	8,701	20,000	20,000	
Utilities-Electric	2,606,029	1,576,718	2,727,355	2,500,000	3,040,000	
Utilities-Natural Gas	12,240	7,775	11,901	13,000	13,000	
Personal Protective Equipment	20	71	71	1,000	25,510	
Safety Equipment & Meetings	31,884	6,008	20,492	26,000	15,000	
Health & Wellness Program	-	1,425	1,425	1,450	3,020	
Recruiting Expenses	3,094	4,712	7,411	16,450	18,850	
Computer Hardware	86,193	8,523	55,001	88,947	80,654	
Software & Support	155,475	116,997	189,385	177,280	192,574	
Software Maintenance	43,019	33,408	55,353	62,315	72,800	
Physical Security	927	285	1,212	25,500	26,776	
Network Communications	28,733	11,639	26,777	21,360	30,960	
Newspaper Ads	9,768	-	4,840	6,225	12,225	
Wireless Devices & Services	52,262	27,616	50,989	50,160	56,340	
Landline Telephone Services	60,934	30,514	55,210	53,016	53,016	
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 4,525,664	\$ 2,636,396	\$ 4,744,655	\$ 4,511,097	\$ 5,835,271	
RENTALS						
Equipment Rentals	\$ 10,248	\$ 3,790	\$ 9,152	\$ 16,500	\$ 16,500	
Radio Tower Rental	8,855	5,320	9,010	9,400	9,700	
TOTAL RENTALS	\$ 19,104	\$ 9,110	\$ 18,162	\$ 25,900	\$ 26,200	
MAINTENANCE, REPAIRS & PARTS						
Air Conditioner	\$ 34,055	\$ 3,355	\$ 27,267	\$ 60,500	\$ 71,000	
Sidewalks & Driveways	9,743	11,510	16,310	20,000	20,000	
Mowing	152,068	85,355	141,995	186,000	284,000	
Buildings & Grounds Maintenance	44,644	5,263	23,441	83,000	70,000	
Plants & Facilities	70,767	1,784	69,988	100,000	100,000	
Security System Monitoring	857	1,740	2,566	3,100	1,000	
Wells	8,008	-	-	6,000	15,000	
Tanks	103,132	33,412	75,473	130,500	272,500	
Electrical	86,199	22,692	84,794	125,000	120,000	
Generators	29,601	30,216	45,504	45,000	50,000	
Pumps & Motors	198,457	19,275	69,143	258,500	255,000	
Aerators	47,520	159	2,589	89,500	92,500	
Machinery, Tools, & Implements	21,491	17,098	25,674	15,000	16,000	
Belt Press	10,986	24,954	29,609	34,000	41,000	
Clarifier	692	118	574	81,200	12,000	
UV Equipment	6,460	-	6,071	-	-	

*Actuals intentionally left blank.

San Jacinto River Authority - Woodlands
Actual to Budget Comparison
FY2021 - FY2023

Water Rate: \$2.73 (\$0.36 Increase)

Wastewater Rate: \$5.53 (\$0.68 Increase)

GRP Blended Rate: \$3.20

Description	Actuals			Rolling 12 Mo. Actuals	
	Actuals FY2021	Actuals Sept-Mar FY2022	Actuals Apr 2021-Mar 2022	Budget FY2022	Budget FY2023
Lines, Valves, & Pipes	502,149	270,394	588,292	423,799	582,000
Drainage Structures	-	-	-	55,000	70,000
Instrumentation Equipment & Parts	269,862	61,150	160,796	228,725	328,690
Bar Screens	16,215	6,924	17,224	14,000	7,000
Chlorinator	14,005	36,209	40,679	57,500	47,500
Low Head Filters	7,599	-	7,204	109,200	70,000
Networking and Communications - SCADA	9,457	1,773	6,219	6,750	7,700
Inventory Gains and Losses	(33,239)	(9,514)	(29,797)	-	-
Bad Debt Expense	31,345	-	31,345	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 1,642,073	\$ 623,867	\$ 1,442,959	\$ 2,132,274	\$ 2,532,890
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 787,316	\$ 423,907	\$ 767,293	\$ 835,923	\$ 903,079
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 787,316	\$ 423,907	\$ 767,293	\$ 835,923	\$ 903,079
NON-OPERATING EXPENSES					
Interest Expense	\$ 457,281	\$ 266,747	\$ 457,281	\$ 457,281	\$ 455,627
TOTAL NON-OPERATING EXPENSES	\$ 457,281	\$ 266,747	\$ 457,281	\$ 457,281	\$ 455,627
TOTAL EXPENSES	\$ 31,206,044	\$ 16,852,055	\$ 31,067,253	\$ 35,395,028	\$ 37,812,867
NET REVENUES OVER EXPENSES	\$ 6,734,668	\$ 2,938,579	\$ 5,172,301	\$ 8,232,672	\$ 8,473,993
CAPITAL IMPROVEMENTS*					
Land Improvements				\$ -	\$ 38,000
Capital Improvements				-	10,000
Water Treatment Plant & Facilities				262,500	-
Sewage Treatment Plant & Facilities				-	100,000
Maintenance Equipment				-	8,000
Transportation Equipment				-	88,000
Software				1,591	1,662
Computer Equipment				27,159	83,124
TOTAL CAPITAL IMPROVEMENTS				\$ 291,250	\$ 328,786
OTHER SOURCES (USES)*					
Bond Proceeds				\$ -	\$ -
Operating Reserve Fund				-	(505,207)
Bond Principal				(1,640,000)	(1,640,000)
Repair and Replacement Transfers				(6,301,422)	(6,000,000)
TOTAL OTHER SOURCES (USES)				\$ (7,941,422)	\$ (8,145,207)
NET CASH BASIS SOURCES (USES)	\$ 6,734,668	\$ 2,938,579	\$ 5,172,301	\$ -	\$ -

*Actuals intentionally left blank.

San Jacinto River Authority - Woodlands Repair and Replacement
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OTHER REVENUES					
Interest Income	\$ 6,028	\$ 3,978	\$ 4,737	\$ 6,000	\$ -
Other Gains & Losses	149	-	149	-	-
TOTAL OTHER REVENUES	\$ 6,177	\$ 3,978	\$ 4,886	\$ 6,000	\$ -
OPERATING EXPENSES					
PROFESSIONAL FEES					
Engineering	\$ 46,786	\$ 147,728	\$ 194,514	\$ 325,000	\$ -
TOTAL PROFESSIONAL FEES	\$ 46,786	\$ 147,728	\$ 194,514	\$ 325,000	\$ -
MAINTENANCE, REPAIRS & PARTS					
Wells	\$ 12,710	\$ 217,761	\$ 230,471	\$ 240,000	\$ 1,432,000
Tanks	942,006	1,081,226	1,332,340	3,260,000	442,000
Clarifier	17,163	5,940	23,104	-	-
Lines, Valves, & Pipes	346,800	77,696	149,600	7,338,000	2,086,000
Bar Screens	-	-	-	100,000	-
Chlorinator	47,040	491	47,532	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 1,365,719	\$ 1,383,114	\$ 1,783,045	\$ 10,938,000	\$ 3,960,000
TOTAL EXPENSES	\$ 1,412,506	\$ 1,530,841	\$ 1,977,559	\$ 11,263,000	\$ 3,960,000
NET REVENUES OVER EXPENSES	\$ (1,406,329)	\$ (1,526,863)	\$ (1,972,673)	\$ (11,257,000)	\$ (3,960,000)
CAPITAL IMPROVEMENTS*					
Water Treatment Plant & Facilities				\$ 225,000	\$ 3,797,000
Sewage Treatment Plant & Facilities				72,174	-
Software				375,000	675,000
TOTAL CAPITAL IMPROVEMENTS				\$ 672,174	\$ 4,472,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 8,770,740	\$ 11,333,930
Repair and Replacement Transfers				6,301,422	6,000,000
TOTAL OTHER SOURCES (USES)				\$ 15,072,162	\$ 17,333,930
NET CASH BASIS SOURCES (USES)	\$ (1,406,329)	\$ (1,526,863)	\$ (1,972,673)	\$ 3,142,988	\$ 8,901,930

San Jacinto River Authority - Waste Disposal Bonds
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
Capacity Revenue	\$ 985,350	\$ 302,587	\$ 975,650	\$ 990,150	\$ 980,830
TOTAL OPERATING REVENUES	\$ 985,350	\$ 302,587	\$ 975,650	\$ 990,150	\$ 980,830
OTHER REVENUES					
Interest Income	\$ 291	\$ 117	\$ 175	\$ 120	\$ 120
TOTAL OTHER REVENUES	\$ 291	\$ 117	\$ 175	\$ 120	\$ 120
OPERATING EXPENSES					
PROFESSIONAL FEES					
Disclosure Filing	\$ 500	\$ 250	\$ 250	\$ 500	\$ 500
Paying Agent Fees	750	-	750	750	750
TOTAL PROFESSIONAL FEES	\$ 1,250	\$ 250	\$ 1,000	\$ 1,250	\$ 1,250
NON-OPERATING EXPENSES					
Interest Expense	\$ 357,367	\$ 194,688	\$ 342,750	\$ 332,250	\$ 305,950
TOTAL NON-OPERATING EXPENSES	\$ 357,367	\$ 194,688	\$ 342,750	\$ 332,250	\$ 305,950
TOTAL EXPENSES	\$ 358,617	\$ 194,938	\$ 343,750	\$ 333,500	\$ 307,200
NET REVENUES OVER EXPENSES	\$ 627,025	\$ 107,767	\$ 632,075	\$ 656,770	\$ 673,750
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 730	\$ -
Bond Principal				(657,500)	(673,750)
TOTAL OTHER SOURCES (USES)				\$ (656,770)	\$ (673,750)
NET CASH BASIS SOURCES (USES)	\$ 627,025	\$ 107,767	\$ 632,075	\$ -	\$ -

San Jacinto River Authority - Water Supply Bonds
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
Capacity Revenue	\$ 2,308,450	\$ 741,542	\$ 2,288,813	\$ 2,310,500	\$ 2,313,563
TOTAL OPERATING REVENUES	\$ 2,308,450	\$ 741,542	\$ 2,288,813	\$ 2,310,500	\$ 2,313,563
OTHER REVENUES					
Interest Income	\$ 620	\$ 211	\$ 330	\$ 480	\$ 250
TOTAL OTHER REVENUES	\$ 620	\$ 211	\$ 330	\$ 480	\$ 250
OPERATING EXPENSES					
PROFESSIONAL FEES					
Disclosure Filing	\$ 500	\$ 250	\$ 250	\$ 500	\$ 500
Arbitrage Rebate Audit	1,000	-	-	-	-
Paying Agent Fees	750	-	750	750	750
TOTAL PROFESSIONAL FEES	\$ 2,250	\$ 250	\$ 1,000	\$ 1,250	\$ 1,250
NON-OPERATING EXPENSES					
Interest Expense	\$ 905,990	\$ 505,247	\$ 879,475	\$ 859,496	\$ 788,813
TOTAL NON-OPERATING EXPENSES	\$ 905,990	\$ 505,247	\$ 879,475	\$ 859,496	\$ 788,813
TOTAL EXPENSES	\$ 908,240	\$ 505,497	\$ 880,475	\$ 860,746	\$ 790,063
NET REVENUES OVER EXPENSES	\$ 1,400,830	\$ 236,256	\$ 1,408,667	\$ 1,450,234	\$ 1,523,750
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 599	\$ -
Bond Principal				(1,450,833)	(1,523,750)
TOTAL OTHER SOURCES (USES)				\$ (1,450,234)	\$ (1,523,750)
NET CASH BASIS SOURCES (USES)	\$ 1,400,830	\$ 236,256	\$ 1,408,667	\$ -	\$ -

San Jacinto River Authority - Future Facilities
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OTHER REVENUES					
Interest Income	\$ 2,328	\$ 972	\$ 1,181	\$ 1,200	\$ 1,000
TOTAL OTHER REVENUES	\$ 2,328	\$ 972	\$ 1,181	\$ 1,200	\$ 1,000
NET REVENUES OVER EXPENSES	\$ 2,328	\$ 972	\$ 1,181	\$ 1,200	\$ 1,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ -	\$ -
TOTAL OTHER SOURCES (USES)				\$ -	\$ -
NET CASH BASIS SOURCES (USES)	\$ 2,328	\$ 972	\$ 1,181	\$ 1,200	\$ 1,000

SJRA FY2023 Woodlands Division Risk Management – July 2022

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. • 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. • Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts.

