

LOST PINES GROUNDWATER CONSERVATION DISTRICT

FILED

APR 07 2026

Krista Bartsch
Bastrop County Clerk

Board Meeting
Wednesday, April 15, 2026 – 3:30 p.m.
317 E Hempstead St
Giddings, TX 78942

FILED AND RECORDED

APR 07 2026



Sharon Blasig
SHARON BLASIG
COUNTY CLERK, LEE COUNTY, TEXAS

HYBRID IN-PERSON/TELEPHONIC/VIDEO CONFERENCE MEETING

IN-PERSON AND REMOTE ATTENDANCE OPTIONS
INSTRUCTIONS FOR REMOTE PARTICIPATION ARE ATTACHED

AGENDA

The subjects to be discussed or considered, or upon which any formal actions may be taken, are listed below. Items may or may not be taken in the same order as shown on the meeting notice.

- 1) Call to Order:
 - a) Establish Quorum
 - b) Welcome and Introductions
 - c) Pledge of Allegiance
 - d) Texas Pledge
- 2) Public Comments*: Note: Board directors will not ask questions or take action during this item. Regarding comments on items not on today's agenda, responses from board directors are limited to factual statements, recitation of existing District policy, or request for the subject to be placed on a future agenda per Tex. Gov't Code § 551.042.
 - a) Non-Agenda Items
 - b) Agenda Items
- 3) Consent Agenda:

Consent agenda items are routine and will be enacted by one motion. There will be no separate discussion or action on these items unless requested by a board director.

 - a) Minutes of the March 18, 2026 regular Board meeting.
 - b) Financial report through March 31, 2026.
 - c) Invoices received and payments greater than \$15,000.
- 4) Regular Agenda:
 - a) Announcements.
 - b) Discussion, consideration, and possible action on mitigation application appeal.
 - c) Discussion, consideration, and possible action on the District's annual 2025 financial audit.
 - d) Presentation by Spheros Environmental regarding PS4-2 modified groundwater availability model.

- e) Discussion, consideration, and possible action on Groundwater Management Area 12 joint planning, WestWater Research socioeconomic study and upcoming proposed Desired Future Conditions preliminary vote and public hearing.
- f) Update regarding new board member search.
- g) Education and Outreach Coordinator's report. No action will be taken.
- h) General Manager's report. No action will be taken.

Statistics Exempt Wells:

Form 100's - 16, Form 300's - 0

- 1. GMA 12 met on April 2nd, at the POSGCD offices in Milano. Finished the 9 Factor evaluations including the BVGCD and UpWell socio-economic reports. The updated PS4-2 model run was tabled until April 16.
- 2. Spring 2026 well monitoring has started.
- 3. Legislative update planned for the May 20th board meeting.
- 4. Employment manual updates are planned for the May 20th board meeting.
- 5. Plan is to post a job opening for an Assistant GM.
- 6. Upcoming meetings
 - i. GMA 12 will meet on April 16th and possibly on April 27th. The plan is to vote on Proposed DFCs at the April 16th meeting in Milano, TX.
 - j) Consideration of future agenda items.
 - k) Set date and location of next meeting.

FILED AND RECORDED

APR 07 2026

5) Executive Session:

- a) Executive Session of the Board pursuant to Tex. Gov't Code Section 551.071 or any closed session permitted by law, regarding the District's pending or contemplated litigation.



Sharon Blais
Sharon Blais, Clerk

Adjourn.

Date: Apr 7, 2026

Peggy Campion
Peggy Campion, Assistant Secretary

Note: The Board may recess into Executive Session to consult with its attorneys regarding any posted matter in which the Board may seek the advice of its attorneys under Government Code 551.071 or for any action on the agenda for which a closed session is permitted by law, and will reconvene in open session for any appropriate action on any matter considered in Executive Session.

*Note on Public Comments: The Board will receive comments from the public on any matters within the jurisdiction of the Lost Pines Groundwater Conservation District. However, the Board will not hear public comments related to any contested case hearing or other litigation matter that is subject to a prohibition on ex parte communications (including a contested permitting matter) between the conclusion of the public hearing for such matter and the date the Board considers a proposal for decision or renders a final decision on the matter. The Board will not take action on public comments, but may request that matters addressed during public comments be placed on a future agenda for consideration.

FILED

APR 07 2026

Krista Bartsch
Bastrop County Clerk

APR 07 2026



SHARON BLASIG
COUNTY CLERK, BASTROP COUNTY, TEXAS

Persons with disabilities who plan to attend the District's agenda and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print, or Braille are requested to contact Peggy Campion, Assistant Secretary, at 512-360-5088 at least two (2) work days prior to the agenda, so that appropriate arrangements can be made. Persons who desire the assistance of an interpreter in conjunction with their oral presentation at this district agenda are requested to contact Peggy Campion, Assistant Secretary, at 512-360-5088 at least five (5) days prior to the agenda so that appropriate arrangements can be made.

INSTRUCTIONS FOR REMOTE PARTICIPATION IN THE MEETING FOLLOW

LOST PINES GROUNDWATER CONSERVATION DISTRICT

Board Meeting

Wednesday, April 15, 2026 – 3:30 p.m.

**INSTRUCTIONS FOR REMOTE ATTENDANCE VIA THE PUBLICLY
ACCESSIBLE WEB LINK OR TELEPHONE CONFERENCE CALL**

Information on how to participate in the public meeting remotely is provided below. The agenda for this board meeting immediately precedes these instructions for participation. You can provide written public comment in advance of the meeting to lpgcd@lostpineswater.org or live during the meeting via the web link or conference call number provided below.

INSTRUCTIONS FOR MEETING PARTICIPATION AND ATTENDANCE

The Meeting will begin at 3:30 PM

Participation via the audio and video conference will be allowed in the board meeting during public comment or any posted agenda item. If you plan to make public comment during any portion of the meeting, please do the following:

1. **Contact the District at 512-360-5088 or lpgcd@lostpineswater.org to register as a speaker during public comment or on any agenda item by 5:00 pm on Monday, April 13th.** Please indicate whether you would like to speak during public comment and/or a specific item on the agenda. Any person participating in the meeting must be recognized and identified by the presiding officer before they speak.
2. Log in to the Zoom video conference *OR* dial in to the conference call using the information below:

Zoom Meeting Link:

<https://us06web.zoom.us/j/83861067997?pwd=Tqm99WrLYt9NwKgx2aqRiWOeKOgV6x.1>

FILED

APR 07 2026

**Krista Bartsch
Bastrop County Clerk**

FILED

APR 07 2026

Krista Bartsch
Bastrop County Clerk

Meeting ID: 838 6106 7997

Passcode: 471423

To join by phone:

1-346-248-7799

Passcode: 471423#

FILED AND RECORDED

APR 07 2026



Sharon Blasing
SHARON BLASING
COUNTY CLERK, LEE COUNTY, TEXAS

3. Persons with disabilities who plan to attend the District's meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print, or Braille are requested to contact Peggy Campion, Assistant Secretary, at 512-360-5088 at least two (2) workdays prior to the meeting, so that appropriate arrangements can be made. Persons who desire the assistance of an interpreter in conjunction with their oral presentation at this district agenda are requested to contact Peggy Campion, Assistant Secretary, at 512-360-5088 at least five (5) days prior to the agenda so that appropriate arrangements can be made.

Subject to revisions
Lost Pines Groundwater Conservation District

Board of Directors Agenda Minutes

Wednesday, March 18, 2026

The Board of Directors convened an in-person/telephonic/video conference meeting at 3:32 p.m. pursuant to public notice having been given at the Lost Pines Groundwater Conservation District meeting room in Giddings, Texas. The following members of the Board were present in person: President Nick Textor, Vice-President Thomas Arsuffi, Secretary-Treasurer Herbert Cook, Directors Melissa Cole, Patricia Jacobs, Joshua Meuth, Debra Phillips and Nancci Phillips-Burgess.

Staff members present: Elvis Hernandez, General Manager, Peggy Campion and Claire Marks.

Consultants present: Bobby Salehi, Attorney, via Zoom.

1. *Call to Order.* President Textor called the meeting to order.

a. President Textor established a quorum.

b. President Textor welcomed the public.

c. The Pledge of Allegiance was recited.

d. The Texas Pledge was recited.

2. *Public Comments.* There were no public comments.

4. *Consent Agenda:*

a. *Minutes of the February 25, 2026 regular Board meeting.*

b. *Financial report through February 28, 2026.*

c. *Invoices received and payments greater than \$15,000.00.*

Director Cole moved to approve the consent agenda as presented. Director Phillips seconded the motion, which carried unanimously.

5. *Regular Agenda:*

a. *Announcements.* There were no announcements.

b. *Discussion, consideration, and possible action on District sponsorship of Texas Alliance of Groundwater Districts 2026 Texas Groundwater Summit.* General Manager Hernandez presented to the Board whether the District has interest in sponsoring the 2026 Texas Groundwater Summit. The District sponsored the event in 2025. General Manager Hernandez outlined the benefits

associated with sponsorship and responded to questions from the Board. Vice-President Arsuffi moved to approve funding for sponsorship for Lost Pines for the 2026 Texas Groundwater Summit. Director Phillips-Burgess seconded the motion, which carried unanimously.

c. Mitigation program update. General Manager Hernandez presented the 2026 annual mitigation program update to the Board and answered questions. The presentation included an overview of the program's background as well as a summary of expenditures to date.

d. Demonstration of District well database. General Manager Hernandez provided a demonstration of the District's well database, highlighting its many features and capabilities for the Board and the public. He also answered questions from the Board regarding the database.

e. Education and Outreach Coordinator's report. Claire Marks presented the Education and Outreach report. Please see attached. Ms. Marks answered questions from the Board regarding upcoming education and outreach events.

f. General Manager's Report. President Textor recognized General Manager Hernandez to present the General Manager's report. General Manager Hernandez presented the report to the Board, answered questions and received comments from the Board regarding the report.

g. Consideration of future agenda items. The April agenda will include employment manual update, financial audit and legislative update.

h. Set date and location of next meeting. The next meeting of the Board of Directors will be on April 15, 2026, Lost Pines GCD District Office, 317 E Hempstead St., Giddings, TX 78942 at 3:30 p.m.

6. Executive Session:

a. Executive session of the Board pursuant to Tex. Gov't Code section 551.071, or any closed session permitted by law, regarding the District's pending or contemplated litigation.

b. Executive Session of the Board pursuant to Tex. Gov't Code section 551.071, or any closed session permitted by law, regarding the District's mitigation program.

The Board went into executive session at 5:26 p.m. pursuant to Texas Government Code Sec. 551.071, or any closed session permitted by law, to consult with its attorneys regarding pending or contemplated litigation and the District's mitigation program. The Board went back into open meeting 5:53 p.m. No action was taken during the closed meeting.

President Textor adjourned the meeting at 5:53 p.m.

Approved:

G. Nicholas Textor, President

Herbert Cook, Jr., Secretary-Treasurer

LOST PINES GROUNDWATER CONSERVATION DISTRICT
LPGCD **FINANCIAL REPORT 2026**

FUNDING	2026	2026		JAN	FEB	MAR	APR
4000	FUNDING	FEES TO DATE					
4950 Interest Income	\$ -	\$ 33,205.17		\$ 17,293.00	\$ 15,912.17	\$ -	\$ -
4025 User Fee Funds Req.	\$ 1,901,656.32	\$ 447,214.98		\$ 249,528.12	\$ 108,272.47	\$ 89,414.39	\$ -
	\$ -	\$ -					
TOTAL FUNDING MO.		\$ -		\$ 266,821.12	\$ 124,184.64	\$ 89,414.39	\$ -
TOT. REVENUE	\$ 1,901,656.32	\$ 480,420.15					
% OF TOTAL							

EXPENSES	2026		FUNCTION BAL.	JAN	FEB	MAR	APR
5000 LABOR	BUDGET						
5001 Staff	\$ 338,161.00	\$ 76,489.45	\$ 261,671.55	\$ 24,586.72	\$ 25,680.50	\$ 26,222.23	\$ -
5325.3 401A Match	\$ 15,000.00	\$ 1,690.43	\$ 13,309.57	\$ 1,127.79	\$ 281.32	\$ 281.32	\$ -
5325.1 Health Insurance	\$ 41,000.00	\$ 13,296.00	\$ 27,704.00	\$ 3,324.00	\$ 3,324.00	\$ 3,324.00	\$ 3,324.00
8136 Directors Comp.	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -
5425 FICA	\$ 30,000.00	\$ 5,747.19	\$ 24,252.81	\$ 1,861.65	\$ 1,966.82	\$ 1,918.72	\$ -
5000 TOTAL	\$ 499,161.00	\$ 97,223.07	\$ 401,937.93	\$ 30,900.16	\$ 31,252.64	\$ 31,746.27	\$ 3,324.00
% OF TOTAL	31%	19%					

6000 SUPPLIES							
6570 Office Supplies	\$ 5,250.00	\$ 1,210.41	\$ 4,039.59	\$ 456.08	\$ 58.72	\$ 695.61	\$ -
6626 Postage	\$ 5,250.00	\$ 302.93	\$ 4,947.07	\$ 146.04	\$ 78.00	\$ 78.89	\$ -
6571 E/O Program	\$ 10,000.00	\$ 846.70	\$ 9,153.30	\$ 323.00	\$ 88.20	\$ 435.50	\$ -
6000 TOTAL	\$ 20,500.00	\$ 2,360.04	\$ 18,139.96	\$ 925.12	\$ 224.92	\$ 1,210.00	\$ -
% OF TOTAL	1%	12%					

7000 PROF. SERVICES							
7315 Hydro/Geologist	\$ 300,000.00	\$ 16,069.00	\$ 283,931.00	\$ 16,069.00	\$ -	\$ -	\$ -
7450 Legal	\$ 550,000.00	\$ 46,129.35	\$ 503,870.65	\$ 46,129.35	\$ -	\$ -	\$ -
7270 Governmental Relations.	\$ 32,000.00	\$ 10,400.00	\$ 21,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00
7500 Special Proj/Water Test	\$ 15,000.00	\$ 35.00	\$ 14,965.00		\$ 35.00		
7040 IT Management	\$ 15,000.00	\$ 3,494.62	\$ 11,505.38	\$ 1,135.96	\$ 1,179.33	\$ 1,179.33	\$ -
7036 Audit Expense	\$ 16,000.00	\$ -	\$ 16,000.00	\$ -	\$ -	\$ -	\$ -
7000 TOTAL	\$ 928,000.00	\$ 76,127.97	\$ 851,872.03	\$ 65,934.31	\$ 3,814.33	\$ 3,779.33	\$ 2,600.00
% OF TOTAL	58%	8%					

8000 OPERATING EXP.							
8344.1 Auto Expense	\$ 2,000.00	\$ 469.00	\$ 1,531.00	\$ 112.79	\$ 179.24	\$ 176.97	\$ -
8344.2 Insurance	\$ 15,000.00	\$ 650.00	\$ 14,350.00	\$ 150.00	\$ -	\$ 500.00	\$ -
8100 Cleaning/Lawn Services	\$ 5,000.00	\$ 1,050.00	\$ 3,950.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ -
8601 Payroll Processing Fees	\$ 3,000.00	\$ 627.55	\$ 2,372.45	\$ 205.82	\$ 215.91	\$ 205.82	\$ -
8768 Telephone	\$ 7,500.00	\$ 1,318.68	\$ 6,181.32	\$ 380.78	\$ 535.67	\$ 402.23	\$ -
8006 Legal Notice	\$ 9,000.00	\$ 298.00	\$ 8,702.00	\$ 75.00	\$ 123.00	\$ 100.00	\$ -
8795 Travel	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -
8795.2 meals	\$ 3,000.00	\$ 73.75	\$ 2,926.25	\$ 61.85	\$ 11.90	\$ -	\$ -
8795.1 lodging	\$ 8,000.00	\$ 2,856.66	\$ 5,143.34	\$ 231.82	\$ 15.00	\$ 2,609.84	\$ -
8795.3 mileage reimbursment	\$ 10,000.00	\$ 636.77	\$ 9,363.23	\$ 240.70	\$ 396.07	\$ -	\$ -
8690 registration fees	\$ 6,000.00	\$ 4,133.00	\$ 1,867.00	\$ 4,133.00	\$ -	\$ -	\$ -
8790 training fees	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -
8156 Dues/Subscriptions	\$ 3,000.00	\$ 613.00	\$ 2,387.00	\$ -	\$ 115.00	\$ 498.00	\$ -
8694.1 office equipment	\$ 13,500.00	\$ 1,678.49	\$ 11,821.51	\$ 415.11	\$ 629.15	\$ 634.23	\$ -
8694.2 office furniture	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -
8694.4 venue	\$ 5,000.00	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -
6840 utilities	\$ 6,000.00	\$ 1,030.46	\$ 4,969.54	\$ 335.26	\$ 195.30	\$ 499.90	\$ -
8696 repairs	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -
8500 Contingency	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -
8600 Website/Database	\$ 22,000.00	\$ 2,200.00	\$ 19,800.00	\$ 2,200.00	\$ -	\$ -	\$ -
8000 TOTAL	\$ 153,500.00	\$ 17,635.36	\$ 135,864.64	\$ 8,892.13	\$ 2,766.24	\$ 5,976.99	\$ -
% OF TOTAL	10%	11%					

9000 TOTAL							
% OF TOTAL							

TOT. BY MO.	\$ 193,346.44	\$ 106,651.72	\$ 38,058.13	\$ 42,712.59	\$ 5,924.00		
-------------	---------------	---------------	--------------	--------------	-------------	--	--

TOT. ALL FUNCT.	\$ 1,601,161.00						
-----------------	-----------------	--	--	--	--	--	--

Operating Fund Balance	\$253,754.75
TexPool Fund	\$5,426,919.59

[illegible]

Lost Pines Groundwater Conservation District

4/1/2026 8:40 AM

Register: 1010 · Checking - First National Bank

From 03/01/2026 through 03/31/2026

Sorted by: Date and Order Entered

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/02/2026	8844	Jason Ripper	7503 · Rainwater Harv...	Rainwater Harv...	5,000.00			211,555.04
03/02/2026		Recharge Water LP	1200 · Accounts Recei...				26,125.00	237,680.04
03/02/2026		Avara Ranch LLC	1200 · Accounts Recei...				463.98	238,144.02
03/02/2026	8845	City of Giddings	8000 · Operating Expe...	utilities	195.30			237,948.72
03/02/2026	8846	Goodnight Ranch	8400 · Mitigation Fund...	Mitigation Rei...	17,583.00			220,365.72
03/02/2026	8847	Claire Marks	-split-	expenses	589.17			219,776.55
03/05/2026		Peggy Campion	5000 · Labor:5025 · G...	DD	2,528.03			217,248.52
03/05/2026		Dana Goertz	5000 · Labor:5025 · G...	DD	741.86			216,506.66
03/05/2026		Elvis Hernandez	5000 · Labor:5025 · G...	DD	4,577.83			211,928.83
03/05/2026		Claire Marks	5000 · Labor:5025 · G...	DD	2,288.68			209,640.15
03/05/2026			2225 · Payroll Liabilities		2,996.58			206,643.57
03/05/2026			5000 · Labor:5325 · E...		140.66			206,502.91
03/05/2026			5000 · Labor:5325 · E...		351.64			206,151.27
03/05/2026		Jason Alley	1200 · Accounts Recei...				376.20	206,527.47
03/09/2026			8000 · Operating Expe...		102.91			206,424.56
03/09/2026	8848	Sharp Business Syste...	8000 · Operating Expe...	Inv. 9005711913	108.20			206,316.36
03/09/2026	8849	Sharp Business Syste...	8000 · Operating Expe...	Inv. 596175320	396.63			205,919.73
03/09/2026	8850	Tish Holt	7503 · Rainwater Harv...	Rainwater Harv...	2,200.00			203,719.73
03/09/2026		Aqua WSC	1200 · Accounts Recei...				40,600.34	244,320.07
03/09/2026		Bastrop County WCL...	1200 · Accounts Recei...				1,798.45	246,118.52
03/09/2026		Manville WSC	1200 · Accounts Recei...				13,525.44	259,643.96
03/16/2026	8853	Sharp Business Syste...	8000 · Operating Expe...	Inv. 9005711913	108.20			259,535.76
03/16/2026	8854	Spectrum VoIP	8000 · Operating Expe...	Inv. 818118	21.59			259,514.17
03/16/2026		City of Lexington	1200 · Accounts Recei...				1,410.75	260,924.92
03/16/2026	8855	G and C Printing and...	8000 · Operating Expe...	Inv. GC127533	57.35			260,867.57
03/16/2026		LCRA	1200 · Accounts Recei...				8,360.00	269,227.57
03/16/2026		LCRA	1200 · Accounts Recei...				6,792.50	276,020.07
03/16/2026		City of Giddings	1200 · Accounts Recei...				313.50	276,333.57
03/16/2026		City of Giddings	1200 · Accounts Recei...				3,971.00	280,304.57
03/19/2026			2225 · Payroll Liabilities		3,000.96			277,303.61
03/19/2026			5000 · Labor:5325 · E...		140.66			277,162.95
03/19/2026			5000 · Labor:5325 · E...		351.64			276,811.31
03/19/2026		Peggy Campion	5000 · Labor:5025 · G...	DD	2,528.04			274,283.27
03/19/2026		Dana Goertz	5000 · Labor:5025 · G...	DD	768.36			273,514.91
03/19/2026		Elvis Hernandez	5000 · Labor:5025 · G...	DD	4,577.81			268,937.10
03/19/2026		Claire Marks	5000 · Labor:5025 · G...	DD	2,288.68			266,648.42
03/19/2026	8856	Strattmont Group	7040 · IT Management	Inv. 4294	1,179.33			265,469.09
03/23/2026			8000 · Operating Expe...		102.91			265,366.18
03/23/2026		Bastrop County WCL...	1200 · Accounts Recei...				337.54	265,703.72
03/23/2026	8857	TX Health Benefits P...	5000 · Labor:5325 · E...	April	4,464.84			261,238.88

Lost Pines Groundwater Conservation District

4/1/2026 8:40 AM

Register: 1010 · Checking - First National Bank

From 03/01/2026 through 03/31/2026

Sorted by: Date and Order Entered

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/23/2026	8858	Card Service Center	-split-		5,328.00			255,910.88
03/23/2026	8859	GM Ellis Law Firm	7000 · Professional Ser...	April	2,600.00			253,310.88
03/23/2026	8860	Justin Foster	7503 · Rainwater Harv...	Rainwater Harv...	4,200.00			249,110.88
03/26/2026	8861	Insurance Net, Inc.	8000 · Operating Expe...	Inv. 10089	100.00			249,010.88
03/26/2026	8862	Graybar Financial Se...	8000 · Operating Expe...	Inv. 2001291	111.20			248,899.68
03/26/2026		Avara Ranch LLC	1200 · Accounts Recei...				463.98	249,363.66
03/26/2026		Lee County WSC	1200 · Accounts Recei...				4,180.00	253,543.66
03/30/2026		Rambo Materials	1200 · Accounts Recei...				211.09	253,754.75

Lost Pines Groundwater Conservation District

4/1/2026 8:41 AM

Register: 1032 · TexPool

From 01/01/2026 through 03/31/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
02/10/2026			4000 · Income:4900 · I...	January Interest		16,997.25	5,411,640.28
03/12/2026			4000 · Income:4900 · I...	February Interest		15,279.31	5,426,919.59

Well Producers 2026 YTD BASED ON PERMITTED VOLUME																	
PRODUCER & PERMIT TOTAL	January	February	March	April	May	June	July	August	September	October	November	December	YTD TOTALS	ACRE FT	% of TOT. Perm.	% of PERMIT	MO. AVG. AF
Aqua WSC																	
30.083.0 GdJ/1000	312504.09	262008.64	0	0	0	0	0	0	0	0	0	0	574810.73	1783.11	1.12%	4.5%	881.6
Export vol.	24170.761	21737.755	0	0	0	0	0	0	0	0	0	0	49908.516				
Bastrop Co. WCID #1																	
332.0 GdJ/1000	380	1016.7	0	0	0	0	0	0	0	0	0	0	1386.7	4.29	0.00%	1.3%	2.1
Bastrop Co. WCID #2																	
1.713.0 GdJ/1000	13834.74	11032.16	0	0	0	0	0	0	0	0	0	0	24868.9	751.70	0.03%	4.4%	37.8
City of Bastrop																	
13.067.0 GdJ/1000	60357	42665	63421	0	0	0	0	0	0	0	0	0	166643	480.72	0.31%	3.7%	160.2
City of Elgin																	
6.137.0 GdJ/1000	40491	37702	0	0	0	0	0	0	0	0	0	0	78393	240.58	0.15%	3.9%	120.3
Export vol.	18093	8312	0	0	0	0	0	0	0	0	0	0	28377				
City of Giddings																	
3.000.0 GdJ/1000	29368	26397	0	0	0	0	0	0	0	0	0	0	55758	171.11	0.11%	4.5%	85.6
City of Lexington																	
1.390.0 GdJ/1000	5968	4224	0	0	0	0	0	0	0	0	0	0	9792	30.05	0.02%	2.2%	18.0
City of Smithville																	
3.926.0 GdJ/1000	17800	7368	0	0	0	0	0	0	0	0	0	0	25268	77.54	0.03%	2.0%	38.8
Guthrie House																	
16.600.0 GdJ/1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0.0%	0.0
Export vol.	0	0	0	0	0	0	0	0	0	0	0	0	0				
adrian Ingredients																	
224.0 GdJ/1000	5753	8916	0	0	0	0	0	0	0	0	0	0	11069	35.91	0.02%	16.0%	17.9
City of Hutto																	
3.360.0 GdJ/1000	33101.85	35398.884	11566.28	0	0	0	0	0	0	0	0	0	80058.124	248.69	0.16%	7.3%	81.9
Export vol.	33101.85	36996.894	11566.28	0	0	0	0	0	0	0	0	0	80058.124				
Manville WSC																	
12.842.0 GdJ/1000	6878	36192	0	0	0	0	0	0	0	0	0	0	43070	132.16	0.08%	1.0%	66.1
Export vol.	6005.885	35394.903	0	0	0	0	0	0	0	0	0	0	41400.689				
Lee Co. WSC																	
4.000.0 GdJ/1000	32043.488	26381.986	0	0	0	0	0	0	0	0	0	0	58429.464	173.31	0.11%	4.5%	89.7
Export vol.	39251.91	4339.97	0	0	0	0	0	0	0	0	0	0	8368.38				
Lee Co. FWSD																	
110.0 GdJ/1000	803	648	826.119	0	0	0	0	0	0	0	0	0	2276.819	6.99	0.00%	7.0%	2.3
Lincoln WSC																	
476.0 GdJ/1000	2305	0	0	0	0	0	0	0	0	0	0	0	2305	7.07	0.00%	1.5%	7.1
LCRA LPPP																	
6.600.0 GdJ/1000	81819	73878	133376	0	0	0	0	0	0	0	0	0	289073	887.13	0.56%	13.6%	285.7
LCRA G/WH																	
8.000.0 GdJ/1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0.0%	0.0
Hunters Crossing																	
87.0 GdJ/1000	442	346	308	0	0	0	0	0	0	0	0	0	1094	3.35	0.00%	5.0%	1.1
SLR ALCOA WELLS info only																	
3.650.0 GdJ/1000	66710.4	45458.6	0	0	0	0	0	0	0	0	0	0	105169	325.82	0.21%	8.5%	162.9
Luminant																	
Recharge																	
26.000.0 GdJ/1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	#DIV/0!	0.0
Thomas Turfgrass																	
2.200.0 GdJ/1000	14624	24489	28983	0	0	0	0	0	0	0	0	0	67096	205.91	0.13%	9.4%	68.6
Thomas - 6 acres																	
1.000.0 GdJ/1000	15439	31710	49121	0	0	0	0	0	0	0	0	0	98270	285.44	0.19%	16.4%	98.8
Avira Ranch																	
444.0 GdJ/1000	0	24.82	0	0	0	0	0	0	0	0	0	0	24.82	0.08	0.00%	0.0%	0.0
Rambo																	
202.0 GdJ/1000	44738.8	0	2374.539	0	0	0	0	0	0	0	0	0	47111.339	144.88	0.09%	71.6%	48.2
Total Monthly Gallons/1000	734521.65	640113.79	228653.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1603902.43				
Operating Permit Total AF																	
167,071.6 AFY																	

From: Stephen Iselt <iseltspumpandwaterwellservice@gmail.com>

Date: Sunday, February 1, 2026 at 8:06 PM

To: Mr Guinn, Elvis <elvis@lostpineswater.org>

Subject: [EXTERNAL] Guinn mitigation estimate

Elvis,

Customer is Brandon Guinn

Well log and receipt is attached as Mr Guinn had them from the original land owner from when the well was drilled. I do not believe the well was registered with the district by the previous landowner. Well is 780 feet deep and telescopes at about 620 feet. The borehole tool indicates this to be the Simsboro aquifer. As the estimate explains, water level has fallen drastically from 156 feet in '17 to 306 ft currently. Just filling the pressure tank a 10 ft drawdown was observed and the water level was still falling at the time of cut off pressure. Seeing as this was a 15 gpm series 3HP per the invoice the only way to match original production is to go with a 5 hp.

Electrical coming into the pump house is adequate for a 5HP. Pressure tank system is not.

Please note that the well is in the middle of a pump house and will require extra time and labor to pull and set the replacement pump.

--

Stephen Iselt

Iselt's Pump & Water Well Service, LLC

979 884 0125

Mobile: 979 716 4487

On Feb 2, 2026, at 11:14 AM, Elvis <elvis@lostpineswater.org> wrote:
Hello Mr Guinn,

Can you please give me a call to discuss the groundwater mitigation program and details about your well issues. Or, please provide me with your phone number and I can give you a call to discuss.

Thank you,

Elvis Hernandez
General Manager
LPGCD
512-360-5088

From: Elvis <elvis@lostpineswater.org>
Date: Tuesday, February 3, 2026 at 3:40 PM
Subject: RE: [EXTERNAL] Guinn mitigation estimate

I have been researching the groundwater production in the Camp Swift/2336 area and have reached out to Aqua to ask if their production in this area has changed. Currently, there is very little large scale groundwater production in the Herron Trail/2336 area. The closest Aqua water well is 2 miles away over by Hwy 290 and the Camp Swift Aqua well field (by Hwy 95 and Pershing) is over 3 miles away.

The Lost Pines GCD mitigation program is set up to assist well owners affected by groundwater level declines due to large scale groundwater production and I need to establish evidence showing that the well issues are due to groundwater production in the area.

Clearly this well is having issues, but so far I can't tie these issues back to any large scale production in the area - cause there isn't much groundwater production going on in this area... yet.

The Lost Pines GCD also has 2 Simsboro monitoring wells nearby Herron Trail. One monitoring well is 2 years old and is about 2 miles away on 2336 just north of Herron Trail. This past year this Simsboro monitoring well has shown zero water level decline. This well monitors water levels on a daily basis.

The other Simsboro monitoring well is about 2 miles east in the GLR Boy Scout Ranch. This well has been monitored since 2010 and there has been about 30' of water level decline in this Simsboro well since 2019.

If there were widespread issues in this area, with 150' water declines in the Simsboro, there should be other wells experiencing issues and I have no indication that any other Simsboro wells are having issues in this area.

It is possible that this individual well is having issues? Perhaps the well is leaking or is cracked?

I would like to schedule a time to meter this well. In the meantime I have reached out to Aqua to see if their production has increased in this area. At this time it would appear that this well is experiencing issues independent of groundwater production in the area. The monitoring wells in the area do not support a 150' decline in the Simsboro.

Thanks,

Elvis Hernandez
General Manager
LPGCD

From: Elvis <elvis@lostpineswater.org>
Date: Monday, February 9, 2026 at 9:57 AM
To: Mr. Guinn
Subject: Re: [EXTERNAL] Guinn mitigation estimate

Mr. Guinn,

Unfortunately, this well does not qualify under the terms of the Lost Pines GCD (LPGCD) mitigation program. See attached.

Page 5, item (2) states, "Decline in water level causing the need for mitigation of the well must be directly tied to production of groundwater and not factors, such as drought, or changes in precipitation;"

Currently, there is no groundwater production (non exempt permitted wells) in your area (see attached map). The closest production, by the Camp Swift Aqua WSC wells, is over 3 miles away and those production amounts are quite small and have been fairly constant for years. The production causing impacts around Lexington, TX is over 30 miles away in Burleson County and it is highly unlikely that has caused any significant impacts into Bastrop County.

Sincerely,
Elvis Hernandez
General Manager
LPGCD

From: Brandon Guinn
Date: Monday, March 9, 2026 at 10:42 AM
To: Elvis <elvis@lostpineswater.org>
Cc: Stephen Iselt <iseltspumpandwaterwellservice@gmail.com>
Subject: APPEAL Request Re: [EXTERNAL] Guinn mitigation estimate

Dear Mr. Hernandez,

I am writing to formally request an appeal to the Board of Directors regarding the denial under the mitigation program.

Based on my understanding of the program materials, Page 10, Section 9 provides for an appeal to the Board, provided it is submitted within 30 days of the denial. I would like to move forward with that appeal and present this matter for the Board's review.

In preparing for the appeal, I found an LCRA drawdown map that does not appear to align with the information available on the water district's website. I believe this discrepancy is significant and warrants further review. I also believe there is a reasonable basis to argue that the decline is not drought-related, even if a single definitive source cannot yet be identified.