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

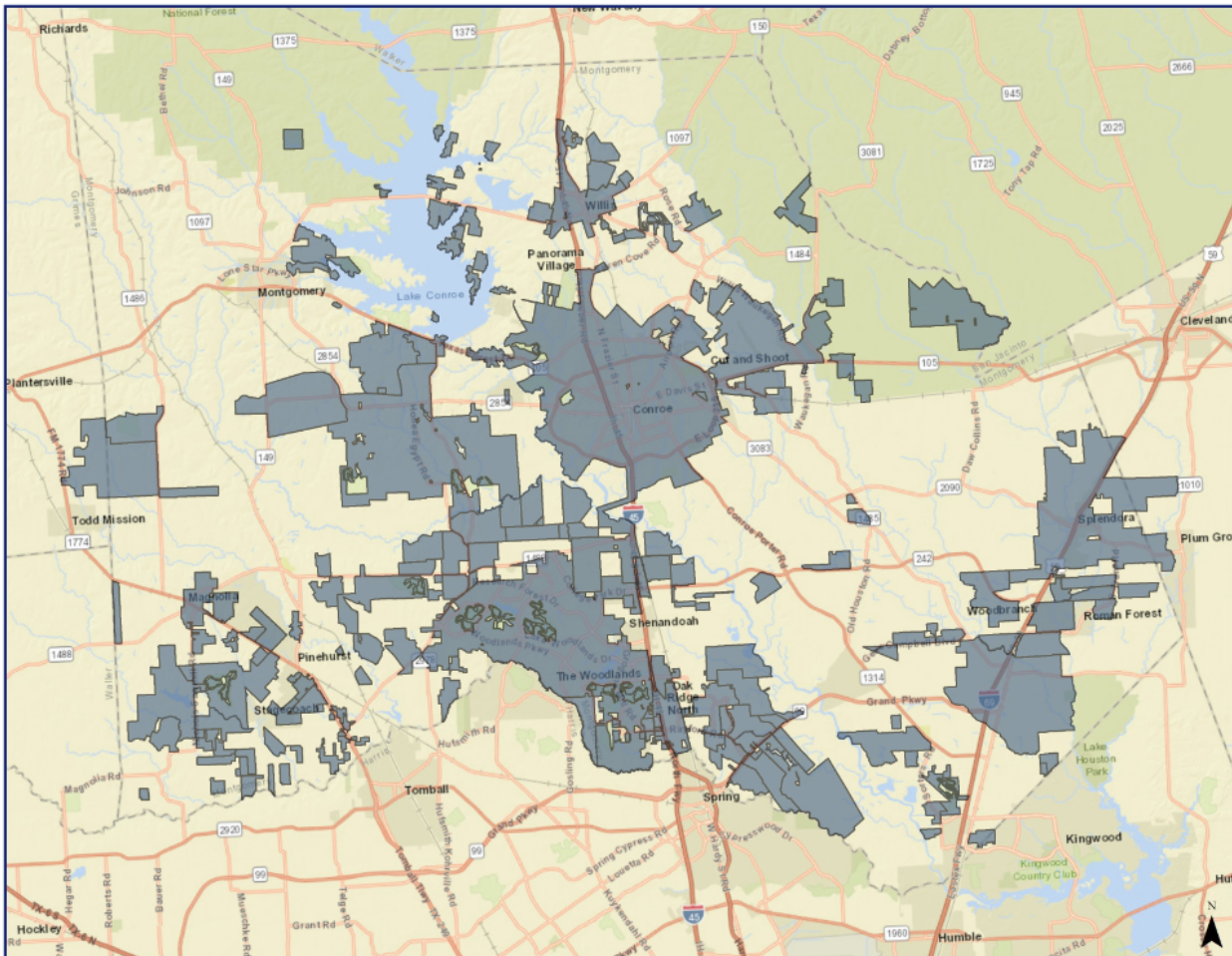


**GRP
Division**

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.

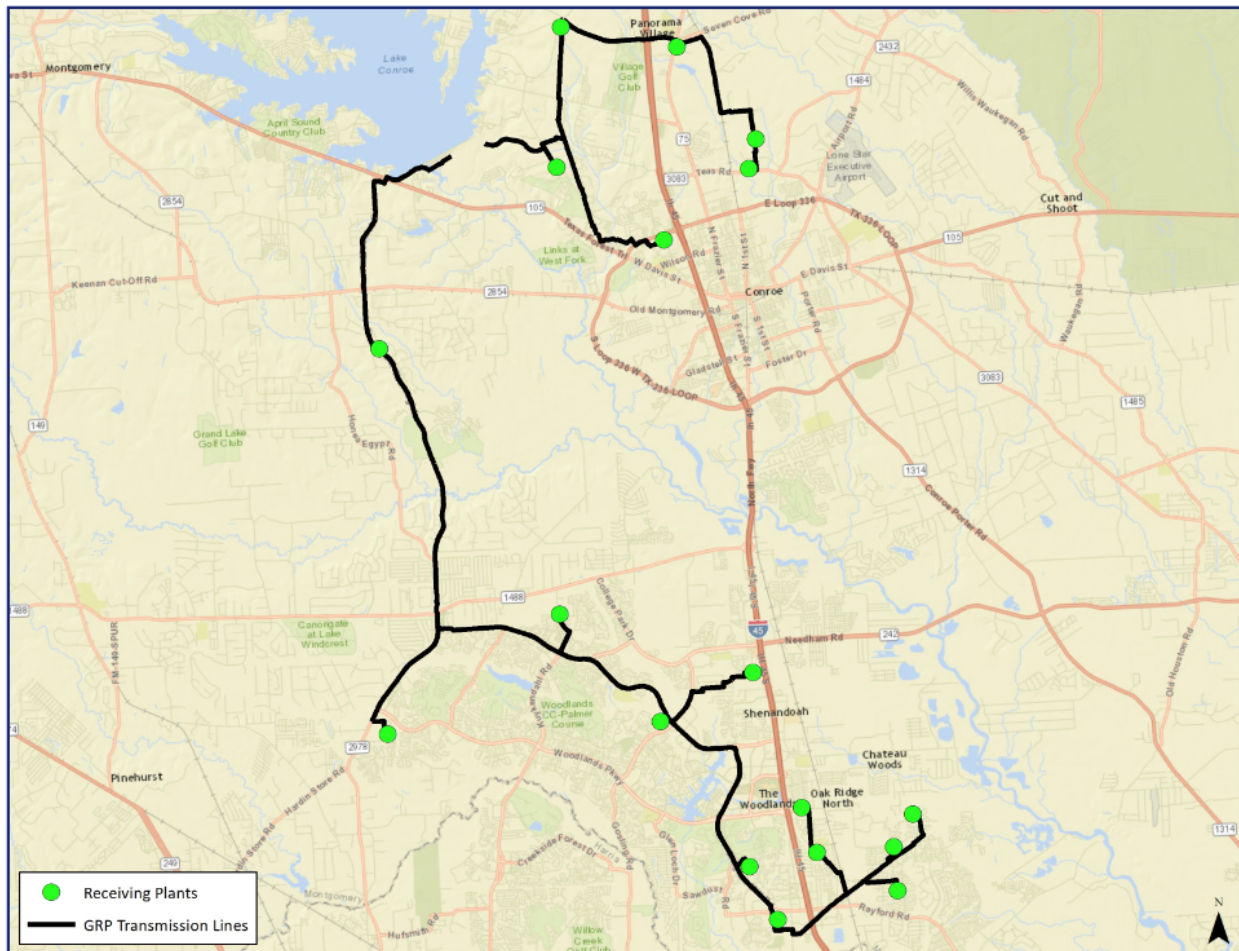
Adjustment to LSGCD Rules and Regulations

In November 2018, after the Authority funded and built its GRP water treatment plant to treat and distribute surface water from Lake Conroe to large volume users in Montgomery County, a new Board of Directors was elected for the Lone Star Groundwater Conservation District (LSGCD). In February 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 judgment became final on May 17, 2019. In September 2020, LSGCD adopted new management rules that removed the requirement for large volume groundwater users within Montgomery County to reduce the amount of groundwater pumped via a Groundwater Reduction Plan (GRP) and also removed requirements to maintain a reduced pumpage through consideration of forecasted Desired Future Conditions (DFCs) of the aquifers by the regulatory body, Groundwater Management Area 14 (GMA14).

Responsible Action for GRP

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

MAP OF GRP TRANSMISSION LINES AND RECEIVING FACILITIES



Major Initiatives: Since FY2020 and planned through FY2023, the GRP Division has undertaken several major initiatives to improve the operations related to the Division.

- 1. Run GRP Surface Water Treatment Plant at a reduced production rate:** In order to maintain the viability of its assets and keep expenses as low as possible, the GRP Division will operate the Surface Water Treatment Plant (SWTP) at an annual average flow rate of 13 MGD with a demand projection calculated using the 4-year average. 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 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. Starting in FY2023, The GRP Division is advancing asset management usability by implementing a Digital

Water System which will collect data from existing software such as EAM and GIS and integrate into user-friendly dashboards to aid in projecting future maintenance costs and operational needs.

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.

GRP - Projects	Stage	Est. FY2023	
		Cost	Funding Source
Membrane Replacement	Design	\$ 800,000	R&R
Enterprise Resource Planning System	Implement	\$ 375,000	O&M
Total		\$ 1,175,000	

Total Indebtedness and Annual Debt Service: At August 31, 2021, the GRP Division currently had \$452,120,000 of total indebtedness, made up of the following bond issuances:

- Series 2009 Special Project Revenue Bonds (Outstanding: \$14,860,000; Matures 10/1/28)
- Series 2011 Special Project Revenue Bonds (Outstanding: \$67,250,000; Matures 10/1/37)
- Series 2011A Special Project Revenue Bonds (Outstanding: \$49,985,000; Matures 10/1/35)
- Series 2012 Special Project Revenue Bonds (Outstanding: \$134,245,000; Matures 10/1/37)
- Series 2012A Special Project Revenue Bonds (Outstanding: \$150,790,000; Matures 10/1/40)
- Series 2013 Special Project Revenue Bonds (Outstanding: \$33,015,000; Matures 10/1/40)
- Series 2016 Special Project Revenue Bonds (Outstanding: \$1,975,000; Matures 10/1/41)

Annual debt service (principal and interest) for FY2023 for the above bond issuances is \$34,638,668. 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 FY2022.

Staffing Plans: The GRP Division’s staffing plan for FY2023 includes 25.0 direct FTE positions, with no part-time, temporary, or intern positions. In addition to the 25.0 direct GRP Division FTEs, the Division receives an allocation of 16.95 FTEs for FY2023 from G&A Departments and the Utility Enterprise. Total FY2023 FTEs associated with the GRP Division, direct and allocated, is 41.95 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 48 months will be used as the projected demand for FY2023 and the surface water production rate is planned to be 4.745 billion gallons.

The GRP Pumping Fee rate to its participants is budgeted to be \$2.99 per 1,000 gallons resulting in groundwater revenues totaling \$45,334,725. The GRP Surface-Water Fee to its participants is budgeted to be \$3.41 per 1,000 gallons, resulting in surface-water revenues totaling \$16,180,449. Other revenues from office rental total \$5,400. In addition, the GRP Division will receive Industrial Revenue and Industrial

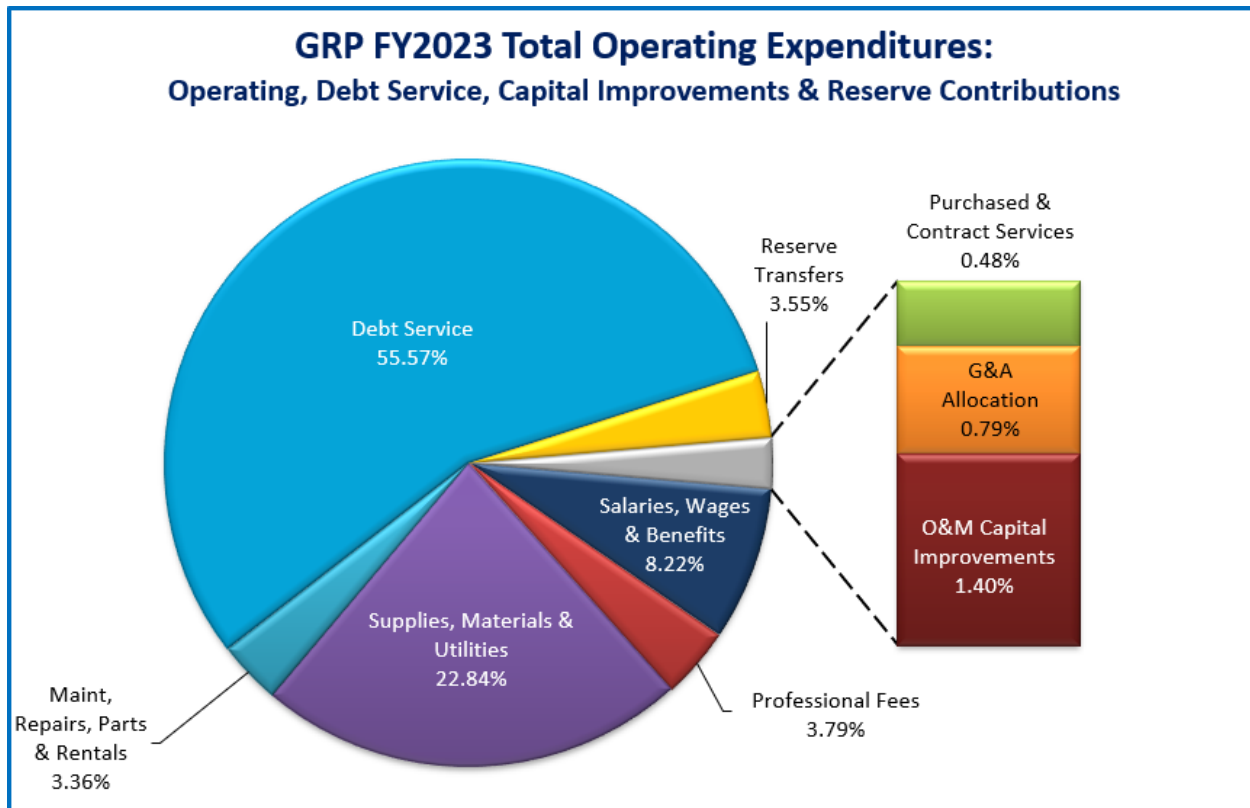
Reservation Fees in the amount of \$814,047 from Entergy, which will help offset costs of water supply reserved for future use but not required to meet FY23 Surface Water production demands.