I am also concerned that the limited map radius used in the current review may be too narrow to fully evaluate the potential causes. There appear to be broader factors that should be considered.

Additionally, I understand there may be several large-producing wells in the Simsboro Aquifer, east and south of our property, that could reasonably be considered as possible contributing factors. I believe that information should be included in the Board's review. I would also like to include the Mullen well as part of the appeal, as it appears to indicate that the previous general manager recognized there was a legitimate concern.

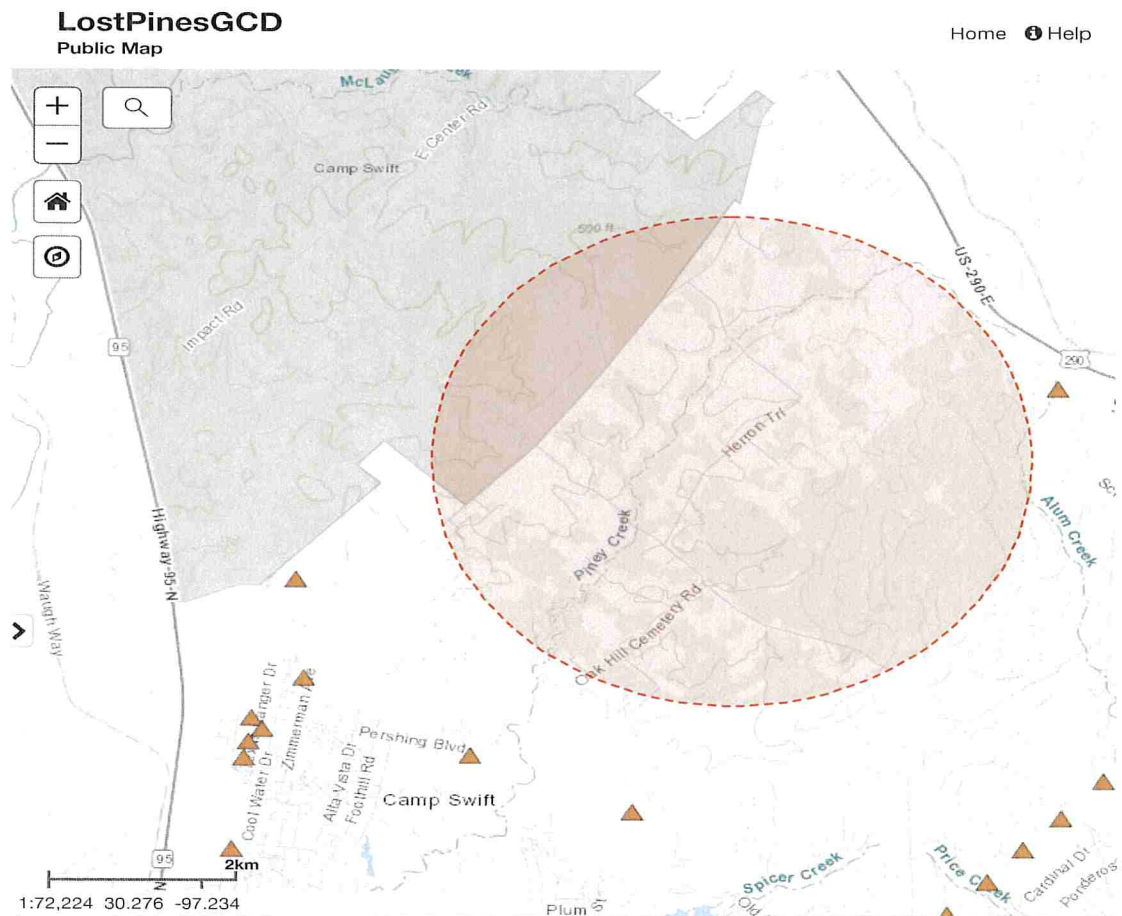
Thank you for your time and consideration. Please let me know the next steps.

Sincerely,

Brandon Guinn

Figure 1. All non-exempt wells within 2 miles
 There is no non-exempt groundwater production within 2 miles.
 Public Web Map

<https://lostpinesgcd.test.hallt.com/Map/Public>



Mr Guinn's Simsboro well was drilled in 2017 and the Static Water Level (SWL) was 156', according to the State Well Report. The current SWL is 306'.

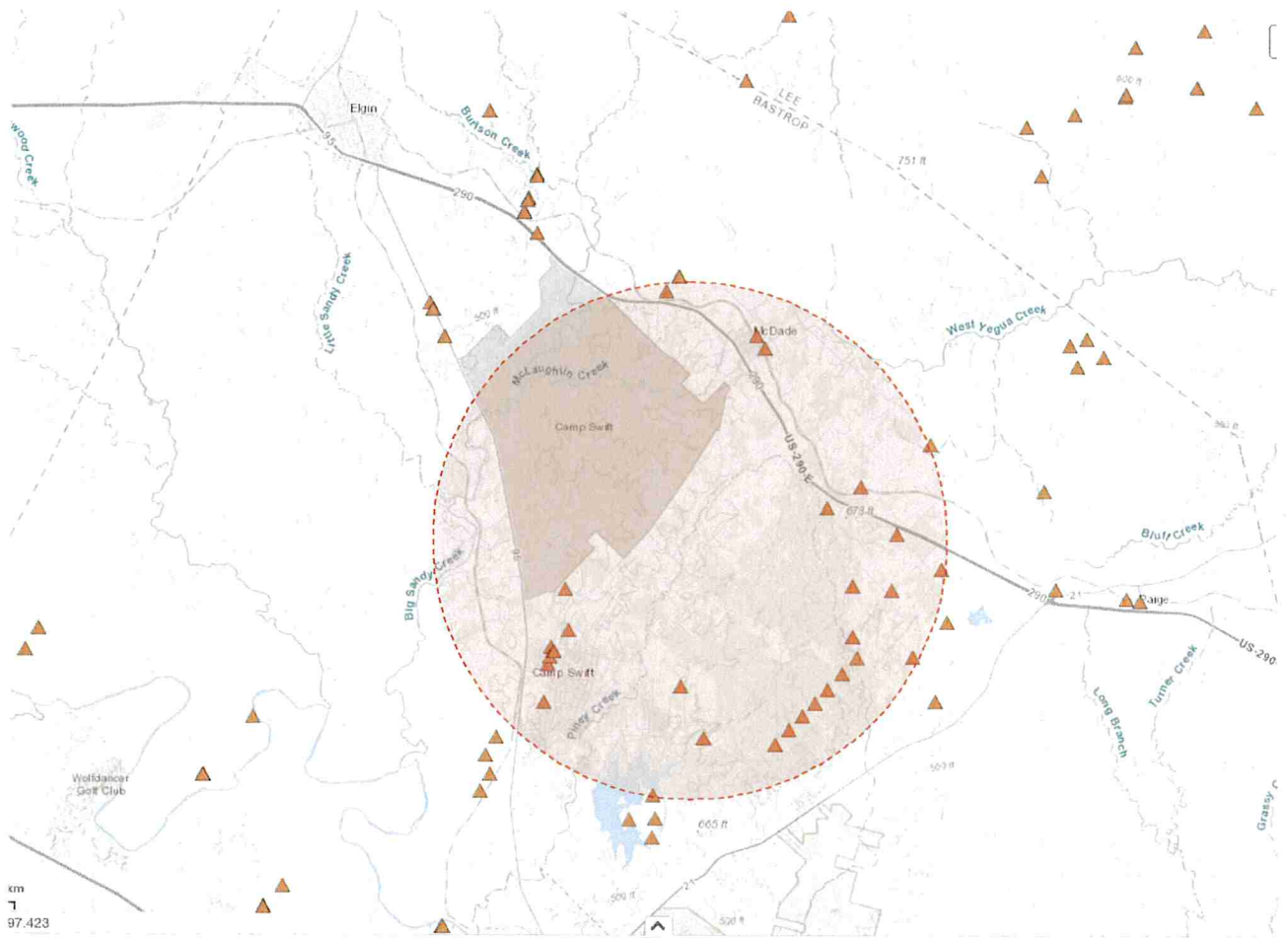


Figure 2. All non-exempt production wells within 6 miles. Most of the wells to the east are not yet in production (LCRA and Recharge).

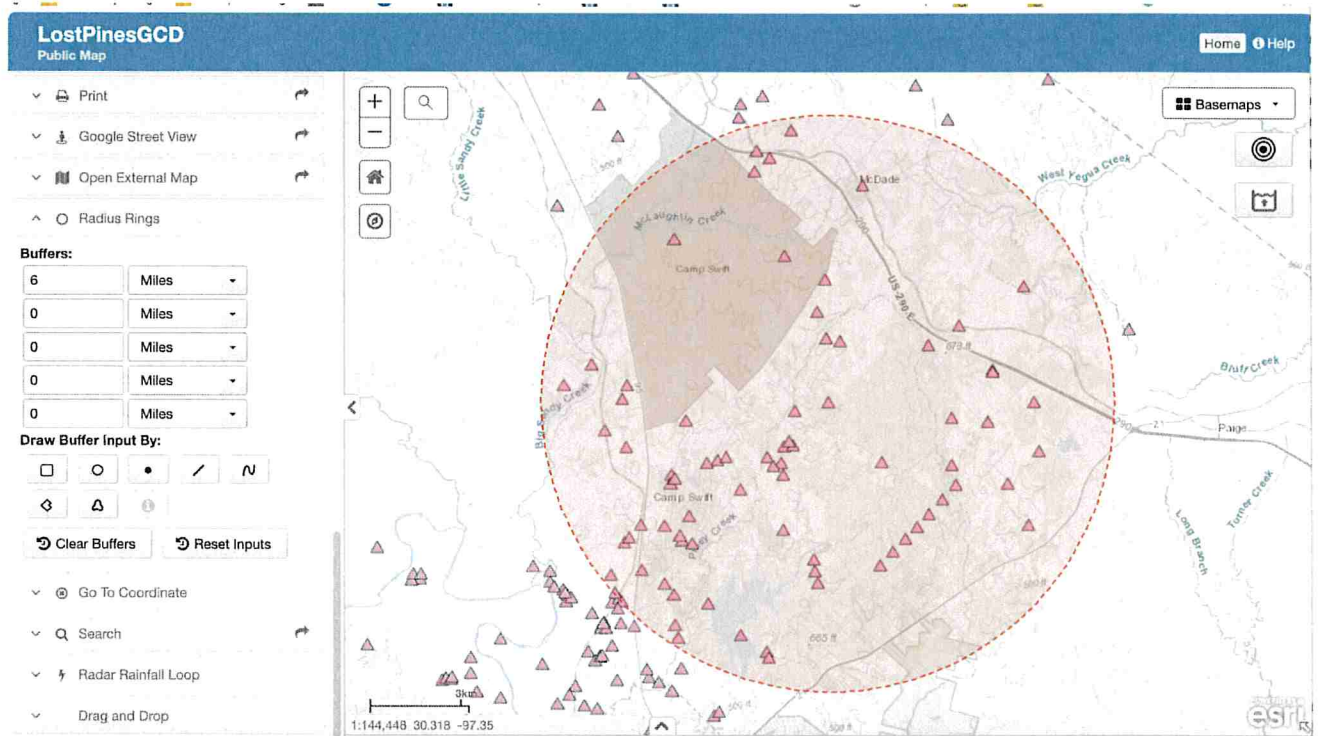
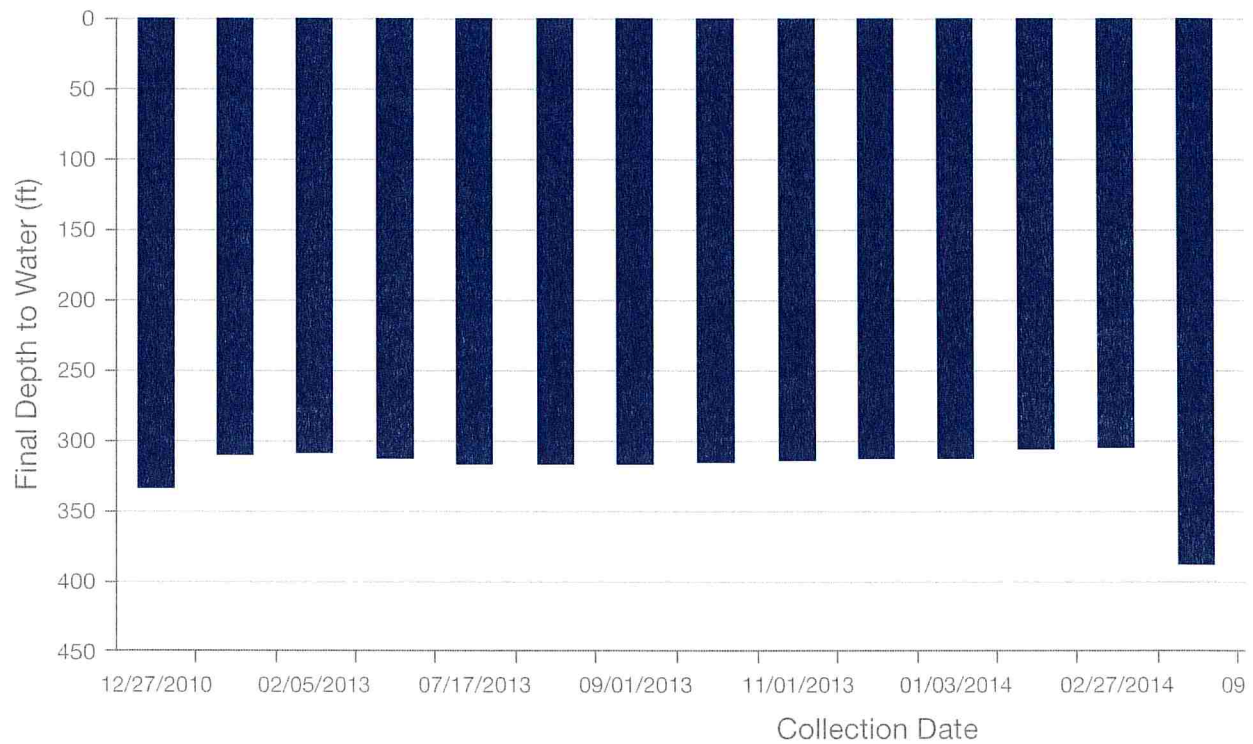


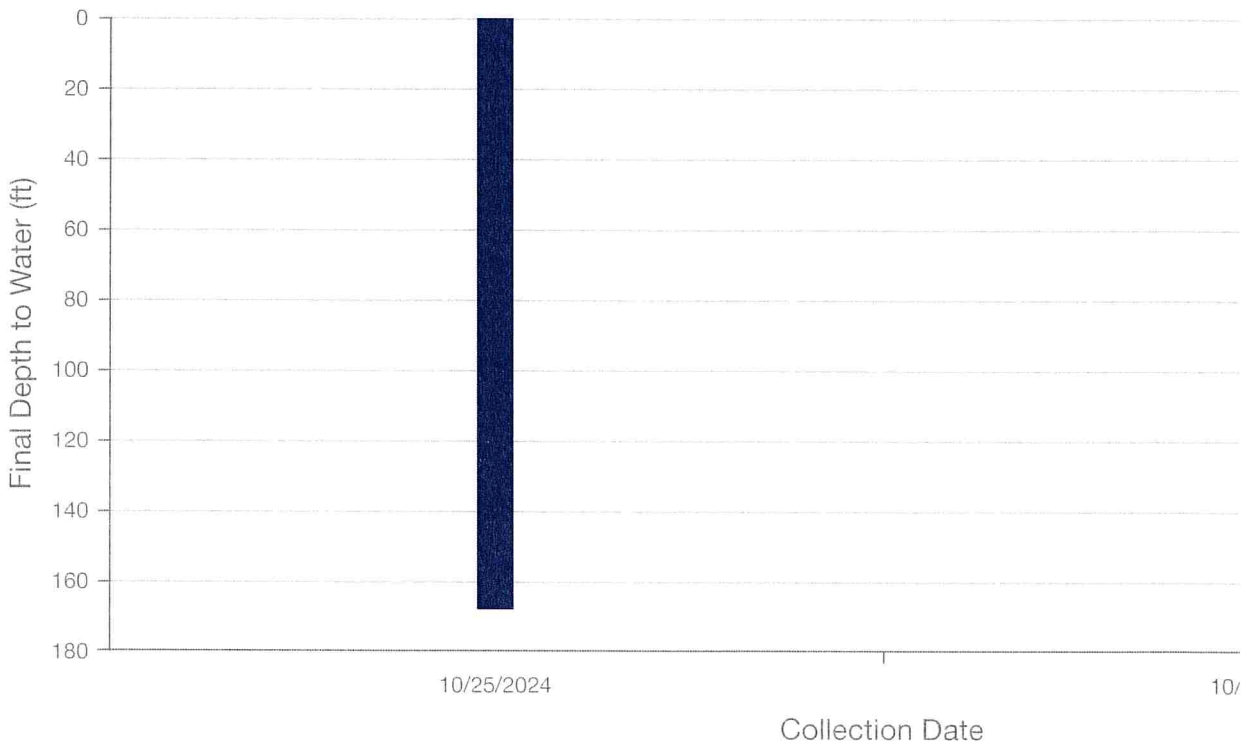
Figure 3. All Simsboro Wells within 6 miles. If there were a 150' Simsboro drawdown in this area within the past 8 years (since 2017) many of these wells would also be having issues.

Water Level Details



Date	Measurement ...	Measurement S...	Pumping Status	Final Depth To ...
1/3/2014	Other	Unknown	Unknown	313.67
2/1/2014	Other	Unknown	Unknown	307.04
2/27/2014	Other	Unknown	Unknown	305.74
8/27/2019	Other	Unknown	Unknown	388.36
9/21/2019	Other	Unknown	Unknown	398.44
4/12/2021	E-Line	Unknown	Unknown	382.6
10/9/2021	Acoustic Meter	Unknown	Unknown	395.6
5/20/2022	Acoustic Meter	Unknown	Unknown	391.6
2/2/2026	Acoustic Meter	General Manager	Static	419.71

Water Level Details



Date	Measurement ...	Measurement S...	Pumping Status	Final Depth To ...
10/25/2024	Other	Field Technician	Static	168
10/27/2025	E-Line	District	Static	169.8

LOST PINES GROUNDWATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025



LOST PINES GROUNDWATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Proprietary Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	12
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	13
Statement of Cash Flows – Proprietary Funds	15
Notes to the Financial Statements	19
Other Reporting:	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Proprietary Fund	31
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Schedule of Findings and Questioned Costs	37

FINANCIAL SECTION

THIS PAGE LEFT BLANK INTENTIONALLY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lost Pines Groundwater Conservation District

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the business-type activities of Lost Pines Groundwater Conservation District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Lost Pines Groundwater Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lost Pines Groundwater Conservation District, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows for the Operating Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lost Pines Groundwater Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lost Pines Groundwater Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lost Pines Groundwater Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lost Pines Groundwater Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026 on our consideration of Lost Pines Groundwater Conservation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lost Pines Groundwater Conservation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lost Pines Groundwater Conservation District's internal control over financial reporting and compliance.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

March 20, 2026

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Management's Discussion and Analysis

The Management's Discussion and Analysis section of the Lost Pines Groundwater Conservation District's (hereafter the "District") Annual Financial Report offers readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. Please read it in conjunction with the independent auditor's report beginning on page 1 of this report and the District's basic financial statements which follow this section.

Financial Highlights

- As of year-end, the District's net position was \$6,077,675 which reflects a \$386,313 increase from the prior year. Of this ending amount, \$5,630,354 represents unrestricted net position which is available to meet the District's obligations.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements and 2) the notes to financial statements. This report also includes other information intended to furnish additional detail to support the basic financial statements themselves.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary Funds. The District uses an enterprise fund to account for groundwater conservation operations. The proprietary fund financial statements provide information for the groundwater conservation operation which is considered the only fund of the District. The basic proprietary fund financial statements can be found on pages 12-15 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 19-27 of this report.

Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,077,675 at the close of the most recent fiscal year.

The district's net investment in capital assets amounted to \$447,321. This represents about 7% of the District's net position and reflects investment in capital assets such as land, buildings, machinery, equipment, vehicles, and infrastructure. This amount is less any related outstanding debt, if applicable, that was used to acquire those assets. The District uses these capital assets to provide a variety of services to its constituents, and these assets are not available for future spending.

The remaining balance of \$5,630,354 is unrestricted and may be used to meet the District's ongoing obligations. At the end of the current fiscal year, the District is able to report positive balances in all reported categories of net position for business-type activities.

The District's overall net position increased by \$386,313 from the prior fiscal year. The primary reason for the increase was overall revenues exceeding originally anticipated amounts.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

**Condensed Statement of Net Position
As of December 31**

	Business-Type Activities 2025	(Restated) Business-Type Activities 2024	Change
Current assets	\$ 5,738,240	\$ 5,378,938	\$ 359,302
Capital assets	457,764	441,269	16,495
Total assets	6,196,004	5,820,207	375,797
Current liabilities	95,818	101,934	(6,116)
Noncurrent liabilities	22,511	26,911	(4,400)
Total liabilities	118,329	128,845	(10,516)
Net position:			
Net investment in capital assets	447,321	427,551	19,770
Unrestricted	5,630,354	5,263,811	366,543
Total net position	\$ 6,077,675	\$ 5,691,362	\$ 386,313

**Condensed Statement of Activities
For the Years Ended December 31**

	Business-Type Activities 2025	(Restated) Business-Type Activities 2024	Change
Program revenues:			
Charges for services	\$ 2,050,557	\$ 1,889,862	\$ 160,695
General revenues:			
Gain on sale of property	-	127,824	(127,824)
Grants and contributions not restricted to specific programs	79,164	-	79,164
Investment earnings	236,177	255,292	(19,115)
Total revenue	2,365,898	2,272,978	92,920
Expenses:			
Personnel services	466,338	431,090	35,248
Purchased professional and technical services	972,571	540,681	431,890
Other operating expenses	539,991	367,542	172,449
Interest on long-term debt	685	863	(178)
Total expenses	1,979,585	1,340,176	639,409
Increase (decrease) in net position	386,313	932,802	(546,489)
Net position - beginning, as restated	5,691,362	4,758,560	932,802
Net position - ending	\$ 6,077,675	\$ 5,691,362	\$ 386,313

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Budgetary Highlights

Over the course of the year, the Board of Directors generally revises the District's budget based on financial updates provided by management of the District. Budget amendments made to the Investment earnings, Purchased professional and technical services, and Other operating expenses line items were considered significant.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for business-type activities as of December 31, 2025, amounts to \$457,764 (net of accumulated depreciation). This investment in capital assets includes buildings, machinery, equipment, and right-to-use lease assets. The total increase in capital assets for the current fiscal year was \$16,495, or 4%.

Capital Assets, Net of Accumulated Depreciation

	Business-Type Activities 2025	Business-Type Activities 2024	Change
Buildings	\$ 474,909	\$ 474,909	\$ -
Furniture and equipment	50,987	10,904	40,083
Right-to-use lease assets	17,315	17,315	-
Total	543,211	503,128	40,083
Less accumulated depreciation	(85,447)	(61,859)	(23,588)
Capital assets, net of depreciation	\$ 457,764	\$ 441,269	\$ 16,495

Additional information on the District's capital assets can be found in Note III.D on page 23 of this report.

Long-term Debt. The District's long-term debt for business-type activities as of December 31, 2025, amounts to \$10,443. The District's long-term debt consists entirely of right-to-use lease asset obligations. The District's debt decreased by \$3,275 during the fiscal year due to principal reductions from regularly scheduled lease payments.

Outstanding Debt

	Business-Type Activities 2025	Business-Type Activities 2024	Change
Right-to-use lease assets payable	\$ 10,443	\$ 13,718	\$ (3,275)
Total	\$ 10,443	\$ 13,718	\$ (3,275)

Additional information on the District's long-term debt can be found in Note III.E on pages 24 of this report.

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Economic Factors and Next Year's Budget

The District considered many factors when setting the fiscal year 2026 budget. The budget for fiscal year 2026 includes expenditures of \$2.36 million which is an increase of approximately \$483,000 from fiscal year 2025 originally adopted expenditures.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those interested in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's business office at Lost Pines Groundwater Conservation District, 317 East Hempstead Street, Giddings, TX 78942, or by calling (512) 360-5088.

THIS PAGE LEFT BLANK INTENTIONALLY

PROPRIETARY-FUND FINANCIAL STATEMENTS

LOST PINES GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

	Business-Type Activities
	Operating Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 82,342
Investments - current	5,394,553
Accounts receivable, net	261,345
Total current assets	5,738,240
Noncurrent Assets:	
Buildings	474,909
Furniture and equipment	17,315
Right-to-use lease assets	50,987
Accumulated depreciation	(85,447)
Total noncurrent assets	457,764
Total assets	6,196,004
LIABILITIES	
Current liabilities:	
Accounts payable	65,708
Compensated absences - current	18,547
Right-to-use lease assets payable - current	3,463
Customer deposits	8,100
Total current liabilities	95,818
Noncurrent Liabilities:	
Right-to-use lease assets payable	6,980
Compensated absences	15,531
Total noncurrent liabilities	22,511
Total liabilities	118,329
NET POSITION	
Net investment in capital assets	447,321
Unrestricted	5,630,354
Total net position	\$ 6,077,675

The notes to the financial statements are an integral part of this statement.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
 Purposes Only

	Business-Type Activities
	Operating Fund
REVENUES	
Operating revenues:	
Charges for services:	
Pumping charges	\$ 2,050,557
Total operating revenues	<u>2,050,557</u>
EXPENSES	
Operating expenses:	
Personnel services	466,338
Purchased professional and technical services	972,571
Other purchased services	10,057
Other operating expenses	495,441
Depreciation	34,493
Total operating expenses	<u>1,978,900</u>
Operating income (loss)	71,657
Nonoperating revenues (expenses)	
Intergovernmental	79,164
Investment earnings	236,177
Interest expense	(685)
Total nonoperating revenues (expenses)	<u>314,656</u>
Change in net position	386,313
Net position - beginning, as previously reported	<u>5,707,830</u>
Restatement, see note III.H	<u>(16,468)</u>
Net position - beginning, as restated	<u>5,691,362</u>
Net position-ending	<u><u>\$ 6,077,675</u></u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

	Business-Type Activities
	Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from user charges	\$ 1,838,524
Receipt (return) of customer deposits	(9,800)
Payments to suppliers and service providers	(1,476,256)
Payments to employees for salaries and benefits	(448,728)
Net cash provided by (used for) operating activities	<u>(96,260)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants	79,164
Net cash provided by (used for) capital and financing activities	<u>79,164</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(50,988)
Principal paid on capital debt	(3,275)
Interest paid on capital debt	(685)
Net cash provided by (used for) capital and related financing activities	<u>(54,948)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(622,761)
Interest on investments	236,177
Net cash provided by investing activities	<u>(386,584)</u>
Net increase (decrease) in cash and cash equivalents	(458,628)
Cash and cash equivalents-beginning	540,970
Cash and cash equivalents-ending	<u>\$ 82,342</u>
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:	
Operating income (loss)	\$ 71,657
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	34,493
(Increase) decrease in accounts receivable	(195,169)
(Decrease) increase in customer deposits payable	(9,800)
(Decrease) increase in accounts payable	1,813
(Decrease) increase in compensated absences	17,610
(Decrease) increase in unearned revenue	(16,864)
Total adjustments	<u>(167,917)</u>
Net cash provided by (used for) operating activities	<u>\$ (96,260)</u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE LEFT BLANK INTENTIONALLY

NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

I. Summary of Significant Accounting Policies

A. Reporting entity

The Lost Pines Groundwater Conservation District (the “District”) was created by an act of the Texas Legislature with the sole purpose of protecting the water supply for the residents of Bastrop and Lee Counties. The District is governed locally by ten citizens, five from each respective county, who have been appointed by their respective county commissioners courts to serve as directors for a term of four years. Their charge is to determine how to best protect the underground aquifer from over-pumping so that there will be enough water for everyone, now and in the future.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described in the notes that follow.

B. Basis of presentation – Fund Financial Statements

The fund financial statements provide information about the District’s sole fund. The emphasis of fund financial statements is on major funds. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The District reports a single fund, the *Operating Fund*, as a major enterprise fund. This fund accounts for all activities of the District.

C. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Enterprise funds (proprietary funds) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

D. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the District’s Operating Fund. The District follows the procedures outlined below in establishing the budget data reflected in the financial statements.

The general manager submits to the board of directors the proposed budget. The directors may insert new items or may increase or decrease items of the budget except items in proposed expenses fixed by law. Where the board increases total proposed expenses, it also provides for an increase in the total anticipated revenue to at least equal such total proposed expenses.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

The budget is adopted by a majority vote of the board of directors. The general manager may at any time transfer any unused appropriation balance or portion thereof between general classifications of expenses. Therefore, expenses should not exceed appropriations. The directors may transfer any unencumbered appropriation balance or portion thereof through formal budget amendments. Unencumbered appropriations lapse at year-end.

2. Excess of expenditures over appropriations

For the year ended December 31, 2025, expenditures did not significantly exceed appropriations in the District's legally adopted budget.

E. Assets, liabilities, and net position/fund balance

1. Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the District are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (TexPool, LoneStar, etc.), where applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. Although not registered with the SEC, the pools are subject to regulatory oversight by the State Treasurer.

3. Inventories and prepaid items

For the year ended December 31, 2025, the District did not have any inventory or prepaid items.

4. Capital assets

Capital assets include property, plant, equipment, and infrastructure assets such as roads, bridges, sidewalks, and similar items. They are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the District constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful life of the asset. The District estimates the useful lives of assets based on the figure on the following page.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Capital asset classes	Lives
Buildings	10-50
Improvements	10-20
Vehicles	5-10
Equipment	3-7

5. Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

F. Revenues and expenses/expenses

Proprietary funds operating and nonoperating revenues and expenses. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Operating Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

No violations of legal or contractual provisions were noted during the current year.

B. Deficit net position

For the year ended December 31, 2025, the District did not report a deficit net position.

III. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

At December 31, 2025, the carrying amount of the District’s deposits was \$82,342 and the bank balance was \$90,376. The District’s deposits with financial institutions at December 31, 2025 and during the year ended December 31, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

B. Investments

The state treasurer's investment pool (the "Pool") operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.E.2, *Investments*, for a discussion of how the shares in the Pool are valued. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for local governments in the state. State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the state treasurer's investment pool.

As of December 31, 2025, the District had the following investments:

Investment Type	Maturity Time in Years			
	Less than 1	1-5	6-10	More Than 10
TexPool investment pool	\$ 5,394,553	\$ -	\$ -	\$ -
Total investments	<u>\$ 5,394,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The District had investments in one external local governmental investment pool at December 31, 2025, consisting of the Texas Local Governmental Investment Pool ("TexPool").

TEXPOOL

TEXPOOL is a local government investment pool. It offers a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The primary objectives of the pool are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, diversify to avoid unreasonable or avoidable risks, and maximize the return on the pool. Cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas make up the investor base.

TEXPOOL was originally rated in March 1995, but effective April 2002, the Texas Comptroller of Public Accounts contracted with Federated Investors, Inc. for the day-to-day operations of TEXPOOL. Federated Investors, Inc. performs the pool's investment management and custodial functions. It also provides the marketing function, working closely with participants. Federated Securities Corp. acts as the distributor for the portfolio. Oversight of TEXPOOL continues to be provided by the Texas Comptroller, as well as the TEXPOOL advisory board. In January 1995, the advisory board adopted and implemented long-term policy changes to provide for a stable net asset value (NAV) pool, which, in effect, operates like an SEC regulated Rule 2a-7 money-market fund. These changes were made to ensure a more conservative investment strategy and to provide a much higher level of investment safety for local government funds.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of December 31, 2025, the District's investment in the TexPool Investment Pool was rated AAAm by Standard & Poor's.

Concentration of credit risk. The District's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At December 31, 2025, the District was not exposed to custodial credit risk.

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line. Below is a detail of receivables:

Receivables	Operating Fund
User fees receivable	\$ 182,180
Grants receivable	79,165
Net receivables	<u>\$ 261,345</u>

D. Capital Assets

Capital assets activity for the year ended December 31, 2025, was as follows:

Business-Type Activities:

	Balance 1/1/25	Increases	Decreases	Balance 12/31/25
Capital assets, being depreciated:				
Buildings and improvements	\$ 474,909	\$ -	\$ -	\$ 474,909
Furniture and equipment	10,904	50,987	(10,904)	50,987
Right-to-use lease assets	17,315	-	-	17,315
Total capital assets, being depreciated	<u>503,128</u>	<u>50,987</u>	<u>(10,904)</u>	<u>543,211</u>
Less accumulated depreciation for:				
Buildings and improvements	(47,492)	(23,745)	-	(71,237)
Furniture and equipment	(10,904)	(7,284)	10,904	(7,284)
Right-to-use lease assets	(3,463)	(3,463)	-	(6,926)
Total accumulated depreciation	<u>(61,859)</u>	<u>(34,492)</u>	<u>10,904</u>	<u>(85,447)</u>
Total capital assets being depreciated, net	441,269	16,495	-	457,764
Business-type activities capital assets, net	<u>\$ 441,269</u>	<u>\$ 16,495</u>	<u>\$ -</u>	<u>\$ 457,764</u>

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

E. Long-Term Liabilities

Details of long-term debt obligations outstanding at December 31, 2025 are as follows:

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 12/31/25
Right-to-use lease assets payable					
Sharp BP70C45 - Copier	2023	\$ 17,315	5.60%	2028	\$ 13,718
Total right-to-use lease assets payable					<u>\$ 13,718</u>

Changes in the District's long-term liabilities for the year ended December 31, 2025 are as follows:

Business-type Activities

Description	Balance 1/1/25	Additions	Deletions	Balance 12/31/25	Due in One Year
Right-to-use lease assets payable	\$ 13,718	\$ -	\$ (3,275)	\$ 10,443	\$ 3,463
Compensated absences*	16,468	17,610	-	34,078	18,547
Business-type activities long-term liabilities	<u>\$ 30,186</u>	<u>\$ 17,610</u>	<u>\$ (3,275)</u>	<u>\$ 44,521</u>	<u>\$ 22,010</u>

*The change in the compensated absences liability is presented as a net change.