Expected O&M revenues for the GRP Division for FY2023 total \$62,334,621.

Expenditures: The FY2023 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 FY2023, including operating, debt service, capital improvements, and any other cash uses, totals \$62,334,621.



Fund Balance and Reserves: Based upon actual monthly revenues and expenditures for FY2023, along with the forecasted monthly revenues and expenditures for the remaining FY2022 months, the operating fund balance for the GRP Division for the end of FY2022, beginning of FY2023, 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 GRP Operating & Rate Stabilization Reserve (Operating Reserve) was established for cash flow management, and rate and revenue stabilization. The Operating Reserve target for the GRP Division is set to an amount equal to three months of operating expenditures with a minimum balance of \$6,152,239. For FY2022, the GRP Division has not continuously met the three-month Operating Reserve target. As of the beginning of FY2022 the Operating Reserve balance was \$4,502,638, roughly 2.56 months of operating reserves. For year-end of FY2022, the Operating Reserve is projected to be less than the three month target of operating expenses.

Emergency Reserve: The GRP 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 was budgeted for transfer into the Emergency Reserve but due to cash flow, it did not occur. In FY2023, \$700,000 is budgeted for transfer into the Emergency Reserve to account for the \$350,000 that did not occur in FY2022 and a \$350,000 transfer in FY2023. Currently there are no Emergency Reserves.

Repair & Replacement (R&R Fund): The GRP 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. In FY2022, \$600,000 was budgeted for transfer into the R&R Fund, but due to cash flow, it did not occur. For FY2023, \$1,200,000 is budgeted for transfer to the R&R Fund to account for the \$600,000 that did not occur in FY2022 and a \$600,000 transfer in FY2023. Currently there are no Repair & Replacement funds.

For FY2023, 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
FY2021 - FY2023**

Groundwater Pumpage Fee: \$2.99 (\$0.11 Increase)
Surface Water Delivery Fee: \$3.41 (\$0.11 Increase)

Description	Actuals		Rolling 12 Mo. Actuals		Budget	Budget
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
OPERATING REVENUES						
General Industrial Water Revenue	\$ 379,454	\$ 336,320	\$ 501,318	\$ 580,642	\$ 613,200	
Industrial Reservation Fee	195,032	85,130	139,211	134,046	200,847	
GRP Pumping Fees	34,614,720	19,502,747	35,528,862	31,652,677	36,870,625	
GRP Pumping Fees-Woodlands	7,669,482	4,054,542	8,028,616	11,131,162	8,464,100	
LSGCD Revenue	(44,959)	-	-	-	-	
GRP Surface Water Sales	6,283,160	3,710,915	6,338,314	7,527,037	6,527,412	
GRP Surface Water Sales-Woodlands	7,712,602	3,760,083	6,816,792	6,943,047	9,653,037	
Repair Recovery Revenue	-	316,054	316,054	-	-	
TOTAL OPERATING REVENUES	\$ 56,809,491	\$ 31,765,791	\$ 57,669,168	\$ 57,968,611	\$ 62,329,221	
OTHER REVENUES						
Interest Income	\$ 8,697	\$ 17,870	\$ 18,346	\$ -	\$ -	
Interest on Accounts Receivable	1,451,657	1,226,101	1,892,593	-	-	
Office Rental Revenue	4,950	3,150	4,950	5,400	5,400	
FEMA Grant Revenue	-	27,378	27,378	-	-	
Proceeds From Sale Of Assets	15,750	-	15,750	-	-	
Other Gains & Losses	2,918	-	2,918	-	-	
TOTAL OTHER REVENUES	\$ 1,483,972	\$ 1,274,498	\$ 1,961,936	\$ 5,400	\$ 5,400	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 1,598,984	\$ 848,500	\$ 1,472,269	\$ 1,712,142	\$ 1,889,896	
Salary & Wage Allocation	1,622,248	844,007	1,617,157	1,682,587	1,741,221	
Staffing Services	-	36,069	36,069	-	25,000	
Compensated Absences	535	-	535	-	-	
Group Insurance	652,931	418,128	692,612	737,468	728,428	
Group Retirement Expense	366,524	191,757	341,348	373,049	399,423	
Workers Compensation Insurance	50,571	24,790	46,688	60,943	65,722	
Social Security Taxes	234,912	129,871	236,257	255,202	273,321	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFITS	\$ 4,526,705	\$ 2,493,121	\$ 4,442,935	\$ 4,821,392	\$ 5,123,011	
PROFESSIONAL FEES						
Legal Fees	\$ 1,716,291	\$ 510,648	\$ 1,514,513	\$ 2,100,000	\$ 2,100,000	
Disclosure Filing	500	500	500	500	500	
Annual Financial Audit	21,554	21,087	25,137	30,000	22,000	
Arbitrage Rebate Audit	6,500	-	6,500	6,500	3,250	
Paying Agent Fees	5,000	5,000	5,000	6,000	4,500	
Engineering	88,261	66,683	85,947	100,000	220,000	
Crane Inspections	-	-	-	-	6,700	
Safety Inspections & Testing	357	266	317	2,000	1,000	
Graphic Design	2,941	2,971	5,912	6,000	7,500	
TOTAL PROFESSIONAL FEES	\$ 1,841,404	\$ 607,154	\$ 1,643,826	\$ 2,251,000	\$ 2,365,450	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 6,936	\$ 3,333	\$ 5,066	\$ 3,700	\$ 4,200	
Sludge Disposal	157,911	77,739	137,828	135,000	175,000	
Meter Calibration Services	3,702	-	1,502	3,800	3,000	
Commercial Laboratory Fees	10,866	6,333	11,679	21,600	23,000	
Other Services	4,360	1,703	3,208	5,500	5,500	
Groundwater District Fees	(44,834)	128	128	500	500	
Employee Testing- New	42	1,010	1,010	3,700	3,715	
Janitorial Services	57,048	21,175	44,250	38,400	37,950	
Public Relations Expense	384	-	384	-	-	
Water Conservation & Public Education	2,415	7,593	10,008	31,500	36,250	
Meeting Expenses	3,129	1,786	3,430	5,400	5,400	
Public Official Liability	4,773	3,081	5,169	7,000	3,500	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 206,732	\$ 123,882	\$ 223,661	\$ 256,100	\$ 298,015	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 3,709	\$ 4,596	\$ 6,783	\$ 13,000	\$ 13,000	

**San Jacinto River Authority - GRP
Actual to Budget Comparison
FY2021 - FY2023**

Groundwater Pumpage Fee: \$2.99 (\$0.11 Increase)
Surface Water Delivery Fee: \$3.41 (\$0.11 Increase)

Description	Actuals			Rolling 12 Mo. Actuals	
	Actuals FY2021	Actuals Sept-Mar FY2022	Actuals Apr 2021-Mar 2022	Budget FY2022	Budget FY2023
Other Office Expense	6,399	-	2,855	-	-
Travel	3,871	1,399	5,247	3,500	5,900
Automobile & Truck Expense	11,050	9,984	15,809	22,500	26,500
Storm Preparedness & Response	3,791	130	1,779	1,000	2,500
Postage	5,647	1,494	4,562	3,800	3,000
Property Insurance	432,898	259,262	439,127	496,800	1,046,160
Auto Insurance	14,204	8,592	14,413	16,830	20,196
Liability Insurance	15,829	7,258	14,057	30,690	36,828
Small Tools Purchases	13,651	6,446	13,219	15,500	15,000
Training-External	10,703	4,396	10,413	9,800	23,500
Training-Internal	400	1,311	1,710	5,000	5,000
Training-Employee HR	1,038	4,392	5,430	2,400	17,800
Copper Sulfate	8,906	-	8,906	20,000	20,108
Citric Acid	40,280	75,110	75,110	70,000	173,169
Granulated Activated Carbon	2,477,666	1,239,442	3,098,605	2,500,000	2,700,000
Aluminum Chlorohydrate	490,343	177,553	360,207	568,500	862,437
Sodium Permanganate	82,570	31,264	58,505	106,955	130,621
Sodium Bisulfate	17,191	5,289	13,866	15,000	18,559
Sodium Hydroxide	35,987	13,597	20,113	140,000	264,537
Sodium Hypochlorite	152,157	113,068	175,739	180,000	354,900
Polymer	13,892	13,892	20,838	38,500	39,378
Managers Expense	-	518	518	2,000	2,000
Employee Relations	2,561	2,656	3,584	5,000	7,550
Fuel	68,612	27,557	71,353	76,000	115,600
Uniform Services	12,059	13,633	14,414	16,400	13,730
Maintenance Supplies	7,722	4,655	9,141	8,000	13,000
Supplies - Lab	19,373	8,004	20,409	13,200	14,500
Operations Supplies	18,500	8,564	15,430	24,500	27,000
Memberships & Professional Dues	832	736	904	1,000	1,000
Copier, Scanner & Fax	5,161	2,869	4,983	5,300	3,625
Utilities-Electric	1,077,618	650,425	1,109,793	942,000	1,216,250
Utilities-Sewer	305,081	73,524	158,704	219,000	237,300
Lab Contracts-Support/Maintenance	5,790	4,442	6,249	10,000	12,500
Reservation Fees-City of Houston	1,838,621	2,498,727	2,498,727	2,790,419	3,006,146
Reservation Fees-SJRA	438,195	298,792	495,794	328,217	299,054
Supply Use Fee-SJRA	2,206,848	1,158,096	2,046,858	2,767,980	3,113,448
Bank Service Charges	(70)	(35)	(105)	-	-
Personal Protective Equipment	2,393	244	912	700	6,840
Safety Equipment & Meetings	5,411	426	4,584	2,000	2,000
Health & Wellness Program	-	-	-	950	1,900
Recruiting Expenses	2,225	2,486	4,443	10,500	11,875
Computer Hardware	113,291	58,447	103,585	95,605	67,247
Software & Support	113,722	66,959	116,146	102,527	119,015
Software Maintenance	44,581	32,494	58,167	56,250	70,300
Physical Security	-	28,499	28,499	45,750	48,038
Network Communications	11,504	6,086	11,303	5,122	7,258
Publications & Subscriptions	97	141	141	500	500
Newspaper Ads	528	-	-	1,000	1,000
Wireless Devices & Services	26,756	11,798	23,630	30,320	31,680
Phone System-Install, Maintenance, & Changes	-	-	-	-	806
Landline Telephone Services	10,215	5,402	10,121	4,707	4,903
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 10,179,807	\$ 6,944,620	\$ 11,185,580	\$ 11,824,721	\$ 14,235,158
RENTALS					
Equipment Rentals	\$ -	\$ 86	\$ 86	\$ 1,500	\$ 1,000
TOTAL RENTALS	\$ -	\$ 86	\$ 86	\$ 1,500	\$ 1,000
MAINTENANCE, REPAIRS & PARTS					
Office, Furniture, & Fixtures	\$ 1,993	\$ 2,306	\$ 3,720	\$ 2,000	\$ 2,000
Air Conditioner	133,993	118,790	203,985	179,600	160,000
Mowing	61,268	37,754	75,546	75,000	132,000

*Actuals intentionally left blank.

**San Jacinto River Authority - GRP
Actual to Budget Comparison
FY2021 - FY2023**

Groundwater Pumpage Fee: \$2.99 (\$0.11 Increase)
Surface Water Delivery Fee: \$3.41 (\$0.11 Increase)

Description	Actuals			Rolling 12 Mo. Actuals	
	Actuals FY2021	Actuals Sept-Mar FY2022	Actuals Apr 2021-Mar 2022	Budget FY2022	Budget FY2023
Buildings & Grounds Maintenance	56,394	19,807	48,778	102,900	81,000
Building Repair & Modifications	6,892	384	384	10,000	-
Plants & Facilities	13,721	25,158	33,042	60,400	146,500
Security System Monitoring	2,998	823	1,337	7,680	5,180
Electrical	201,034	34,786	169,132	100,500	226,200
Generators	24,463	22,076	28,837	38,000	43,700
Pumps & Motors	24,503	26,211	33,124	81,200	64,500
Compressor	1,409	-	937	6,500	10,000
Aerators	3,257	2,961	4,677	6,400	7,000
Machinery, Tools, & Implements	15,140	4,059	8,738	15,000	34,800
Belt Press	8,628	2,832	10,341	15,500	17,000
Clarifier	3,760	-	-	8,000	-
Pipeline Transmission System	897,243	186,858	798,077	405,200	630,000
Lines, Valves, & Pipes	116,062	9,860	64,575	75,000	65,000
Laboratory Equipment	889	-	889	3,500	3,500
Instrumentation Equipment & Parts	104,846	216,626	259,052	168,500	164,280
Pretreatment	4,283	5,419	9,142	6,000	6,000
Membrane	26,824	21,609	41,479	20,000	40,000
Networking and Communications - SCADA	166	922	1,068	4,800	1,800
Chemical Handling	16,252	3,207	18,161	12,000	10,000
A/C Contracts-Support/Maintenance	3,581	5,489	7,058	9,500	10,600
Electrical Contracts-Support/Maintenance	101,067	59,748	101,729	104,100	67,000
Compressor Contracts-Support/Maintenance	20,339	10,753	18,485	19,600	21,000
Aerator Contracts-Support/Maintenance	132,000	77,000	132,000	132,000	136,100
Membrane Contracts-Support/Maintenance	7,400	4,317	7,400	7,400	7,800
Inventory Gains and Losses	15,879	(339)	17,724	-	-
Bad Debt Expense	124,880	-	124,880	-	-
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 2,131,164	\$ 899,416	\$ 2,224,297	\$ 1,676,280	\$ 2,092,960
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 411,188	\$ 210,347	\$ 379,493	\$ 518,640	\$ 493,362
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 411,188	\$ 210,347	\$ 379,493	\$ 518,640	\$ 493,362
NON-OPERATING EXPENSES					
Interest Expense	\$ 19,753,631	\$ 11,266,271	\$ 19,482,237	\$ 19,285,502	\$ 18,764,085
TOTAL NON-OPERATING EXPENSES	\$ 19,753,631	\$ 11,266,271	\$ 19,482,237	\$ 19,285,502	\$ 18,764,085
TOTAL EXPENSES	\$ 39,050,631	\$ 22,544,897	\$ 39,582,114	\$ 40,635,135	\$ 43,373,041
NET REVENUES OVER EXPENSES	\$ 19,242,831	\$ 10,495,393	\$ 20,048,990	\$ 17,338,876	\$ 18,961,580
CAPITAL IMPROVEMENTS*					
Water Treatment Plant & Facilities				\$ 869,000	\$ 15,000
Transmission Line & Facilities				156,000	-
Maintenance Equipment				8,000	18,500
Transportation Equipment				53,500	120,000
Software				994	676,038
Computer Equipment				49,474	43,203
TOTAL CAPITAL IMPROVEMENTS				\$ 1,136,969	\$ 872,741
OTHER SOURCES (USES)*					
Bond Proceeds				\$ 790,000	\$ -
Bond Principal				(15,333,333)	(15,874,583)
Operating Reserve Fund				(708,574)	(114,256)
Emergency Reserve Fund				(350,000)	(700,000)
Capital Repair/Replacement Reserve Fund				(600,000)	(1,400,000)
TOTAL OTHER SOURCES (USES)				\$ (16,201,907)	\$ (18,088,839)
NET CASH BASIS SOURCES (USES)	\$ 19,242,831	\$ 10,495,393	\$ 20,048,990	\$ -	\$ -

*Actuals intentionally left blank.

SJRA FY2023 GRP Risk Management – July 2022

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 system component, requiring immediate	Low	<ul style="list-style-type: none"> • Emergency Reserve Funds are not available for critical and immediate repair of failed system components.

funds greater than budgeted.		<ul style="list-style-type: none"> • Decrease surface water delivery till funds become available. • Current Risk Management and Emergency Response Plans anticipate stepped response to failures and include mitigation efforts. • Utilize insurance policy, if available.
Operations and Maintenance		
Interruption of operations due to emergency incident (i.e. Fire, Storm, Line Break, Power Outage, Terrorist Threat).	Med	<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 oversee the development of short-term and long-term flood management strategies; build partnerships with federal, state, and local government entities; and identify funding sources and opportunities for flood mitigation in the region. SJRA receives no funding from the State of Texas, nor does it have authority to collect taxes, for the purpose of funding flood mitigation efforts. Accordingly, the Flood Management Division has taken on the role of a facilitator of regional flood projects by participating in regional planning efforts to identify projects, seeking grants and funding partners to fund identified projects, and providing project/grant management and other in-house services to facilitate projects and assist in meeting local-match funding requirements.

Major Initiatives: The Flood Management Division is currently engaged in, and planning in FY2023 to continue or begin, a number of activities as outlined below:

- 1. *Spring Creek Watershed Flood Control Dams Conceptual Engineering Feasibility Study:*** This study was originally included as a sub-task in the San Jacinto Regional Watershed Master Drainage Plan (SJDMP), led by Harris County Flood Control District and including SJRA as one of multiple study partners. The Spring Creek Siting Study explored multiple alternative projects/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 SJDMP. SJRA Flood Management Division is leading the next phase of the project which includes a feasibility study, environmental due diligence, conceptual-level design, modeling updates, and benefit-cost analysis. The outcome of this study will allow project sponsors to determine the most feasible and economical alternative(s) for possible future development, and the study is required before any commitments may be made for financing, design, environmental permitting, land acquisition and construction of either or both dams. Future phase(s) are dependent on identification of feasible and cost-effective project(s) in this feasibility study, as well as identification of a project sponsor capable of obtaining funding (likely through federal support) and owning, operating, and maintaining any recommended infrastructure. Future phase efforts are anticipated to be performed by this sponsor. This project is funded by the Texas Water Development Board (TWDB) Flood Infrastructure Fund (FIF) grant program along with local funding partners Harris County Flood Control District, City of Humble, and five municipal utility districts in the Woodlands area. In addition to in-kind services, only minor cash expenditures from the Flood Management Division budget are anticipated by SJRA. This study began in FY2022 (though in-kind efforts began in FY2021) and is anticipated to continue into FY2023.
- 2. *Upper San Jacinto River Basin Regional Sedimentation Study:*** This study will provide an evaluation of sedimentation in the Upper San Jacinto River Basin, including identification of which sub-watersheds in the basin produce and store the most sediment, prioritization of individual watersheds/locations for improvements, and development of conceptual sedimentation solutions. Conceptual solutions could include future projects with the goal of reducing sediment inputs and/or enhancing sediment storage, as well as non-construction best

management practices, with the ultimate goal of mitigating the loss of floodway conveyance in the basin. Information developed as part of this study, including recommended projects, efforts, and practices, will be compiled into a regional sediment management plan which can guide sedimentation mitigation efforts in the future. The study is funded by the Texas Water Development Board (TWDB) Flood Infrastructure Fund (FIF) grant program along with local funding partners Harris County Flood Control District, City of Humble, and City of Houston. In addition to in-kind services, only minor cash expenditures from the Flood Management Division budget are anticipated by SJRA. This study began in FY2022 (though in-kind efforts began in FY2021) and is anticipated to continue through FY2024.

- 3. *Lake Conroe - Lake Houston Joint Reservoir Operations Study:*** The goal of this study is to determine the most efficient and safe operation of Lake Conroe and Lake Houston in series once additional gates are installed at the Lake Houston Dam. The primary elements of work planned to be included in this study are:

- 1) Development of an inflow forecasting tool for Lake Houston.
- 2) Development of a gate operations policy for proposed spillway improvements at the Lake Houston Dam to ensure gate changes during a rainfall event at Lake Conroe are considered and analyzed to appropriately assist in recommended gate operations protocols at Lake Houston, including the consideration of runoff between the two reservoirs and all other inflows into Lake Houston.
- 3) Development of joint notification protocols and public communication strategies, consistent with the requirements of House Bill 26 passed during the 86th Texas Legislative Session.
- 4) Evaluation of the feasibility and effectiveness of pre-releases at either or both reservoirs with the addition of spillway improvements at Lake Houston. The evaluation will consider the impacts, benefits, and risks during different weather scenarios, to ensure that special considerations are made for unique situations such as storm surge during tropical events. Impacts on water supply resulting from pre-release will also be evaluated.

The study is planned to be funded by the Texas Water Development Board (TWDB) Flood Infrastructure Fund (FIF) grant program along with local funding partners City of Humble and City of Houston. In addition to in-kind services, only minor cash expenditures from the Flood Management Division budget are anticipated by SJRA. The study is currently on hold, and its schedule and scope are subject to change, pending the results of Lake Houston spillway improvements preliminary design efforts by the City of Houston. The study may begin in FY2023, and would be anticipated to extend into at least FY2024.

- 4. *Flood Early Warning System for San Jacinto County:*** This project involves the installation of three new flood early warning gage sites within San Jacinto County. The County selected these locations based on previous flood events. SJRA is performing project management, design, permitting, and equipment procurement and installation efforts in-house, with some supplementary efforts to be performed by consultants/third parties. Gage sites will be installed near Winters Bayou at SH 150, Peach Creek at FM 3081, and East Fork San Jacinto River at FM 945. Once the gage sites are installed, the gage data will be visible on SJRA's Contrail website and Harris County Flood Control District's Floodwarn website. The project is funded by the Texas Water Development Board (TWDB) Flood Infrastructure Fund (FIF) grant program along

with in-kind services and relatively minor cash expenditures by SJRA. SJRA will perform ongoing maintenance of the gages and associated equipment, with funding for these activities to be provided by San Jacinto County.

- 5. San Jacinto River and Tributaries Sediment Removal and Sand Trap Development:** House Bill 1824, approved by the 86th Texas Legislature, allows SJRA and the Harris County Flood Control District (HCFCD) to remove material from the San Jacinto River and its tributaries to restore, maintain, or expand storm flow capacity without the need for state permitting or a royalty payment to the state. SJRA is leading efforts, with support from HCFCD, to perform a project to plan, design, and construct one or more “sand traps” along the West Fork of the San Jacinto River to reduce future sedimentation accumulation with the goal of reducing the risk of flooding. A major component of the project is coordination with Aggregate Production Operations (APOs) operating along the river in an attempt to establish a public/private partnership which would provide for operation and maintenance of the proposed sand trap(s) by an APO or APOs, and which potentially could result in construction of the trap(s) by an APO or APOs. A conceptual design effort to select the most feasible site(s) for installation of a sand trap has been completed, with HCFCD as a funding and technical partner, with the next steps anticipated to consist of preliminary and final design (including permitting), and construction. It is anticipated that funding for the project will be provided via a combination of SJRA funds and partner contributions, as well as potentially grant funding. The City of Houston has expressed interest in joining SJRA and HCFCD as a partner on the project. Preliminary design phase efforts are anticipated to begin in FY2023, and the project as a whole is anticipated to continue through FY 2026.

Capital Improvement and Other Project Plans: The Flood Management Division does not maintain any physical assets at this time. For FY2023, the Division plans to utilize awarded grant funding and related partner contributions, in addition to minor cash expenditures, 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 FY2023 budget:

Flood Management - Projects	Stage	Est. FY2023	
		Cost	Funding Source
Flood Early Warning System for San Jacinto County	Construction	\$ 23,000	O&M/Grant
Spring Creek Watershed Flood Control Dams Feasibility	Study	\$ 400,000	Grant/ILA
Upper San Jacinto River Basin Regional Sedimentation Study	Study	\$ 430,000	Grant/ILA
Lake Conroe - Lake Houston Joint Reservoir Operations Study	Study	\$ 500,000	Grant/ILA
SJ River and Tributaries Sediment Removal & Sand Trap Dev.	Design	\$ 164,000	O&M/ILA
Total		\$ 1,517,000	

Total Indebtedness and Annual Debt Service: The Flood Management Division does not have any indebtedness as of FY2022 and has no plans for future indebtedness in FY2023 or beyond.

Staffing Plans: The Flood Management Division’s staffing plan for FY2023 includes two direct FTE positions, with no part-time, temporary, or intern positions. Of these two direct FTE positions, Flood Management allocates 0.90 FTEs to other divisions, leaving 1.10 FTEs allocated directly to Flood Management. In addition, the Division is allocated 2.47 FTEs for FY2023 from G&A Departments and 0.23 FTEs from the Lake Conroe Division. The net total FY2023 FTEs associated with the Flood Management Division, direct and allocated, is 3.80 FTEs.