F. Right-to-Use Lease Assets

Leases are defined by the general government as the right to use an underlying asset. As lessee, the District recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-to-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

The debt service requirement for right-to-use lease assets payable as of December 31, 2025 are as follow:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 3,463	\$ 497	\$ 3,960
2027	3,662	298	3,960
2028	3,318	88	3,406
	<u>\$ 10,443</u>	<u>\$ 883</u>	<u>\$ 11,326</u>

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

G. Compensated Absences

General Information. The District has a compensated absences policy that awards 80-160 vacation hours and 120 sick leave hours per year. Employees may only accrue from 160-240 hours of vacation and 600 hours of sick leave. Vacation earnings and accrual maximums are based on length of employment with the District. The District's policy states that upon voluntary termination, eligible employees will be paid for any unused vacation to which they are entitled at the time of separation.

Accrued Compensated Absences. The District's Compensated Absences Liability represents only hours that accumulate beyond one fiscal year, are for services already rendered, and are considered more likely than not to be used or paid in cash. The District has recorded a restatement for the year ended December 31, 2024 to recognize a beginning balance of \$16,468 related to compensated absences and reported an ending liability balance of \$34,078 for the year ended December 31, 2025. Of this ending balance, the District considers \$18,547 to be due within one year. For more information regarding the District's restatement, see Note III.K to the financial statements of this report. For more information regarding the District's Compensated Absences Liability balances and changes, see Note III.E to the financial statements of this report.

Changes in Liabilities. There were no significant changes to the District's policies or rates of usage for the year ended December 31, 2025.

Methods and Assumptions. The District determines the Compensated Absences Liability by calculating each employee's accrued days as of the balance sheet date and multiplying those days by the employee's hourly rate. Based on District policy, the District then categorizes those extended costs to those which are eligible for cash payment and those which are not as of the balance sheet date. Extended costs not eligible for cash payment as of the balance sheet date are then analyzed for long-term usage rates based on the best available historical data. The District applies a First-in, First-Out (FIFO) flow assumption as it relates to compensated absences.

Once a usage rate is calculated, a percentage of hours that are awarded and subsequently go entirely unused is estimated and applied against the gross Compensated Absences Liability to calculate a net Compensated Absences Liability. The District then analyzes the best available historical data to estimate near-term usage rates in order to determine the estimated current portion of the liability.

Expense Recognition. The changes in the Compensated Absences Liability in a fiscal year is recognized as an expense and reported as an adjustment in accordance with *Governmental Accounting Standards Board Statement No. 101 – Compensated Absences*. This adjustment represents the net change which includes additions and deletions to the District's Compensated Absences Liability. Additions include vacation and sick hours awarded to existing employees annually. Deletions include hours that are used during the fiscal year and hours that are compensated by cash payment.

H. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Commitments and Contingencies

For the year ended December 31, 2025, there were no commitments or contingencies to report.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

J. Disclosure of Accounting Changes and Error Corrections

Governmental Accounting Board Statement No. 100 – Accounting Changes and Error Corrections (“GASB 100”) GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

For the year ended December 31, 2025, the District implemented *Governmental Accounting Standards Board Statement No. 101 – Compensated Absences (“GASB 101”)*. See Note III.K for further information.

K. Implementation Of New Governmental Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 101 – Compensated Absences (“GASB 101”) During the year the District implemented *Governmental Accounting Standards Board Statement No. 101 – Compensated Absences (“GASB 101”)*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

In the year of implementation, GASB 101 requires a retroactive restatement of prior periods to reflect the effect on net position as if the standard had been in effect in prior years. In accordance with *Governmental Accounting Board Statement No. 100 – Accounting Changes and Error Corrections (“GASB 100”)*, this restatement is the result of a change in accounting principle. As such, the effect on beginning net position as shown within these financial statements is as follows:

	Operating Fund
Net Position as Previously Stated at December 31, 2024	\$ 5,707,830
Effect of implementation of GASB 101 - Compensated Absences Liability	(16,468)
Net Position as Restated at December 31, 2024	<u>\$ 5,691,362</u>

Governmental Accounting Standards Board Statement No. 102 – Certain Risk Disclosures (GASB 102). This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

For the year ended December 31, 2025, no concentration or constraints were required to be disclosed by the District.

LOST PINES GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

L. Subsequent Events

The District has evaluated subsequent events through March 20, 2026 which represents the date this report was available to be issued; and as a result, no events were noted which require recording and/or disclosure.

THIS PAGE LEFT BLANK INTENTIONALLY

OTHER REPORTING

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL – PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Pumping charges	\$ 1,878,677	\$ 1,878,677	\$ 2,050,557	\$ 171,880
Intergovernmental revenues	-	-	79,164	79,164
Investment earnings	-	200,000	236,177	36,177
Total revenues	1,878,677	2,078,677	2,365,898	287,221
EXPENSES				
Current:				
Personnel services	490,558	521,558	466,338	55,220
Purchased professional and technical services	982,000	1,229,786	972,571	257,215
Other operating expenses	406,072	533,286	540,676	(7,390)
Total expenses	1,878,630	2,284,630	1,979,585	305,045
Excess (deficiency) of revenues over expenses	47	(205,953)	386,313	592,266
Change in net position	47	(205,953)	386,313	592,266
Net position - beginning, as restated	5,691,362	5,691,362	5,691,362	-
Net position - ending	\$ 5,691,409	\$ 5,485,409	\$ 6,077,675	\$ 592,266

THIS PAGE LEFT BLANK INTENTIONALLY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
the Lost Pines Groundwater Conservation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Lost Pines Groundwater Conservation District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Lost Pines Groundwater Conservation District's basic financial statements and have issued our report thereon dated March 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lost Pines Groundwater Conservation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lost Pines Groundwater Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lost Pines Groundwater Conservation District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lost Pines Groundwater Conservation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

THIS PAGE LEFT BLANK INTENTIONALLY

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

March 20, 2026

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiencies identified that are not considered to be material weaknesses?	☐ Yes ☒ None reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended December 31, 2025.

Prior year financial statement findings as required to be restated with current status:

2024-001	Budgetary Compliance
Criteria:	Each year the District’s Board of Director’s adopts an appropriations budget which limits expenditure amounts within specific line items that can be made by management.
Condition Found:	As of year-end, the Operating Fund exceeded budget in the Other Operating Expenses line item by \$124,666.
Cause:	The needed budget amendments were either not known by year-end or not brought timely for approval.
Effect:	The effect of this condition is a technical noncompliance with the legally adopted appropriations budget.
Recommendation:	We recommend the budget-to-actual expenditure amounts be closely monitored during the year and needed budget amendments be brought to the Board as needed to be considered for approval.
Current Status:	We did not observe this issue for the year ended December 31, 2025.

THIS PAGE LEFT BLANK INTENTIONALLY

LOST PINES GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Draft - For Discussion
Purposes Only

Findings Related to Financial Statements Which are Required to be Reported in Accordance with
Government Auditing Standards (continued):

2024-002	Investment Officer Training
Criteria:	The Public Funds Investment Act, Chapter 49 of the Texas Water Code, requires Districts to appoint an Investment Officer responsible for overseeing investment activities of the District. The appointed individuals are required to receive 6 hours of investment training within 12 months, and then 4 hours of continuing training every two years.
Condition Found:	During our review of compliance requirements related to cash and investments during the audit, it was determined that the District's Investment Officers had not received the required 4 hours of training for the fiscal year ended December 31, 2024.
Cause:	The District did not schedule training until after year end.
Effect:	The effect of this condition is noncompliance with the Public Funds Investment Act during the fiscal year ended December 31, 2024.
Recommendation:	We recommend the District's Investment Officers receive the required 4 hours of training as soon as possible.
Current Status:	We did not observe this issue for the year ended December 31, 2025.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.



March 20, 2026

To the Board of Directors
Lost Pines Groundwater Conservation District

We have audited the financial statements of the business-type activities of Lost Pines Groundwater Conservation District for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 31, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Opinion on the Financial Statements

The primary purpose of a financial audit is for the auditor to render an opinion as to whether the financial statements of the audited organization appear to be free from material misstatement and adhere to generally accepted accounting principles. This opinion must be based on a systematic review of the evidence supporting the financial statement amounts. In conjunction with the audit, the auditor must also consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion on internal control.

Our opinion on the financial statements appears within the Independent Auditor's Report on page 1 of the Annual Financial Report. This opinion is classified as *Unmodified*.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lost Pines Groundwater Conservation District are described in Note I to the financial statements.

During the year the District implemented *Governmental Accounting Standards board Statement No. 101 - Compensated Absences* (GASB 101). GASB 101 clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

Also during the year the District implemented *Governmental Accounting Standards board Statement No. 102 - Certain Risk Disclosures* (GASB 102). The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's current vulnerabilities due to (1) certain concentrations and (2) certain constraints common in the governmental environment.

We noted no transactions entered into by Lost Pines Groundwater Conservation District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Lost Pines Groundwater Conservation District's financial statements were:

Management's estimate of current year and accumulated depreciation on long-term capital assets is based on the historical cost of these assets and estimates of their useful lives. We evaluated the recorded asset values, estimated useful lives, and accumulated depreciation amounts to determine that they appear reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 20, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Lost Pines Groundwater Conservation District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Net Position of Operating Fund

The Operating Fund is the main operating fund of the District and contains the primary financial resources available to provide for ongoing District operations. The ending net position level of the Operating Fund is therefore a good indicator of the financial health of the District. A commonly accepted best practice for net position is to maintain an ending net position level of at least 25% of annual noncapital Operating Fund expenses. As of December 31, 2025, the net position of the Operating Fund was \$6,077,675 in total, which represented 307% of noncapital Operating Fund expenses for the year.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Lost Pines Groundwater Conservation District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Audit Findings, Internal Control, and Compliance Related Matters

Government Auditing Standards and the federal Uniform Guidance require an auditor to report material weaknesses and significant deficiencies found in the internal control of an organization, as well as material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A regular *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet potentially more consequential than a regular deficiency and important enough to merit attention by those charged with governance.

Material noncompliance with provisions of laws, regulations, contracts, and grant agreements occurs when the noncompliance is to a large enough degree that there could be a material effect on the determination of financial statement amounts or consequences severe enough to potentially affect the organization's operations.

No matters came to our attention during the audit that would require reporting in accordance with the above criteria.

Other Matters

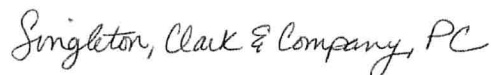
We applied certain limited procedures to management's discussion and analysis section preceding the financial statements which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information such as the budgetary comparison schedule of the Operating Fund which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Lost Pines Groundwater Conservation District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Singleton, Clark & Company, PC
Cedar Park, Texas

4/6/2026
8:37 AM

Client: 40-0006.0 - Lost Pines Groundwater Conservation District
Engagement: Audit 25 - Lost Pines Groundwater Conservation District
Period Ending: 12/31/2025
Trial Balance: 3600.01 - Annual Trial Balance - 2 Year
Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To adjust long term debt.				
2325.3	NON CURRENT PORTION OF L/T DEBT		3,463.00	
6923	Interest Expense		685.00	
2325.2	Current Portion of lease liabil			188.00
8694.1	Operating Expense:8694 -+ Rental:8694.10 -+ Office			3,960.00
Total			4,148.00	4,148.00
Adjusting Journal Entries JE # 2				
To adjust beginning balances and retained earnings.				
1650	Giddings Building		0.29	
3900	Retained Earnings		228,849.05	
1425	User Fees Receivables			102,405.84
2000	Accounts Payable			52,409.49
2250	Other Trade Payables			74,034.01
Total			228,849.34	228,849.34
Adjusting Journal Entries JE # 3				
To reclassify capital expenses to capital outlay, remove asset disposals, and accrue depreciation expense.				
1625	Equipment		50,987.00	
1790	Accumulated Depreciation		10,904.00	
6800	Depreciation Expense - Prop. Fund Types Only		34,492.50	
1625.1	Equipment:1625.10 -+ Computer Equipment			10,904.00
1790	Accumulated Depreciation			34,492.50
8500	Contingency			50,987.00
Total			96,383.50	96,383.50
Adjusting Journal Entries JE # 4				
To adjust interest recordings for the Texpool investment account based on received confirmation.				
4900	Income:4900 -+ Interest Income		89.63	
1032	TexPool			89.63
Total			89.63	89.63
Adjusting Journal Entries JE # 5				
To adjust the compensated absence liability in accordance with GASB 101.				
3900	Retained Earnings		16,468.00	
5000	Labor		17,610.00	
2325.30	NON CURRENT PORTION OF L/T DEBT			34,078.00
Total			34,078.00	34,078.00
Adjusting Journal Entries JE # 6				
To adjust revenue for the year ended 12/31/25.				
1425	User Fees Receivables		62,300.24	
2270	Current Liabilities		16,864.22	
4025	Income:4025 -+ User Fees		16,335.91	
1425	User Fees Receivables			16,335.91
4025	Income:4025 -+ User Fees			16,864.22
4025	Income:4025 -+ User Fees			62,300.24
Total			95,500.37	95,500.37

These entries have been reviewed and approved by management and will be posted to the accounting system as of the fiscal year end audited.

SIGNED:



DATE:

4/6/26

PS4-2mod: Draft Final Results

Presented to GMA-12

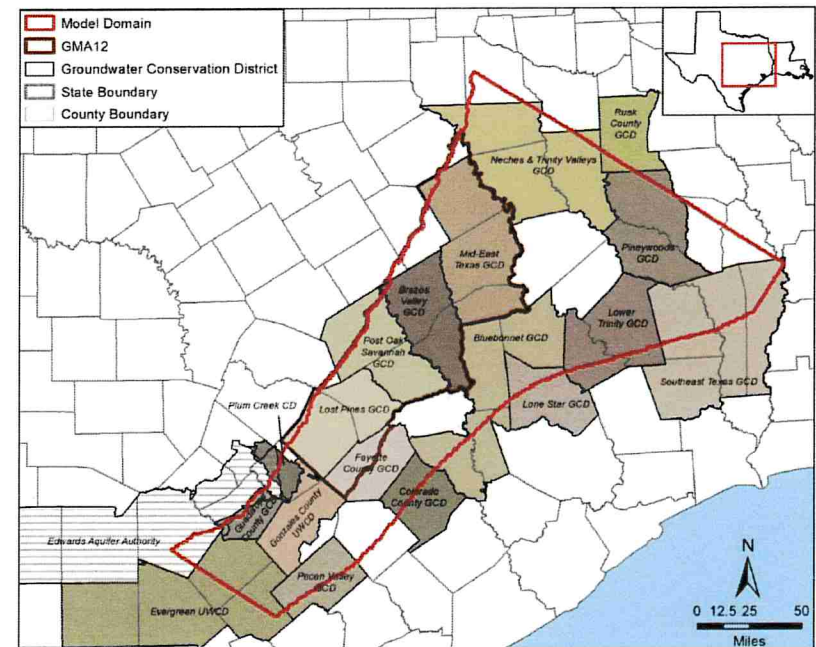
April 2, 2026

Gretchen Miller, Ph.D., P.E., P.G.