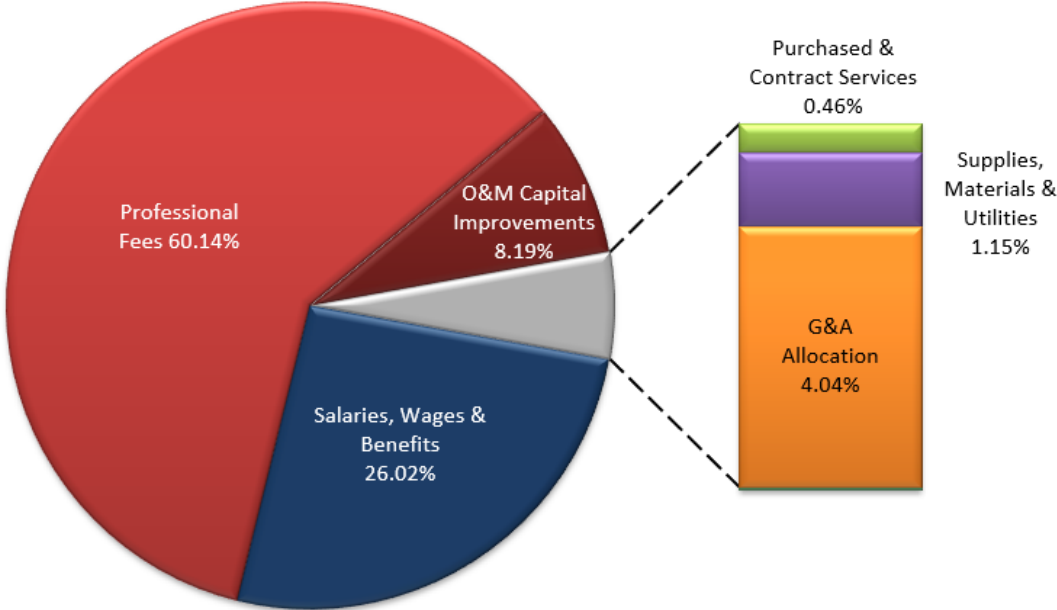
Revenues: The Flood Management Division does not generate revenues through its operations. The Raw Water Enterprise funds the Division’s expenses that are not otherwise offset by regional partners or grant funds. The Flood Management Division is tasked with studying and implementing regional flood management solutions and building regional partnerships, including the potential identification of state and federal grants. The Flood Management budget for FY2023 includes utilizing \$1,300,319 in grant funds and partner contributions to fund the FY2023 projects shown in the Division’s Project Plan.

Expenditures: In FY2023, 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 FY2023 is \$2,195,288.

**Flood Management FY2023 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 FY2023, the net between O&M revenues and expenditures for the Flood Management Division is (\$894,969). This amount will be covered by Raw Water Supply revenues.

San Jacinto River Authority - Flood Management
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
Capital Contributions	\$ -	\$ 14,870	\$ 14,870	\$ 38,500	\$ 621,219
TOTAL OPERATING REVENUES	\$ -	\$ 14,870	\$ 14,870	\$ 38,500	\$ 621,219
OTHER REVENUES					
Interest Income	\$ 8,278	\$ (52)	\$ 130	\$ -	\$ -
Grant Revenue	-	25,752	25,752	727,129	679,100
Other Gains & Losses	45	-	45	-	-
TOTAL OTHER REVENUES	\$ 8,322	\$ 25,701	\$ 25,927	\$ 727,129	\$ 679,100
OPERATING EXPENSES					
SALARIES, WAGES, & EMPLOYEE BENEFITS					
Salaries & Wages	\$ 142,373	\$ 103,862	\$ 205,451	\$ 183,204	\$ 129,588
Salary & Wage Allocation	173,947	114,887	164,469	381,982	285,250
Compensated Absences	7,657	-	7,657	-	-
Group Insurance	62,509	47,043	74,409	103,509	73,546
Group Retirement Expense	3,026	27,149	42,963	60,943	45,632
Workers Compensation Insurance	3,225	2,142	3,985	9,745	6,807
Social Security Taxes	21,509	15,749	26,651	41,022	30,469
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 414,246	\$ 310,832	\$ 525,585	\$ 780,406	\$ 571,291
PROFESSIONAL FEES					
Legal Fees	\$ 22,836	\$ 1,152	\$ 14,762	\$ 50,000	\$ 35,000
Engineering	95,977	50,383	55,282	1,433,058	1,279,219
Graphic Design	2,941	1,721	4,662	6,000	6,000
TOTAL PROFESSIONAL FEES	\$ 121,755	\$ 53,255	\$ 74,706	\$ 1,489,058	\$ 1,320,219
PURCHASED & CONTRACTED SERVICES					
Employee Testing- New	\$ -	\$ -	\$ -	\$ 75	\$ 70
Public Relations Expense	513	-	513	-	-
Water Conservation & Public Education	3,973	8,529	12,502	10,000	10,000
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 4,486	\$ 8,529	\$ 13,015	\$ 10,075	\$ 10,070
SUPPLIES, MATERIALS & UTILITIES					
Office Supplies & Printing	\$ 49	\$ -	\$ 48	\$ 300	\$ 300
Travel	-	1,169	1,169	1,650	1,750
Automobile & Truck Expense	-	-	-	500	250
Postage	1,311	24	24	100	500
Auto Insurance	1,651	-	495	-	-
Liability Insurance	383	278	459	-	-
Training-External	2,618	870	1,978	1,150	1,950
Training-Internal	-	-	-	450	600
Training-Employee HR	98	458	555	250	1,675
Managers Expense	481	59	502	500	1,000
Fuel	-	-	-	550	750
Uniform Services	27	-	-	100	200
Memberships & Professional Dues	90	50	140	219	170
Bank Service Charges	-	2,250	2,250	-	2,250
Personal Protective Equipment	-	-	-	300	300
Safety Equipment & Meetings	83	-	83	-	-
Health & Wellness Program	-	-	-	100	180
Recruiting Expenses	-	-	-	1,150	1,125
Computer Hardware	1,456	852	1,446	2,600	400
Software & Support	4,877	5,779	8,337	3,090	3,250
Network Communications	960	691	1,145	410	581
Newspaper Ads	1,056	103	103	8,250	5,500
Wireless Devices & Services	-	-	-	2,100	2,500
Landline Telephone Services	616	435	729	-	-
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 15,755	\$ 13,016	\$ 19,463	\$ 23,769	\$ 25,231
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 54,871	\$ 33,288	\$ 47,506	\$ 124,081	\$ 88,738

San Jacinto River Authority - Flood Management
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 54,871	\$ 33,288	\$ 47,506	\$ 124,081	\$ 88,738
TOTAL EXPENSES	\$ 611,113	\$ 418,920	\$ 680,275	\$ 2,427,389	\$ 2,015,549
NET REVENUES OVER EXPENSES	\$ (602,791)	\$ (378,349)	\$ (639,477)	\$ (1,661,760)	\$ (715,230)
CAPITAL IMPROVEMENTS*					
Property Acquisition				\$ 77,000	\$ 164,000
Software				80	83
Computer Equipment				358	656
Radio Communications Equipment				49,000	15,000
TOTAL CAPITAL IMPROVEMENTS				\$ 126,438	\$ 179,739
OTHER SOURCES (USES)*					
Partner Contributions				\$ 1,375,000	\$ -
TOTAL OTHER SOURCES (USES)				\$ 1,375,000	\$ -
NET CASH BASIS SOURCES (USES)	\$ (602,791)	\$ (378,349)	\$ (639,477)	\$ (413,198)	\$ (894,969)



**G&A
Division**

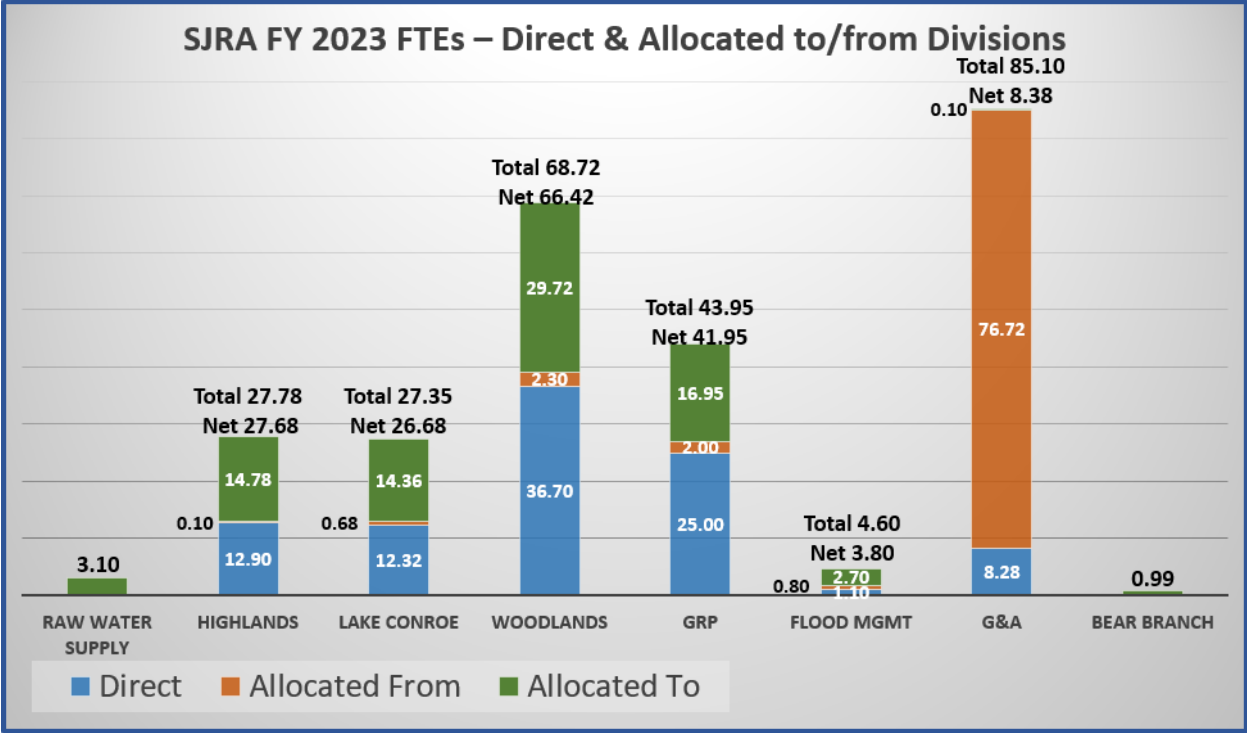
GENERAL AND ADMINISTRATION DIVISION

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 179 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 FY2023.



Major Initiatives: During FY2022 and planned through FY2023, the G&A Departments have undertaken several major initiatives to improve the operations related to the operating divisions.

Accounting: In FY2022, the Accounting Department continued assisting each operating division throughout the year with monitoring and reporting of revenues and expenditures, allowing the divisions to manage their operations more efficiently and effectively. During FY2022 this oversight has been instrumental in helping manage costs during record inflation. In addition, Accounting in collaboration with IT, Purchasing, and other stakeholders should finalize selection of the new or upgraded Enterprise Resource Planning (ERP) software by the end of FY2022 and begin implementation in FY2023. 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 was an opportune time to evaluate whether we should continue with the current ERP system or change to a new system to better meet our company’s needs. Going forward into FY2023, Accounting in collaboration with the Raw Water Supply Division and a third-party consultant will perform a Raw Water Rate Study as required by customer contracts to occur every five years.

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 2022, the Administrative Services Department led the implementation of a live-streaming platform for the San Jacinto River Authority Board of Directors and GRP Review Committee

meetings, which included public access to on-demand archived meetings. The department also launched its participation in electronic asset management (“ERM”), which better identified the repair and replacement of assets as well as capital improvements in the General and Administrative 10-Year Project Plan. The Administrative Services Department also collaborated with the Public Communications Department to assist with various aspects of implementation of the re-branding of SJRA.

In Fiscal Year 2023, the Administrative Services Department will assist in the facilitation of the second Sunset Advisory Commission’s Review and work with the Senior Management Team to implement any initiatives recommended or mandated by staff and/or the legislature. The department will implement a new agenda software program to streamline the agenda process internally as well as externally. The Administrative Services Department will facilitate the implementation of a complaint resolution software system to track citizen complaints from inception to disposition. Lastly, the department will continue to review and refresh the various forms, practices, processes, procedures, and policies to ensure their effectiveness and efficiency.

HR: The HR Department continues to improve policies, processes, and systems in FY2022 and will continue to develop and implement improvements in FY2023. The department is working closely with managers to implement, update or maintain effective job descriptions, recruiting and on-boarding practices, compensation system, benefit offerings, training and development program, performance management system, and other talent management activities designed to attract and retain employees.

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, mail pieces, and interactive web design.

The Department works across all five Divisions of SJRA 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 FY2023, 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 FY2022, the Procurement Team diligently worked with departments and divisions to obtain the goods and services required to support SJRA operations throughout the pandemic, global staff shortages, and supply chain issues. A highlight of FY2022 for the Procurement Team was the completion and approval of Phase I of the Contract Policy and Procedures Manual. Throughout the latter half of FY2022, the Procurement Team began conducting all-inclusive and comprehensive training to acclimate and educate SJRA departments and divisions on the latest legislation and agency procurement updates. The Procurement Team will continue to collaborate with the departments and divisions of SJRA to obtain best value goods and services that meet the needs of projects today as well as the future.

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 department will continue 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 collaborative projects with SJRA operating divisions. In FY 2020 SCADA began an upgrade of all three SCADA systems in use at the SJRA. Unfortunately, due to the loss of key staff, and some unexpected hurdles in FY 2021, the upgrades continued into FY2022. However, by the end of FY 2022, all Operating Divisions will utilize upgraded SCADA systems. This allows better access and provides security improvements. It also allows for improved ease of maintenance with the on-going monitoring and updates. During FY 2022, we completed installation of the fiber optic communications backbone in the Highlands Division. SCADA will continue to investigate additional options for full automation. In the Woodlands Division, new sites continue to be added to the SCADA system. In addition, SCADA is in the process of moving some remote sites from phone lines as a cost saving measure. This also has the added benefit of increasing reliability to those sites. With the continued emergence of cyberattacks, especially those targeting SCADA systems, the SCADA team continues to work with the SJRA IT Department to investigate options for additional cybersecurity.