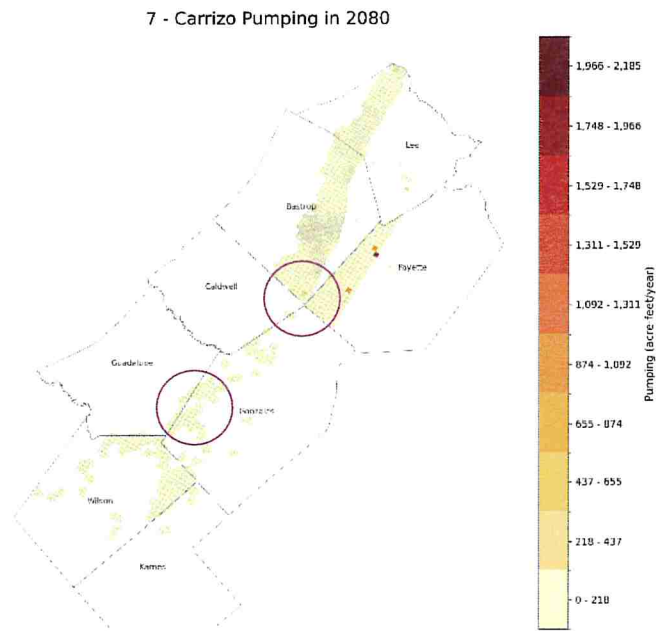
GMA-12 Modeling

- **PS4-2: Realistic Scenario**
 - Districts provide best estimates as to future pumping based on existing permits
 - BVGCD, LPGCD, POSGCD, provided major updates
 - FCGCD maintained PS3-19
 - METGCD provided minor updates
 - V8 – This version (April 2, 2025)
 - Corrects issue with distribution of GMA-13 pumping between Calvert Bluff and Carrizo layers
- **Recommend PS4-2_v8.wel as final well file for PS4-2mod simulations**

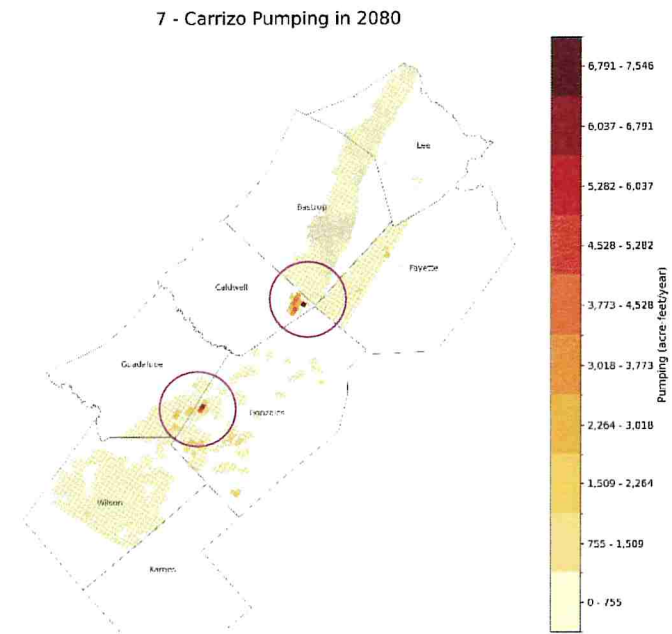


GMA-13 pumping total unchanged, distribution altered

PS4-2_v7 (March 17)



PS4-2_v8 (April 2)



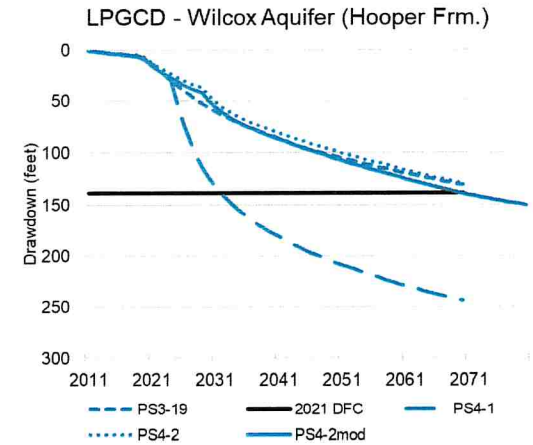
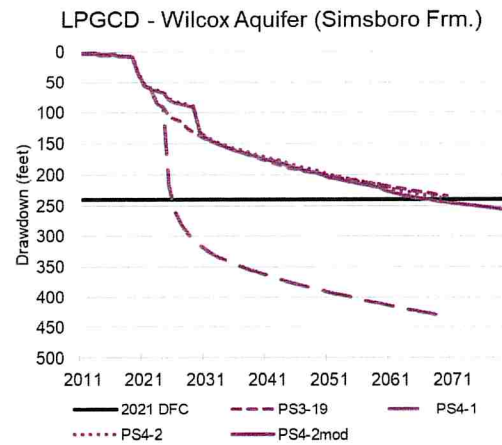
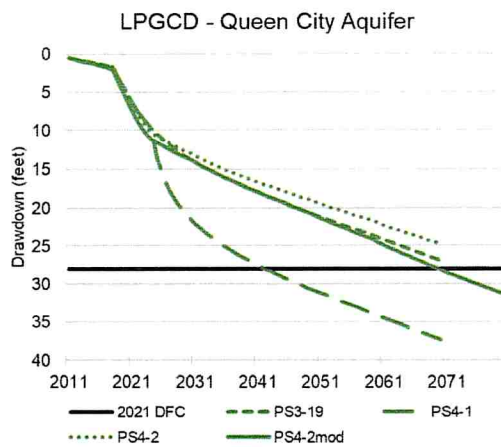
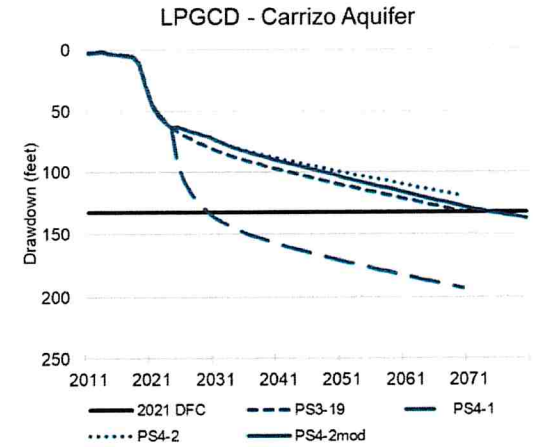
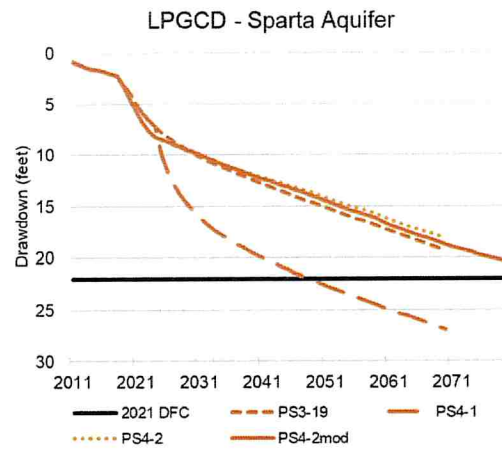
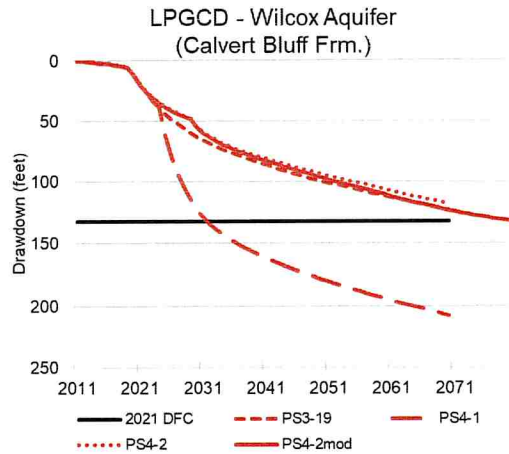
LPGCD Water Balance 2080 (PS4-2_v8.wel)

Layer		Lateral Flow			Recharge	Surface Water	Pumping	Storage	GHB	Vertical Flow
		POSGCD	FCGCD	BVGCD/ METGCD						
3	Sparta	-3	-2,799	0	12,364	-1,014	-3,153	1,720	-2,230	-5,192
5	Queen City	836	-5,464	0	11,597	-1,018	-1,837	6,140	0	-7,389
7	Carrizo	-6,958	-4,498	0	9,235	4,798	-12,356	11,598	0	4,112
8	Calvert Bluff	-656	-647	0	22,596	1,843	-3,780	10,617	0	-32,701
9	Simsboro	-18,055	-1,951	0	6,394	7,448	-53,194	5,700	0	53,628
10	Hooper	711	-824	0	7,248	95	-2,255	833	0	-8,159

Existing DFCs in 2070 compared to *PS4-2mod drawdowns in 2080*

Layer		BVGCD	FCGCD	LPGCD	METGCD	POSGCD
3	Sparta	53 56	43 54	22 21	25 22	32 46
5	Queen City	44 45	73 96	28 31	20 19	30 29
7	Carrizo	84 84	140 173	134 137	48 45	146 170
8	Calvert Bluff	111 114	NR	132 132	57 58	156 184
9	Simsboro	262 281	NR	240 257	76 85	278 365
10	Hooper	167 191	NR	138 150	69 77	178 234

Average drawdown values over time



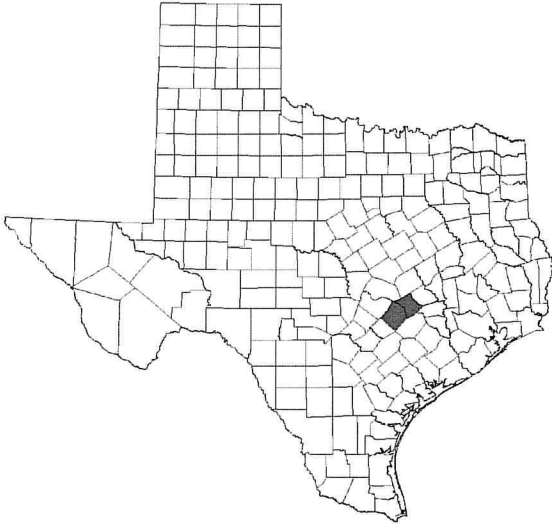
Summary

- **Addition of GMA-13 increases drawdown in LPGCD and FCGCD**
 - Noticeable as cone of depression in later timesteps
- **Recommend PS4-2_v8.wel as final well file for PS4-2mod simulations**
 - Incorporates GMA-11, GMA-13, and Williamson County as best as currently possible
 - In LPGCD, remains on same trajectory as PS3-19

Backup Slides

Drawdown and Artesian Head Animations

GMA12 Joint Planning



April 15, 2026

LPGCD board Meeting



GMA12 Update

- The existing LPGCD DFCs were adopted in early 2022 during the 3rd joint planning cycle. These DFCs keep at least 50% remaining well-based artesian head, on average (Dr Hutchison 2024 report) . This is the GMA12 directive approved by the LPGCD board in Resolution No. 2025-02-01.
- GMA12 has voted three times to informally keep the DFCs the same or similar to the last cycle: October 2024, February 2025 and November 2025. The Oct and Feb votes were unanimous. The Nov 2025 vote was 4 to 1 in favor.
- The latest official model run that has been recommended by GMA12 is the PS4-2 modv8 - keeping similar DFCs as the last cycle (PS3-19).
- The GMA12 “proposed DFC” vote is planned for the April 16th meeting. By law, the proposed DFC vote must be held before May 1st and requires a 4 out of 5 GCD supermajority vote.

No. 2025-02-01

**RESOLUTION ADOPTING LOST PINES GROUNDWATER CONSERVATION
DISTRICT'S GMA12 DIRECTIVES**

WHEREAS, Lost Pines Groundwater Conservation District ("LPGCD"), Brazos Valley Groundwater Conservation District, Fayette County Groundwater Conservation District, Mid-East Texas Groundwater Conservation District, and Post Oak Savannah Groundwater Conservation District, political subdivisions of the State of Texas, are members of Groundwater Management Area 12 ("GMA12") for the purposes of joint planning to develop Desired Future Conditions ("DFCs");

WHEREAS, pursuant to Section 36.108(d-2) of the Texas Water Code, the District considers the balance between the highest practicable level of groundwater production and the conservation, preservation, protection, recharging, and prevention of waste of groundwater and control of subsidence in the management area when establishing the DFCs;

WHEREAS the District secured hydrogeologic and engineering consulting services to provide technical support in their effort to establish LPGCD's DFCs;

WHEREAS, LPGCD's General Manager is LPGCD's designated district representative at GMA 12; and

WHEREAS, the Board of Directors of the LPGCD seeks to direct the General Manager to facilitate his participation in developing the DFCs at GMA 12.

NOW, THEREFORE, BE IT RESOLVED the Lost Pines Groundwater Conservation District provide to its General Manager the following directives at the GMA12:

1. All GCDs within the GMA12 should use the same criteria and methodologies in order to provide a like-to-like comparison and consistency across the GMA12.
2. All GCDs should use the same GAM post-processor software so that there are no model variances between the GCDs at the GMA12.
3. In order to protect the aquifers for future generations and to maximize production, the 2070 DFC is to maintain at least a 50% remaining, average well-based artesian head.
4. All GCDs should include all issued permits in a GAM run.
5. Joint funding should be provided to develop a robust GMA12 socio-economic model.
6. Joint funding for the explanatory report should be based upon equal GCD proportions. As an exception, for this 2026 cycle, up to 30% has been approved.

PASSED AND APPROVED ON February 25, 2025.


Elvis Hernandez, President

ATTEST:

- GMA12 spent all of 2024 evaluating the existing DFCs against the 9 factors – as required by Chapter 36.
- GMA12 has reviewed 8 out of the 9 factors again at the March and April 2026 meetings given PS4-2. Only factor 9 remains.
- All LPGCD permits were included in PS4-2 v8. In contrast, BVGCD excluded a significant amount of their granted permits due to the opinion of their GM. FCGCD has not changed their model run since S-19. POSGCD PS4-2 v8 Simsboro DFC is higher than their existing DFC.
- GMA12 has increased the DFCs in every past cycle. This would be the first time GMA12 has kept DFCs the same, or similar.

What Happens After the GMA12 Proposed DFC Vote?

Once GMA 12 approves the proposed DFCs, the process moves into an important next step: public input. The proposed vote triggers a 90-day public comment period, during which each Groundwater Conservation District, including Lost Pines GCD, will hold a public hearing. Notice of these hearings will be provided to the public. Residents, landowners, and stakeholders will have the opportunity to learn more and provide feedback. The GCDs compile the comments and bring them back to the GMA12 for consideration for a final DFC vote by January 5th, 2027.



BVGCD Cause No. 24-002626-CV-472

Settlement agreement, June 2025

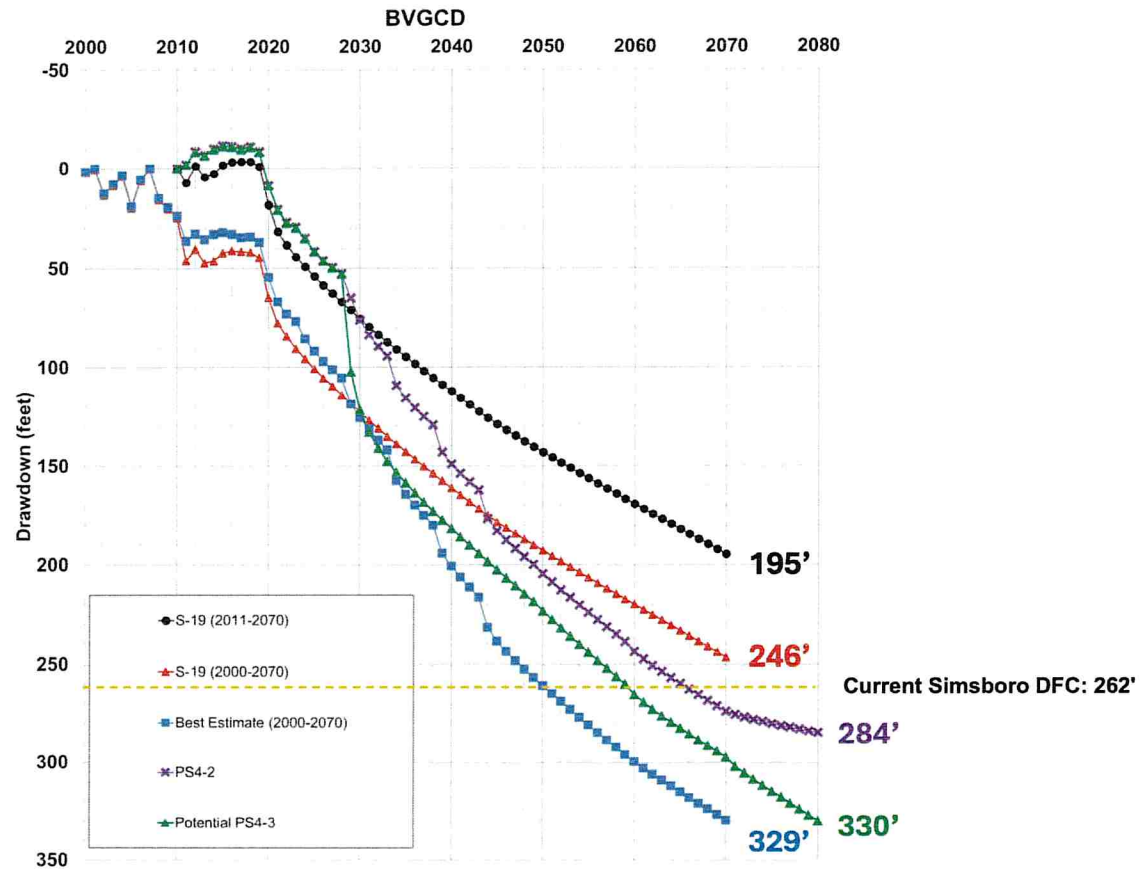
THE “PARTIES AGREE NOT TO OBJECT TO A DFC FOR THE SIMSBORO FORMATION WITHIN GMA12 OF AT LEAST 329 FEET AVERAGE DISTRICT WIDE DRAWDOWN WITHIN THE DISTRICT FROM 2000 THROUGH 2070 (THE LOCALLY PREFERRED DFC). THE GM AGREES TO ADVANCE AND ADVOCATE FOR THE LOCALLY PREFERRED DFC IN EVERY JOINT PLANNING MEETING OF GMA12 AFTER THE EFFECTIVE DATE THROUGH MAY 2026 WITH THE GOAL OF HAVING THE LOCALLY PREFERRED DFC AS THE PROPOSED DFC IN THE MAY 1, 2026 PROPOSAL DATE.”