Technical Services: The Technical Services Department (TSD) supports each of the operating divisions with planning, asset management, project management for both maintenance and 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 Strategic Plan and the resulting recommended projects. The Utility Enterprise Division is proposing a number of water line replacement projects and the TSD budget includes funds for staff augmentation to assist in managing the projects.

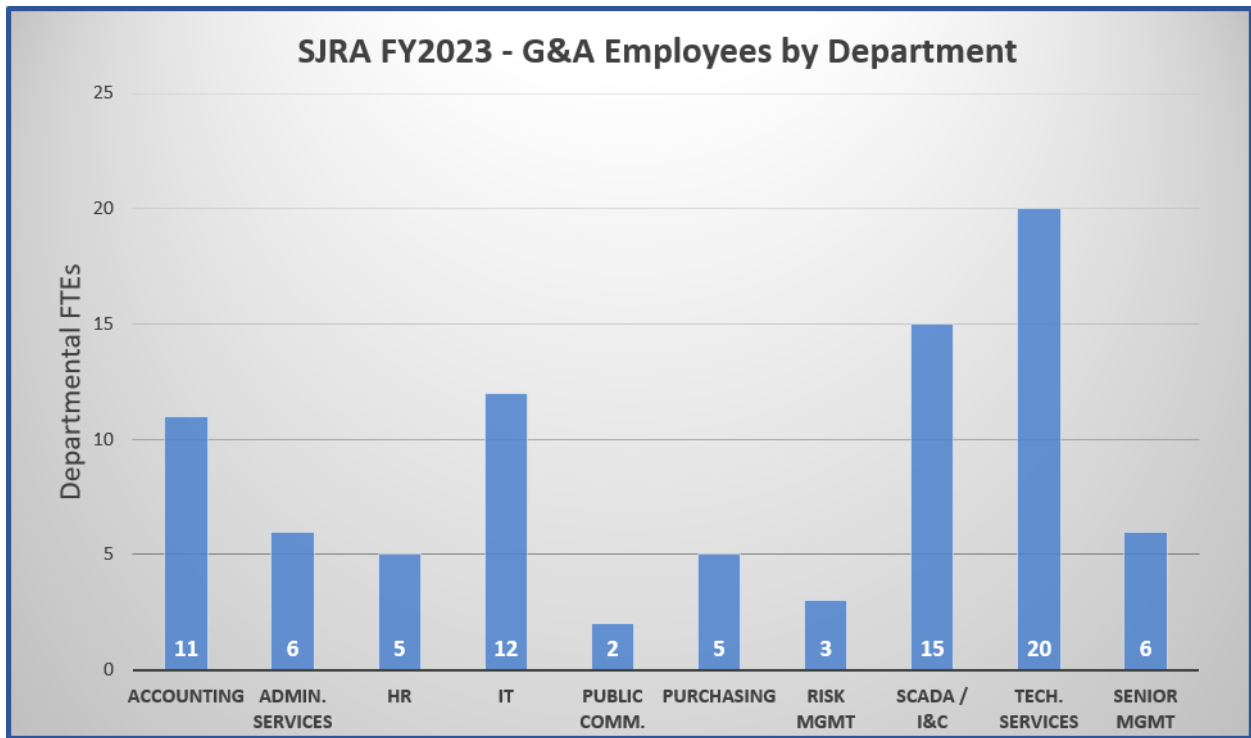
Capital Improvement and Other Projects Plan: Each year the G&A Division conducts risk assessments and evaluations of their limited infrastructure. G&A reviews the likelihood and consequences of failure of each asset and then prioritizes projects based on a variety of factors related to reliable, cost-

effective service. The projects included within G&A’s Project Plan for FY2023 are anticipated to be funded from R&R funds as highlighted below:

General & Administration - Projects	Stage	Est. FY2023	
		Cost	Funding Source
G&A Building HVAC System Replacement	Construction	\$ 136,000	R&R
Lake Conroe Campus Pavement Improvements	Design	\$ 30,000	R&R
Lake Conroe Campus Access Improvements	Design	\$ 20,000	R&R
Lake Conroe Campus Parking Improvements	Design	\$ 21,000	R&R
Enterprise Resource Planning System	Implement	\$ 1,425,000	R&R
Total		\$ 1,632,000	

Total Indebtedness and Annual Debt Service: The G&A Division does not have any indebtedness as of FY2022 and has no plans for future indebtedness in FY2023 or beyond.

Staffing Plans: The G&A Division’s staffing plan for FY2023 includes 85 direct FTE positions. There are no FTEs budgeted in FY2023 that are considered part-time, temporary, or intern positions. Of the 85 direct G&A Division FTEs, 76.72 FTEs are allocated to the various operating divisions. The remaining 8.28 G&A Division FTEs, 9.7%, remain unallocated to the operating divisions.

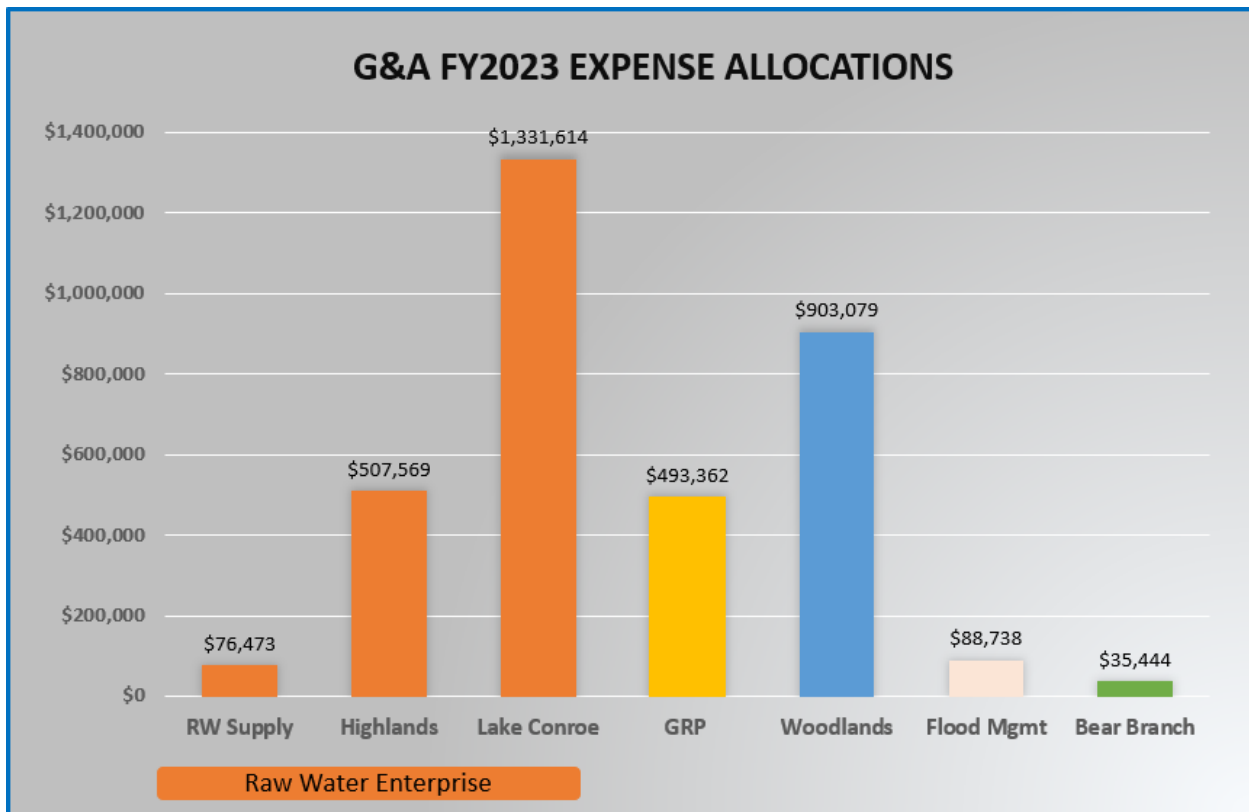


Revenues: The G&A Division has no significant revenues forecast for FY2023 with no Operating Income and only \$28,806 of Non-Operating Income from interest income and office rental.

Expenditures: The G&A Division for FY2023 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 FY2023, G&A expense allocations to the operating divisions, Flood Management, and Bear Branch total \$3,436,278. Expected total expenditures, after allocations to the operating divisions, and Bear Branch, for FY2023, including operating, debt service, capital improvements, and contributions to reserves, totals \$22,360. G&A has \$1,612,000 in expected R&R Fund operating expenses and capital improvements for FY2023.



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 March 24, 2022, the reserve policy for the G&A Division utilizes two reserves and an R&R Fund:

- 1. Operating & Rate Stabilization Reserve:** The G&A Operating & Rate Stabilization Reserve (Operating Reserve) was established to manage cash flow, and stabilize rates and revenues. The Operating Reserve target for FY2023 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 FY2022, the G&A Operating Reserve is at \$1,577,292, equivalent to six months of operating expenses. For FY2023, the Operating Reserve is projected to be under the targeted balance and a contribution of \$47,669 of additional funds are budgeted to bring the balance back up to the target.
- 2. Emergency Reserve:** The G&A 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 \$6,000,000, which is based on estimate amounts of \$2,500,000 for Lake Conroe, \$3,000,000 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 G&A 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. A contribution of \$100,000 to the R&R Fund was budgeted for FY2023. In addition to this contribution, the G&A R&R Fund is budgeted to receive \$1,500,000 in contributions from four of the operating divisions to fund the Enterprise Resource Planning (ERP) System project.

For FY2023, 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 \$6,446. This amount will be net with the Raw Water Supply revenues to offset the Raw Water Enterprise and Flood Management Division net cash uses.

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals		Rolling 12 Mo. Actuals		Budget	
	FY2021	Sept-Mar FY2022	Apr 2021-Mar 2022	FY2022	FY2023	
OTHER REVENUES						
Interest Income	\$ 7,047	\$ 2,122	\$ 3,091	\$ 6,000	\$ 3,600	
Office Rental Revenue	25,206	14,704	25,206	25,206	25,206	
FEMA Grant Revenue	-	55	55	-	-	
Proceeds From Sale Of Assets	(7,344)	-	(7,344)	-	-	
Other Gains & Losses	3,992	-	3,366	-	-	
TOTAL OTHER REVENUES	\$ 28,902	\$ 16,880	\$ 24,374	\$ 31,206	\$ 28,806	
OPERATING EXPENSES						
SALARIES, WAGES, & EMPLOYEE BENEFITS						
Salaries & Wages	\$ 692,600	\$ 391,382	\$ 716,475	\$ 649,150	\$ 743,233	
Salary & Wage Allocation	748	-	-	-	8,433	
Compensated Absences	2,357	-	2,357	-	-	
Group Insurance	139,414	37,523	97,745	139,169	140,548	
Group Insurance - Retirees	6,000	3,543	6,058	6,578	6,678	
Group Insurance - Retiree OPEB	(10,021)	-	(10,021)	50,000	50,000	
Group Retirement Expense	(2,374)	48,130	3,539	72,016	82,683	
Workers Compensation Insurance	3,708	1,678	3,466	3,857	5,406	
Social Security Taxes	56,537	31,637	58,834	48,184	55,803	
Tuition Reimbursement	8,745	2,081	7,049	30,000	30,000	
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 897,714	\$ 515,974	\$ 885,502	\$ 998,954	\$ 1,122,784	
PROFESSIONAL FEES						
Legal Fees	\$ 201,540	\$ 70,100	\$ 156,287	\$ 170,000	\$ 180,000	
Lobbyist	115,486	93,099	134,585	100,000	134,000	
Annual Financial Audit	35	35	35	-	-	
Management Audit	(4,592)	-	-	150,000	-	
Engineering	18,171	28,300	28,300	50,000	50,000	
Crane Inspections	-	-	-	-	2,000	
Other Professional Services	-	-	-	68,000	68,000	
Safety Inspections & Testing	90	816	816	1,200	1,400	
Public Relations Consultant	80,200	8,500	72,250	100,000	100,000	
Graphic Design	2,721	3,360	3,580	3,000	3,000	
TOTAL PROFESSIONAL FEES	\$ 413,650	\$ 204,210	\$ 395,854	\$ 642,200	\$ 538,400	
PURCHASED & CONTRACTED SERVICES						
Waste Disposal Services	\$ 3,667	\$ 2,611	\$ 4,293	\$ 7,500	\$ 7,500	
Meter Calibration Services	5,462	6,341	7,560	9,520	10,900	
Employee Testing- New	570	1,280	1,730	1,130	3,150	
Janitorial Services	34,954	13,738	23,551	50,000	48,000	
Public Relations Expense	14,722	-	14,080	-	-	
Water Conservation & Public Education	18,102	57,197	75,299	63,000	63,000	
Website Hosting & Maintenance	4,803	3,620	4,575	5,000	5,250	
Directors Fees & Expenses	18,900	9,150	18,000	24,000	24,000	
Meeting Expenses	2,311	2,088	2,853	15,000	12,000	
Directors' Travel Expenses	3,987	3,183	5,327	8,500	8,500	
Document Retention/Destruction	128	1,606	1,606	5,000	5,000	
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 107,605	\$ 100,814	\$ 158,874	\$ 188,650	\$ 187,300	
SUPPLIES, MATERIALS & UTILITIES						
Office Supplies & Printing	\$ 18,526	\$ 7,504	\$ 19,831	\$ 21,960	\$ 22,260	
Travel	12,580	28,412	40,375	69,430	83,000	
Automobile & Truck Expense	41,109	22,582	46,847	49,360	51,360	
Storm Preparedness & Response	138	-	138	-	1,200	
Postage	1,534	2,548	3,369	3,000	3,600	
Property Insurance	17,335	9,830	16,997	16,320	19,584	
Auto Insurance	26,411	17,071	28,664	32,780	39,336	
Liability Insurance	3,159	1,122	2,668	2,750	3,300	
Training-External	53,161	34,789	58,294	106,350	112,100	
Training-Internal	8,259	1,763	3,637	29,300	26,800	
Training-Employee HR	572	946	1,518	450	3,550	
Managers Expense	31,582	39,186	57,981	41,200	52,400	