2025 BVGCD model runs: 3 different model runs in 3 consecutive GMA12 meetings

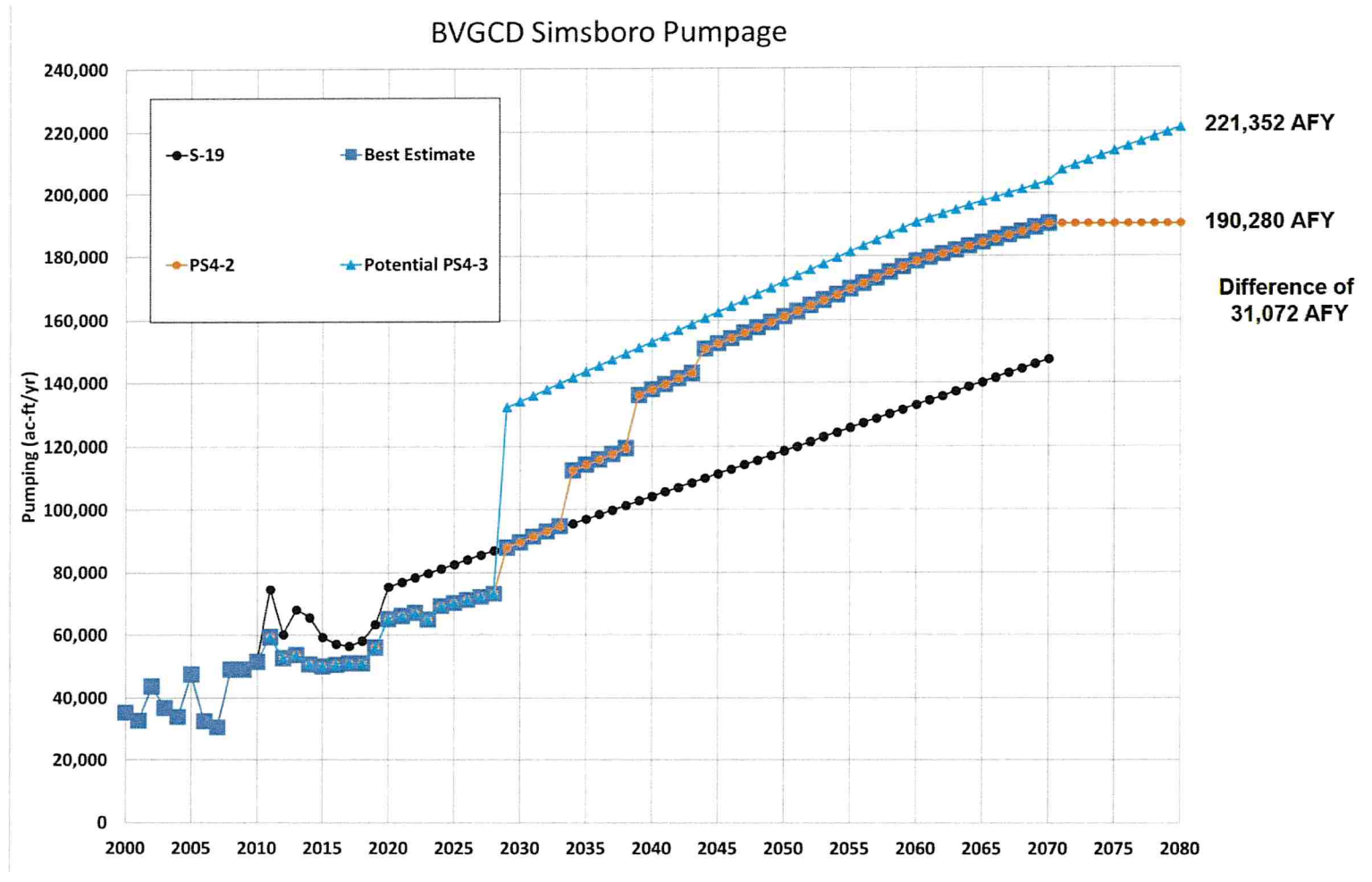
- From Sept 2024 through April 2025, BVGCD had been advocating for a model run they named the “Best Estimate” run (with a 329’ 2070 Simsboro DFC).
- At the June 27th 2025 GMA12 BVGCD presented a “Bridge Run”.
- On Sept 3rd, 2025 BVGCD updated their model run to include more drawdown and more pumping with a new, unofficial, model run named “Potential PS4-3” (with a 330’ 2080 Simsboro DFC).
- In late March 2026 BVGCD presented to the GMA12 a BV-specific socio-economic report comparing the official PS4-2 to the unofficial “Potential PS4-3”.

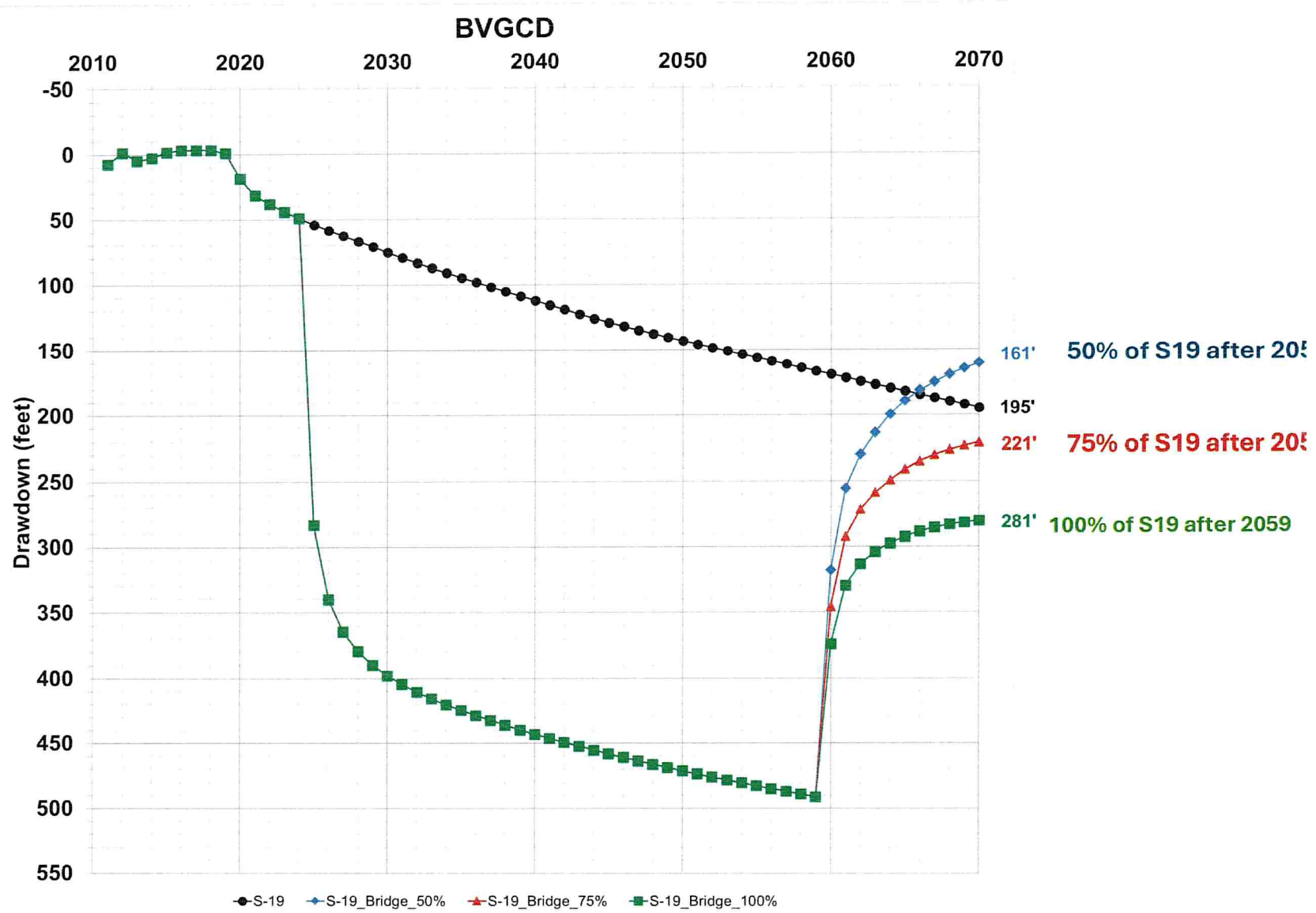
Simsboro DFC Drawdown

- S-19 (2000-2070)**
- S-19 (2011-2070)**
- Best Estimate (2000-2070)**
- PS4-2 (2010-2080)**
- Potential**
- PS4-3 (2010-2080)**



Comparison of Simsboro Pumping Scenarios



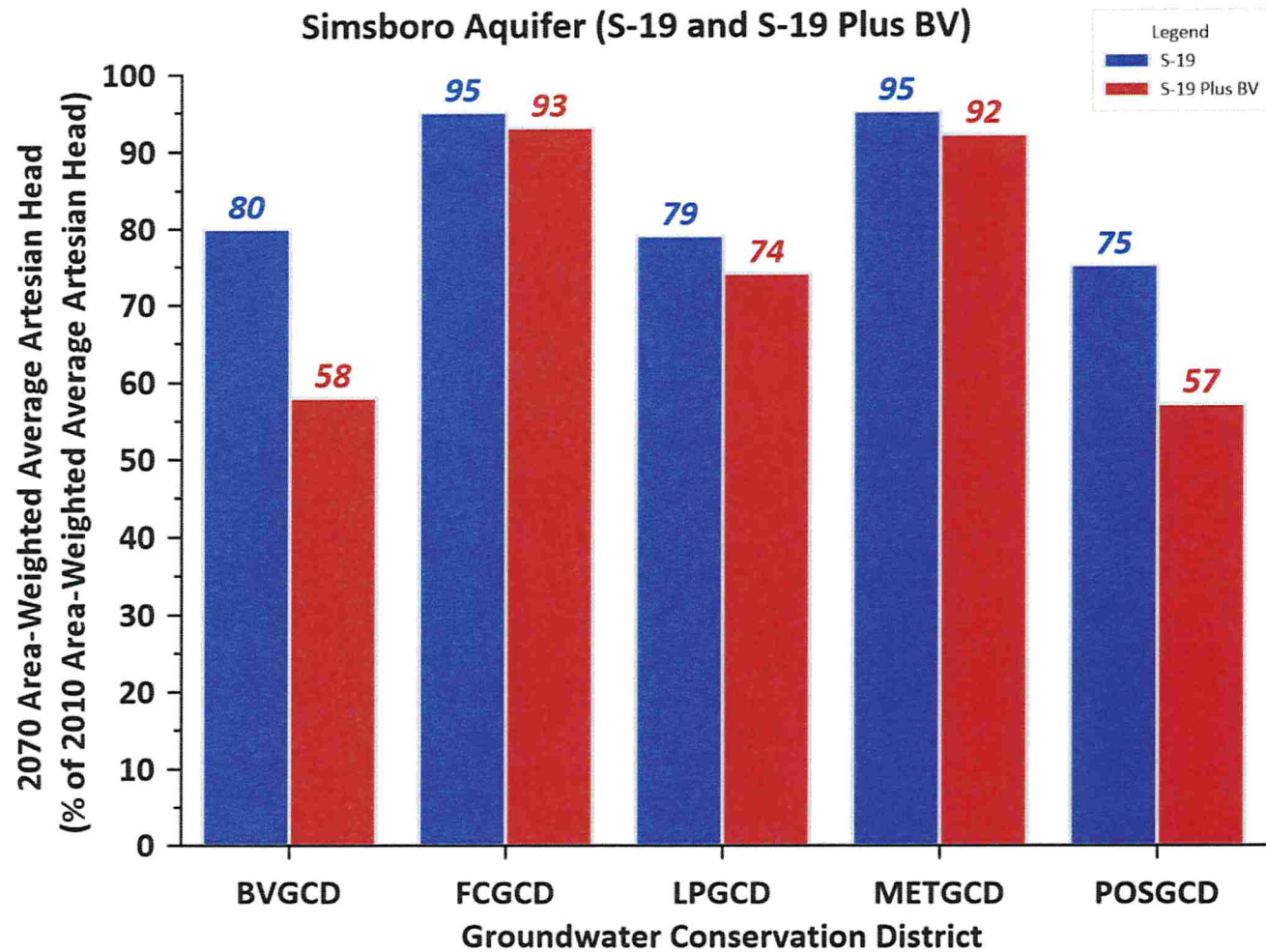


BVGCD Socio-economic study

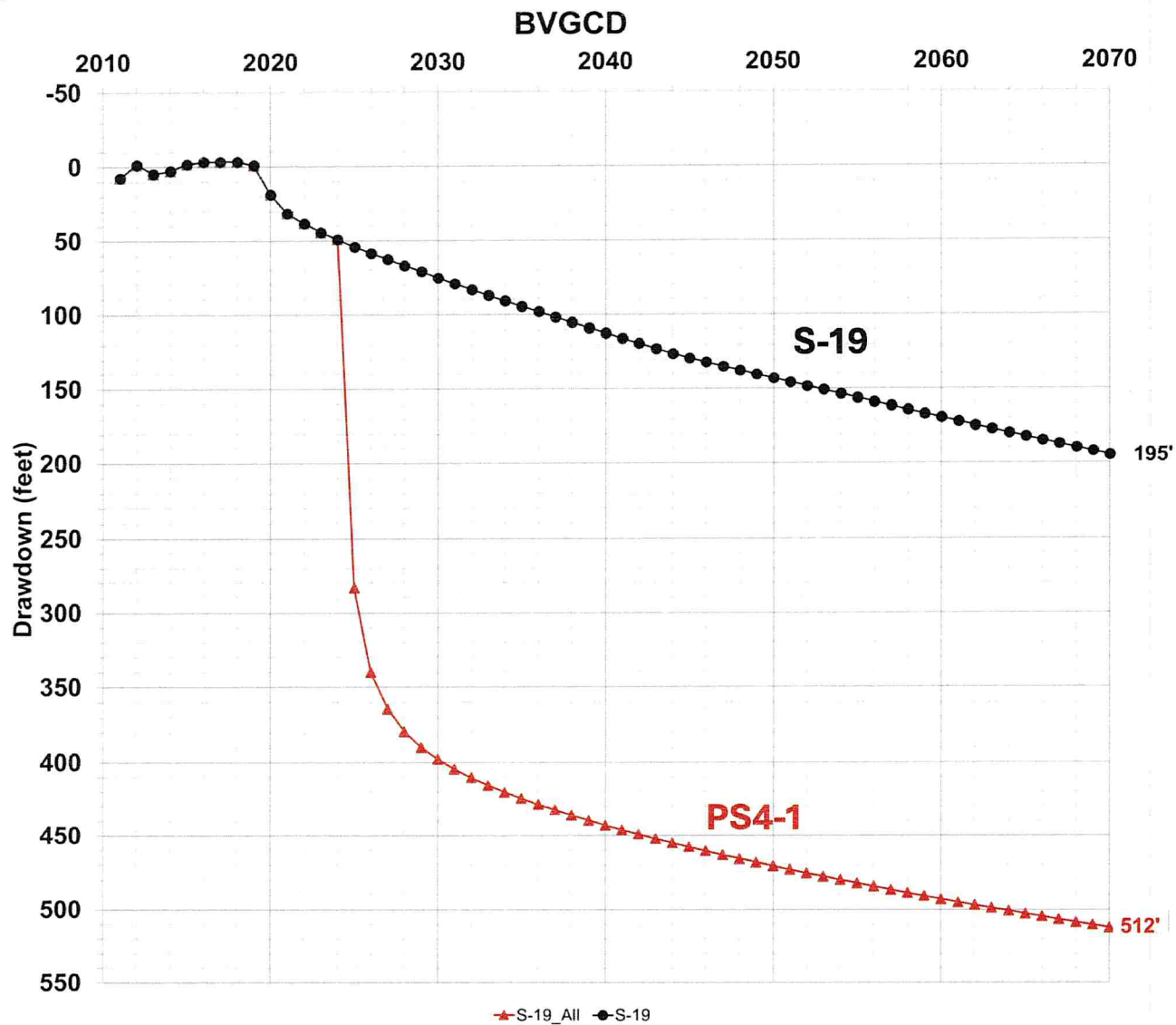
- Not enough time has been provided to analyze the new BVGCD socio-economic report being entered into the GMA12 record at the last moment. 4 ½ years into a 5 year process and 3 weeks before the statutorily required proposed DFC vote.
- BVGCD and stakeholders made the decision to only look at fresh Simsboro groundwater production in their socio-economic report and to exclude other water sources, like brackish water.
- The speculative water demand forecasted in the BVGCD report is not included in the State or Regional Water Plans.