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals			Rolling 12 Mo. Actuals	
	Actuals FY2021	Actuals Sept-Mar FY2022	Actuals Apr 2021-Mar 2022	Budget FY2022	Budget FY2023
Employee Relations	16,913	33,064	36,500	42,000	50,000
Fuel	9,567	4,801	8,888	26,260	26,790
Uniform Services	5,396	928	4,519	6,700	6,900
Operations Supplies	863	80	868	1,200	1,500
Memberships & Professional Dues	37,860	32,356	43,857	72,143	71,295
Janitorial Supplies	6,395	2,417	5,428	9,000	9,000
Copier, Scanner & Fax	4,299	894	3,298	5,000	5,000
Delivery & Freight	1,706	1,623	2,051	4,000	1,000
Utilities-Electric	45,541	25,021	48,684	45,000	47,250
Utilities-Natural Gas	782	268	740	1,000	1,050
Bank Service Charges	10	-	-	360	-
Bank Account Analysis Fee	(199)	(35)	(65)	1,200	1,200
Personal Protective Equipment	7,019	1,529	4,314	8,850	12,885
Safety Equipment & Meetings	20,586	1,062	20,374	3,200	3,200
Health & Wellness Program	-	3,325	3,325	210	380
Recruiting Expenses	19,697	38,899	49,506	2,000	2,375
Computer Hardware	132,070	11,581	53,189	152,439	130,593
Software & Support	137,427	52,555	92,448	235,066	261,492
Software Maintenance	4,645	1,508	3,494	4,000	5,000
Physical Security	-	2,223	2,223	10,750	11,288
Network Communications	2,066	1,138	2,078	17,005	24,387
Publications & Subscriptions	28,593	14,475	26,750	39,050	20,050
Newspaper Ads	1,232	-	-	1,000	1,000
Wireless Devices & Services	63,370	33,719	60,155	93,180	99,480
Emergency Operations Communications	11,627	2,515	8,185	5,640	5,922
Landline Telephone Services	4,952	2,540	5,103	15,628	2,710
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 776,783	\$ 434,238	\$ 766,232	\$ 1,174,781	\$ 1,220,237
RENTALS					
Equipment Rentals	\$ 171	\$ -	\$ -	\$ 2,000	\$ 2,000
Office Rent	4,950	3,150	4,950	5,400	5,400
Office Equipment Rentals	8,835	2,395	6,056	20,000	15,000
TOTAL RENTALS	\$ 13,957	\$ 5,545	\$ 11,006	\$ 27,400	\$ 22,400
MAINTENANCE, REPAIRS & PARTS					
Office, Furniture, & Fixtures	\$ 905	\$ 10	\$ 480	\$ 7,000	\$ 9,300
Buildings & Grounds Maintenance	94,202	43,527	95,091	127,000	127,000
Security System Monitoring	-	1,989	1,989	3,640	2,000
Machinery, Tools, & Implements	23,263	5,272	14,336	26,800	15,500
Instrumentation Equipment & Parts	159	181	181	10,000	5,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 118,530	\$ 50,978	\$ 112,076	\$ 174,440	\$ 158,800
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ (75,327)	\$ (44,707)	\$ (76,093)	\$ (76,641)	\$ (87,850)
General & Administrative Expense Allocated to Lake Concr	(918,534)	(595,413)	(1,053,862)	(1,242,325)	(1,331,614)
General & Administrative Expense Allocated to Bear Branc	(20,925)	(10,156)	(21,878)	(51,653)	(35,444)
General & Administrative Expense Allocated to Highlands	(352,341)	(174,517)	(310,425)	(560,760)	(507,569)
General & Administrative Expense Allocated to Raw Water	(38,258)	(22,220)	(38,182)	(63,399)	(76,473)
General & Administrative Expense Allocated to Woodlands	(711,989)	(379,200)	(691,200)	(759,282)	(815,229)
General & Administrative Expense Allocated to GRP Divisi	(411,188)	(210,347)	(379,493)	(518,640)	(493,362)
General & Administrative Expense Allocated to Flood Man:	(54,871)	(33,288)	(47,506)	(124,081)	(88,738)
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ (2,583,433)	\$ (1,469,847)	\$ (2,618,638)	\$ (3,396,781)	\$ (3,436,278)
NON-OPERATING EXPENSES					
Interest Expense	\$ 53,095	\$ -	\$ 21,127	\$ 38,191	\$ -
TOTAL NON-OPERATING EXPENSES	\$ 53,095	\$ -	\$ 21,127	\$ 38,191	\$ -
TOTAL EXPENSES	\$ (202,099)	\$ (158,089)	\$ (267,969)	\$ (152,165)	\$ (186,357)
NET REVENUES OVER EXPENSES	\$ 231,001	\$ 174,969	\$ 292,343	\$ 183,371	\$ 215,163
CAPITAL IMPROVEMENTS*					

*Actuals intentionally left blank.

San Jacinto River Authority - General and Administration
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
Office Buildings				\$ -	\$ 30,000
Transportation Equipment				70,000	-
Software				3,301	3,488
Computer Equipment				14,855	27,561
TOTAL CAPITAL IMPROVEMENTS				\$ 88,156	\$ 61,049
OTHER SOURCES (USES)*					
Loan Principal				\$ (355,309)	\$ -
Operating Reserve Fund				-	(47,669)
Repair and Replacement Transfers				-	(100,000)
TOTAL OTHER SOURCES (USES)				\$ (355,309)	\$ (147,669)
NET CASH BASIS SOURCES (USES)	\$ 231,001	\$ 174,969	\$ 292,343	\$ (260,094)	\$ 6,446

*Actuals intentionally left blank.

**San Jacinto River Authority - General and Administration Repair and Replacement
Actual to Budget Comparison
FY2021 - FY2023**

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OTHER REVENUES					
Interest Income	\$ 802	\$ 668	\$ 807	\$ -	\$ -
TOTAL OTHER REVENUES	\$ 802	\$ 668	\$ 807	\$ -	\$ -
NET REVENUES OVER EXPENSES	\$ 802	\$ 668	\$ 807	\$ -	\$ -
CAPITAL IMPROVEMENTS*					
Capital Improvements				\$ 625,000	\$ 1,612,000
Office Buildings				-	-
TOTAL CAPITAL IMPROVEMENTS				\$ 625,000	\$ 1,612,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 2,109,394	\$ 1,848,691
Repair and Replacement Transfers				-	100,000
Due From (To) Other Divisions				-	1,500,000
TOTAL OTHER SOURCES (USES)				\$ 2,109,394	\$ 3,448,691
NET CASH BASIS SOURCES (USES)	\$ 802	\$ 668	\$ 807	\$ 1,484,394	\$ 1,836,691

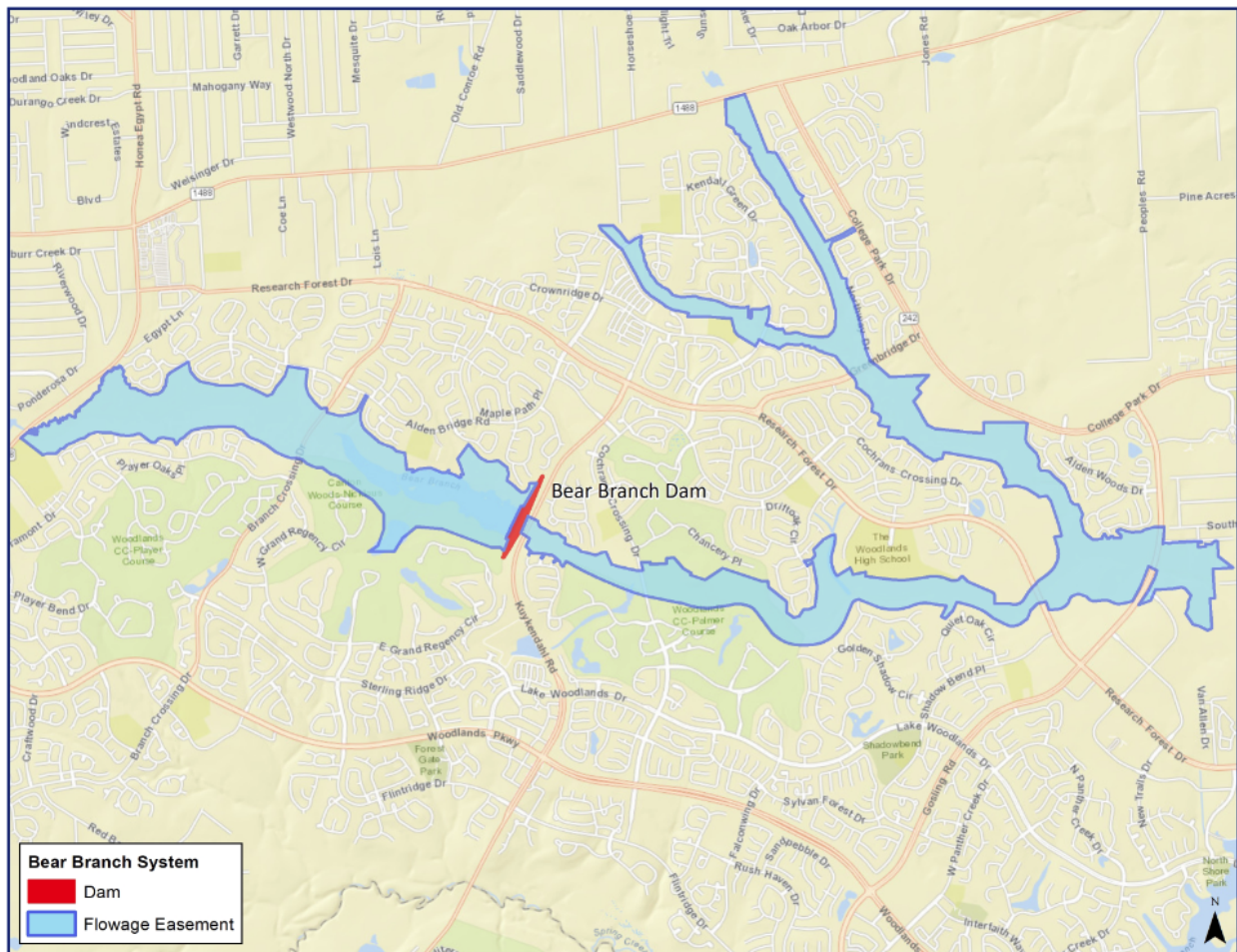


Bear Branch

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 FY2022 and planned for FY2023, the Bear Branch Division has either completed or started, or will complete major initiatives to improve the operations related to the Division.

- 1. 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 the next five years. Consequently, the current budget includes approximately \$1,995,000 to address the failing soil cement.

2. **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 included \$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. These efforts resulted in the identification of needed concrete repairs at the spillway and the design of those repairs. SJRA is currently beginning construction for the repairs using the remaining budget. It is anticipated that these minor concrete repairs will extend the life of the spillway until funding is secured for replacement of the soil cement and service spillway in FY2025.

3. **Project Funding:** It is estimated that the combined project costs to repair the soil cement and spillway voids could be as much as \$5,050,000. 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. SJRA is currently seeking \$3,600,000 in federal funding to reduce the funds that are required by the MUDs. The remaining \$1,450,000 required would be needed to be funded in accordance with the percent allocations currently used to fund the routine operation and maintenance of the system.

Capital Improvements and Other Projects Plan: 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 FY2023 is highlighted below:

Bear Branch - Projects	Stage	Est. FY2023 Cost	Funding Source
Bear Branch Soil Cement Repairs	Design	\$ 125,000	O&M
Bear Branch Service Spillway Replacement	Design	\$ 125,000	O&M
Bear Branch Security and Lighting Improvements	Design/Const	\$ 75,000	O&M
Total		\$ 325,000	

Total Indebtedness and Annual Debt Service: The Bear Branch system does not have any indebtedness as of FY2022 and no immediate plans for future indebtedness in FY2023. However, beyond FY2023 there may be a need to issue debt to fund the needed repairs at Bear Branch.

Staffing Plan: For FY2023, the Lake Conroe Division projects 0.25 FTEs, the Flood Management Division projects 0.10 FTEs, and the G&A Departments project 0.64 FTEs to Bear Branch for a total of 0.99 FTEs.

Revenues: For FY2023 revenues generated from the combined contributions from the five participating MUDs is \$703,558 in addition to \$120 in interest income for total revenues of \$703,678. Additionally, Bear Branch also plans to use \$101,202 of remaining cash balances from FY2022.

Expenses: Expenses for FY2023 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
- Supplies, Materials, and Utilities
- Maintenance, Repairs, Parts, and Rentals
- G&A Allocations
- O&M Capital Improvements
- Reserve Contributions (when budgeted)

Expected operating expenditures for the Bear Branch System for FY2023 total \$804,880.

Fund Balance and Reserves: The five participating MUDs fund the Bear Branch Division operations and maintenance activities in its entirety.

Operating Reserve: The Operating Reserve is being established for cash flow management. The Operating Reserve target for the Bear Branch Division is being set to an amount equal to two months of operating expenditures. For FY2023, the Bear Branch budget includes \$90,000 in contributions to establish the Operating Reserve.

For FY2023, the net between revenues and expenditures for Bear Branch is \$0.

San Jacinto River Authority - Bear Branch
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OPERATING REVENUES					
Capital Contributions	\$ 176,927	\$ 483,769	\$ 483,769	\$ 483,769	\$ 703,558
TOTAL OPERATING REVENUES	\$ 176,927	\$ 483,769	\$ 483,769	\$ 483,769	\$ 703,558
OTHER REVENUES					
Interest Income	\$ 223	\$ 141	\$ 186	\$ 120	\$ 120
Other Gains & Losses	10	-	10	-	-
TOTAL OTHER REVENUES	\$ 233	\$ 141	\$ 196	\$ 120	\$ 120
OPERATING EXPENSES					
SALARIES, WAGES, & EMPLOYEE BENEFITS					
Salary & Wage Allocation	\$ 39,639	\$ 27,044	\$ 48,623	\$ 59,667	\$ 108,860
Group Insurance	7,241	6,924	10,908	11,703	16,811
Group Retirement Expense	4,657	3,540	6,097	6,529	11,975
Workers Compensation Insurance	446	373	582	1,174	1,848
Social Security Taxes	2,856	2,003	3,529	4,532	7,946
TOTAL SALARIES, WAGES, & EMPLOYEE BENEFIT	\$ 54,840	\$ 39,884	\$ 69,739	\$ 83,605	\$ 147,441
PROFESSIONAL FEES					
Legal Fees	\$ 3,149	\$ 940	\$ 1,786	\$ 5,000	\$ 5,000
Engineering	44,982	50,318	60,937	110,000	10,000
TOTAL PROFESSIONAL FEES	\$ 48,130	\$ 51,258	\$ 62,723	\$ 115,000	\$ 15,000
SUPPLIES, MATERIALS & UTILITIES					
Operating Supplies & Expenses	\$ 27	\$ 58	\$ 85	\$ 500	\$ 250
Office Supplies & Printing	-	-	-	250	250
Postage	57	-	-	50	50
Liability Insurance	2,391	973	1,962	3,960	4,752
Managers Expense	80	-	-	250	250
Fuel	-	159	159	600	800
Signage	47	-	-	1,000	1,000
Newspaper Ads	-	-	-	1,200	550
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ 2,601	\$ 1,189	\$ 2,205	\$ 7,810	\$ 7,902
RENTALS					
Equipment Rentals	\$ -	\$ -	\$ -	\$ -	\$ 3,000
TOTAL RENTALS	\$ -	\$ -	\$ -	\$ -	\$ 3,000
MAINTENANCE, REPAIRS & PARTS					
Mowing	\$ 80,183	\$ 26,728	\$ 80,183	\$ 110,119	\$ 113,093
Channel Desilting & Desnagging	12,400	270	12,670	20,000	20,000
Canals, Levees, & Dams-Maintenance & Repairs	-	1,639	1,639	150,000	15,000
Clearing	6,250	5,850	10,200	5,000	8,000
Invasive Species Management	4,778	-	4,778	20,000	20,000
Gates & Fencing Repairs	168	3,540	3,540	5,000	5,000
TOTAL MAINTENANCE, REPAIRS & PARTS	\$ 103,779	\$ 38,026	\$ 113,009	\$ 310,119	\$ 181,093
GENERAL & ADMINISTRATIVE EXPENSES					
General & Administrative Expense Allocated	\$ 20,925	\$ 10,156	\$ 21,878	\$ 51,653	\$ 35,444
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	\$ 20,925	\$ 10,156	\$ 21,878	\$ 51,653	\$ 35,444
TOTAL EXPENSES	\$ 230,275	\$ 140,514	\$ 269,555	\$ 568,187	\$ 389,880
NET REVENUES OVER EXPENSES	\$ (53,116)	\$ 343,396	\$ 214,410	\$ (84,298)	\$ 313,798
CAPITAL IMPROVEMENTS*					
Dam Rehabilitation				\$ -	\$ 325,000
TOTAL CAPITAL IMPROVEMENTS				\$ -	\$ 325,000
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 84,298	\$ 101,202
Operating Reserve Fund				-	(90,000)

San Jacinto River Authority - Bear Branch
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
TOTAL OTHER SOURCES (USES)				\$ 84,298	\$ 11,202
NET CASH BASIS SOURCES (USES)	\$ (53,116)	\$ 343,396	\$ 214,410	\$ -	\$ -

*Actuals intentionally left blank.

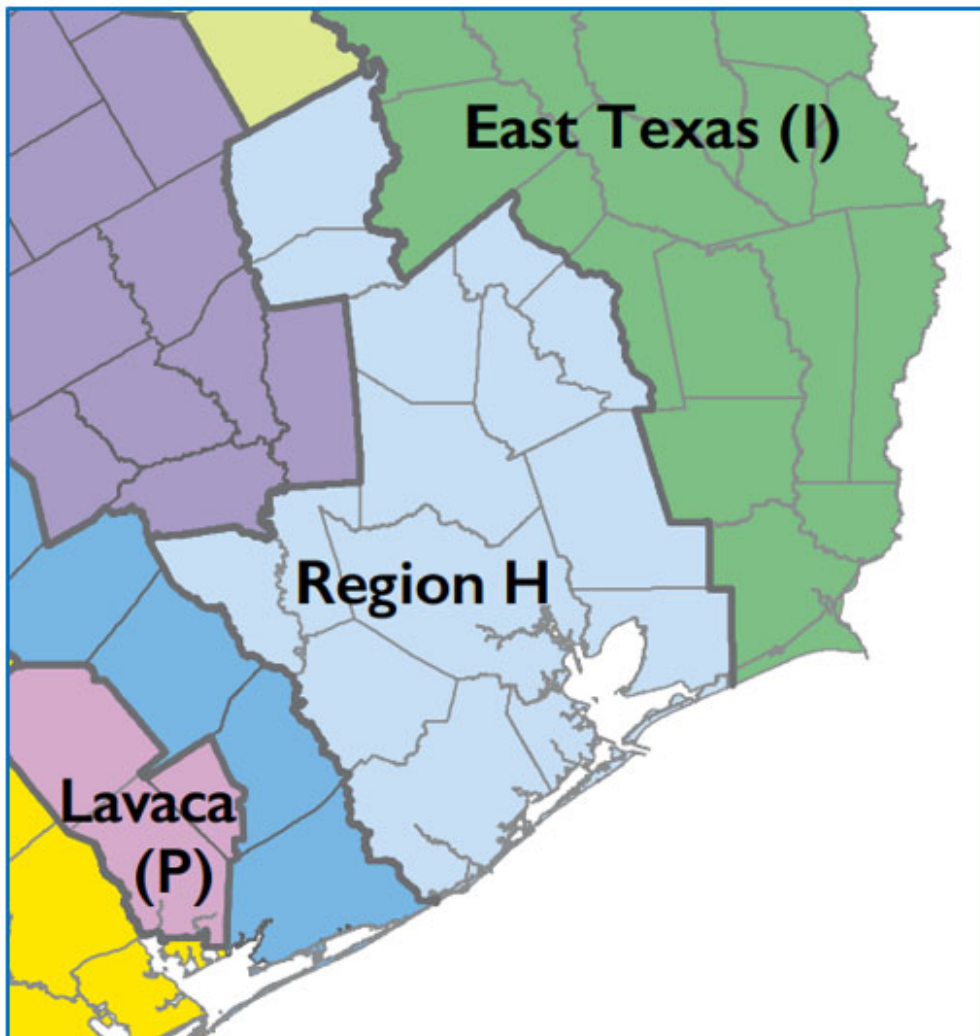


Region H

REGION H

The Authority serves as the administrative agent for the Region H Water Planning Group (Region H). Region H is one of 16 regional planning groups created by the Texas Legislature in 1997 with the adoption of Senate Bill 1, and includes 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 part of 15 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 Water Plan which will be incorporated in the 2027 State Water Plan.

MAP OF REGION H WATER PLANNING AREA



Capital Improvements and Other Projects Plan: Region H has no capital improvements or other major projects planned for FY2023.

Total Indebtedness and Annual Debt Service: Region H does not have any indebtedness as of FY2022 and no plans for future indebtedness in FY2023 or beyond.

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

Revenues: Revenues for FY2023 for Region H combine an anticipated TWDB grant of \$525,000 with \$60 in interest income for total revenues of \$525,060.

Expenses: Expenses for FY2023 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 FY2023 total \$527,997.

Fund Balance and Reserves: Region H does not maintain any fund balance or reserves. For FY2023, the net between revenues and expenditures for Region H is \$0.

San Jacinto River Authority - Region H
Actual to Budget Comparison
FY2021 - FY2023

Description	Actuals FY2021	Actuals Sept-Mar FY2022	Rolling 12 Mo. Actuals Apr 2021- Mar 2022	Budget FY2022	Budget FY2023
OTHER REVENUES					
Interest Income	\$ 91	\$ 25	\$ 27	\$ -	\$ -
Interest Income- Region H - General Fund	73	44	52	60	60
Grant Revenue	198,834	47,288	130,825	275,000	525,000
TOTAL OTHER REVENUES	\$ 198,998	\$ 47,357	\$ 130,903	\$ 275,060	\$ 525,060
OPERATING EXPENSES					
PROFESSIONAL FEES					
Engineering	\$ 186,705	\$ 47,558	\$ 47,558	\$ 275,000	\$ 525,000
TOTAL PROFESSIONAL FEES	\$ 186,705	\$ 47,558	\$ 47,558	\$ 275,000	\$ 525,000
PURCHASED & CONTRACTED SERVICES					
Meeting Expenses	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
Posting Notice Expenses	24	5,373	5,381	250	250
Public Official Liability	1,422	1,447	1,447	1,422	1,447
TOTAL PURCHASED & CONTRACTED SERVICES	\$ 1,446	\$ 6,820	\$ 6,828	\$ 2,672	\$ 2,697
SUPPLIES, MATERIALS & UTILITIES					
Automobile & Truck Expense	\$ -	\$ -	\$ -	\$ 300	\$ 300
TOTAL SUPPLIES, MATERIALS & UTILITIES	\$ -	\$ -	\$ -	\$ 300	\$ 300
TOTAL EXPENSES	\$ 188,151	\$ 54,378	\$ 54,386	\$ 277,972	\$ 527,997
NET REVENUES OVER EXPENSES	\$ 10,847	\$ (7,022)	\$ 76,517	\$ (2,912)	\$ (2,937)
OTHER SOURCES (USES)*					
Cash Sources (Uses)				\$ 2,912	\$ 2,937
TOTAL OTHER SOURCES (USES)				\$ 2,912	\$ 2,937
NET CASH BASIS SOURCES (USES)	\$ 10,847	\$ (7,022)	\$ 76,517	\$ -	\$ -

*Actuals intentionally left blank.

**San Jacinto River Authority
FY2023 Budget
Capital Equipment List**

FY2023 Budget Description

General & Administration:

Buildings	\$ 30,000	Generator to GRP Building12 for IT hub.
-----------	-----------	---

GRP:

Other Machinery & Equipment	\$ 18,500	Zero Turn Mower (\$12,000); Small Portable 6kw Generator Replacement (\$6,500)
Water Treatment Plant & Facil	\$ 15,000	12x20 metal awning for parking UTVs and keeping out of weather
Transportation Equipment	\$ 120,000	Replacement of (1) 1/2-ton truck (\$40,000); Man Lift (\$80,000)

Highlands:

Transportation Equipment	\$ 235,000	Replacement of (2) 3/4-ton trucks (\$90,000); Wide Flat Bottom Boat (\$35,000); Non-commercial Dump Truck (\$110,000)
Pump Station	\$ 35,000	Fence at East Canal Transfer Pump Station

Lake Conroe:

Dam & Appurtenances	\$ 15,000	Two gates for service road around GRP
Other Machinery & Equipment	\$ 18,000	Sonde (\$12,000); Barge Motor (\$6,000)
Transportation Equipment	\$ 50,000	Replacement Truck

Woodlands:

Other Machinery & Equipment	\$ 8,000	GPS Antenna
Sewage Treatment Plant & Fac	\$ 100,000	WWTF 1 Clarifier 3 Gearbox Replacement
Transportation Equipment	\$ 88,000	Replacement of (1) 1-ton Utility Vehicle with (2) 3/4-ton Utility Vehicles