Analysis of BVGCD production upon the other GMA12 GCDs.

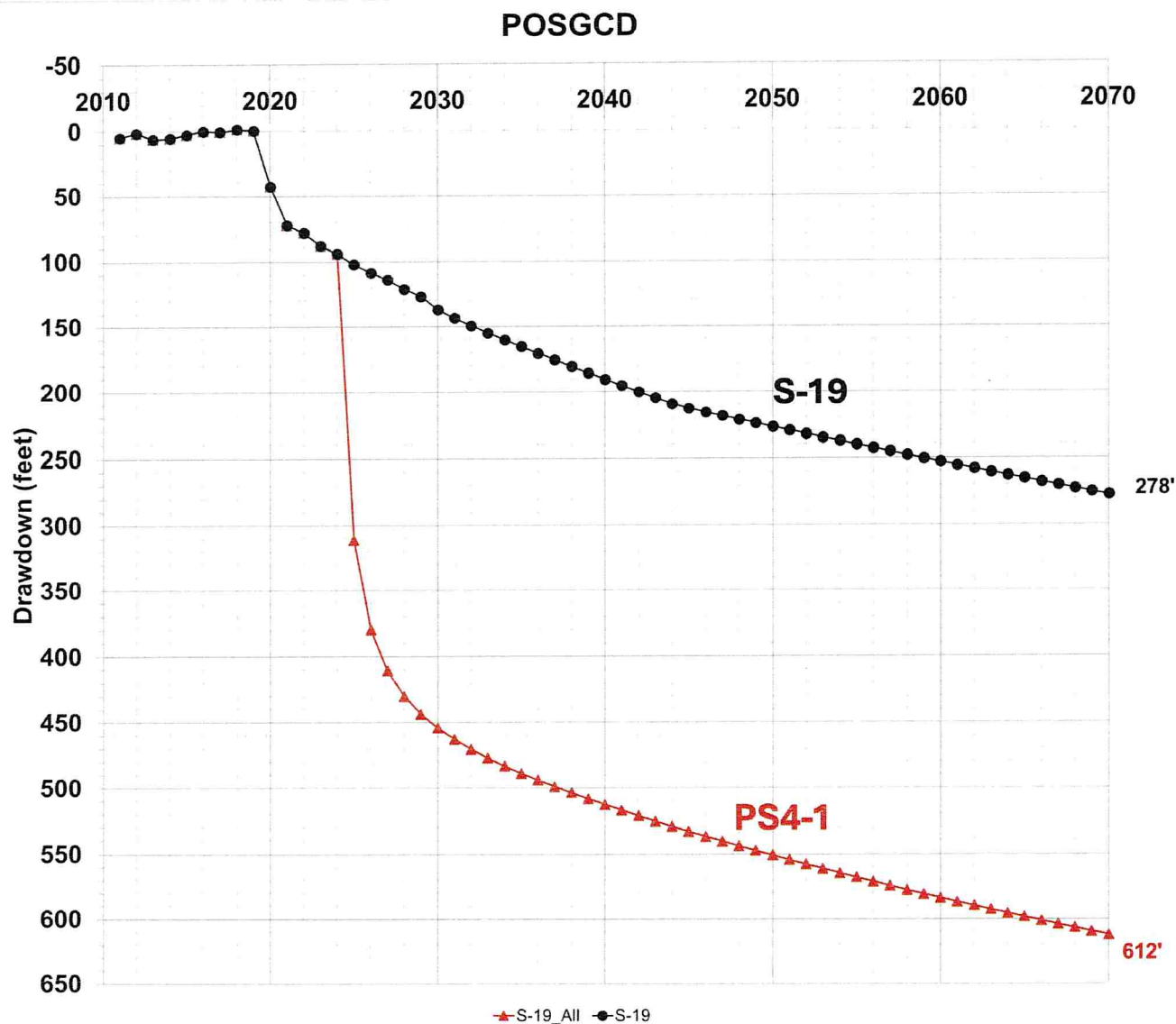
*Dr. Hutchison
9/18/24 LPGCD
board meeting*



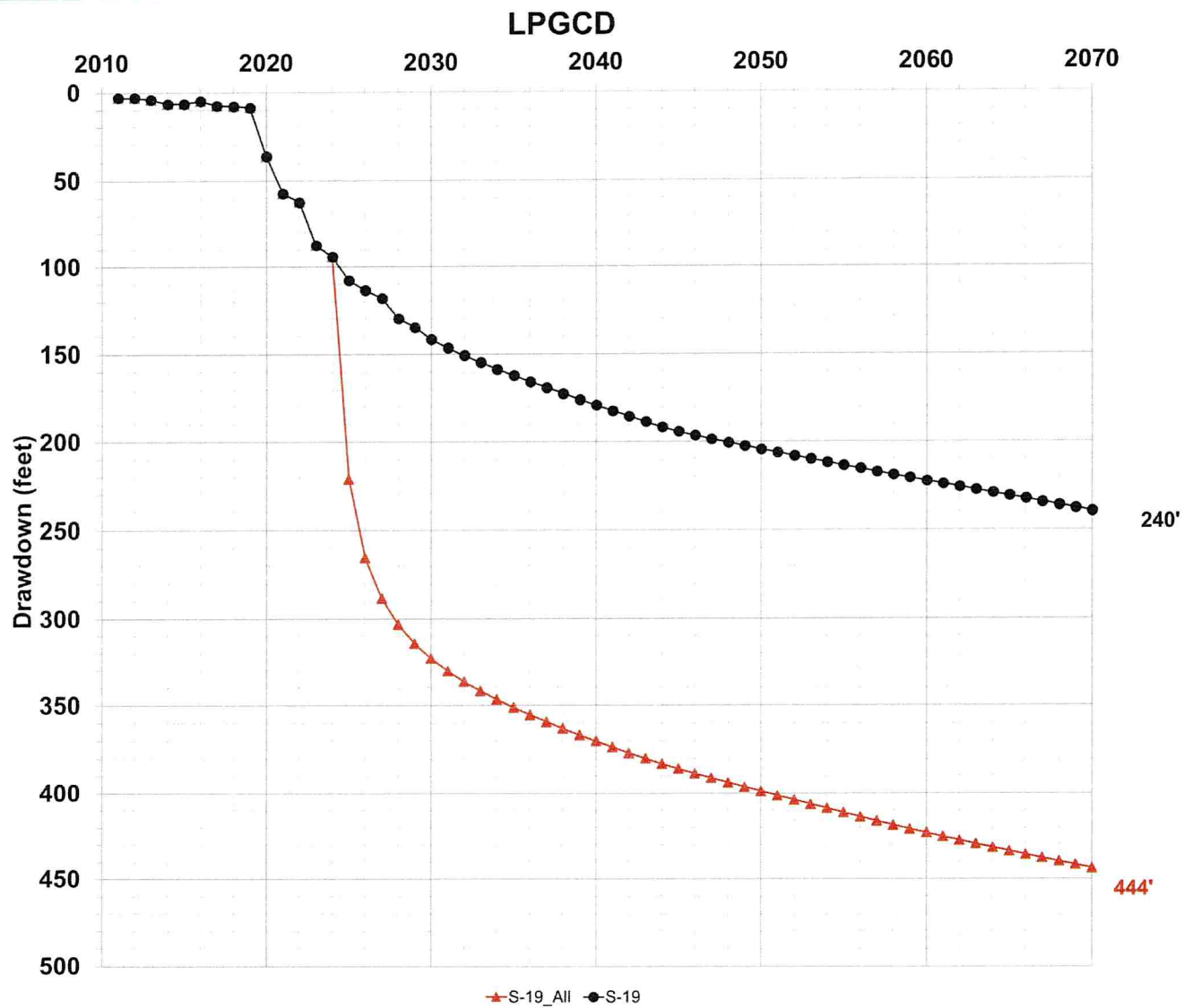
BVGCD Simsboro Drawdown



POSGCD Simsboro Drawdown

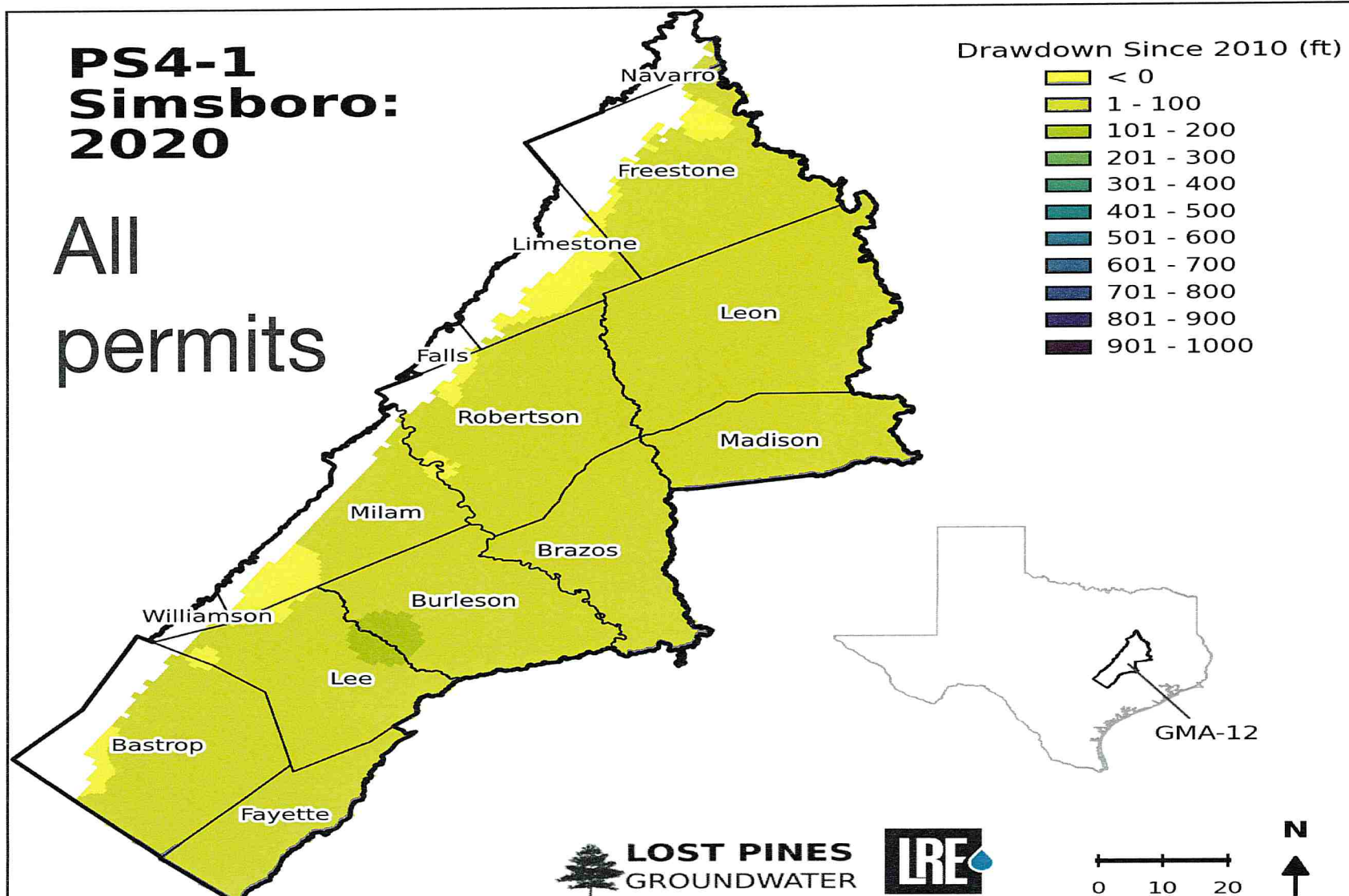


LPGCD Simsboro Drawdown



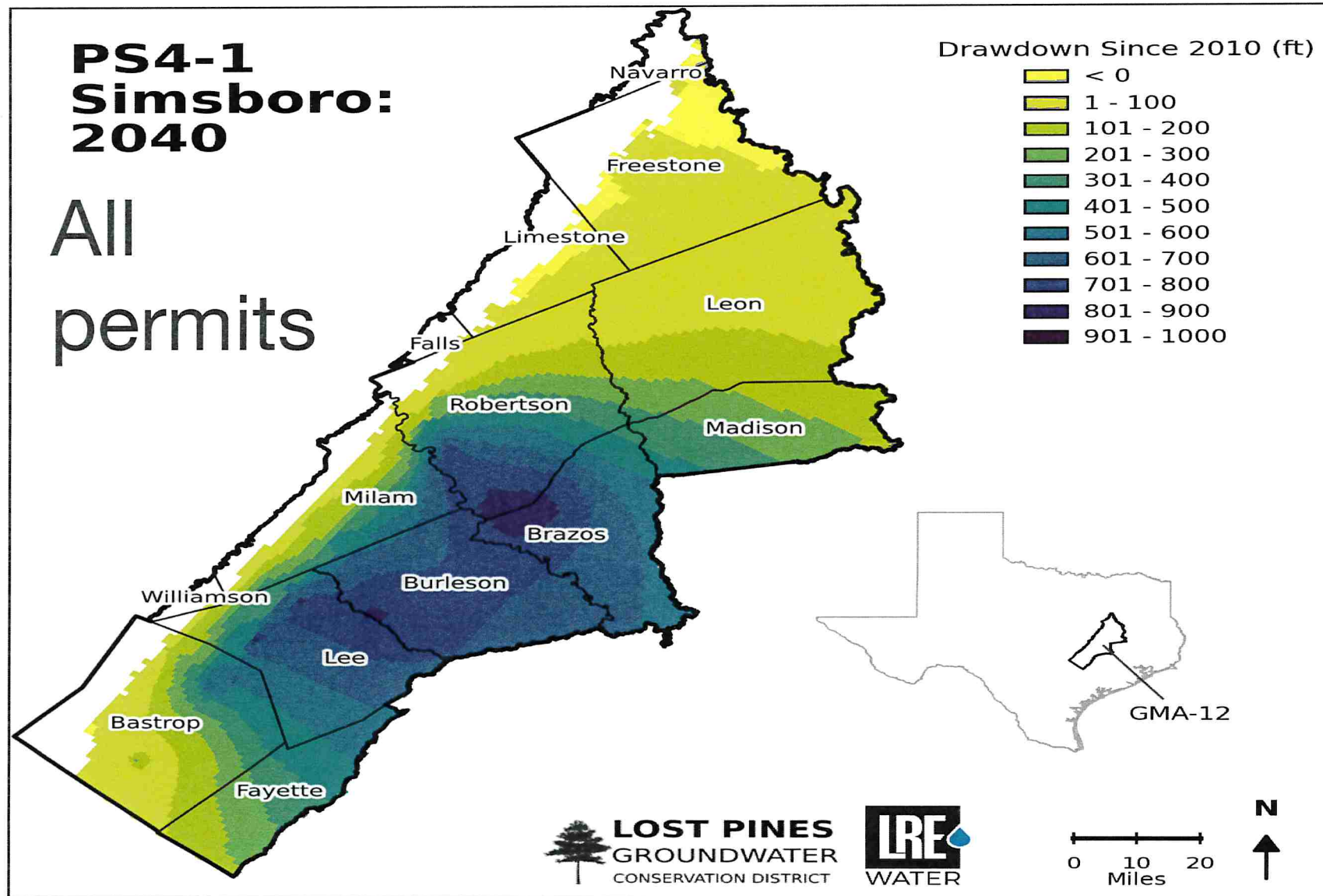
PS4-1 Simsboro: 2020

All permits



PS4-1 Simsboro: 2040

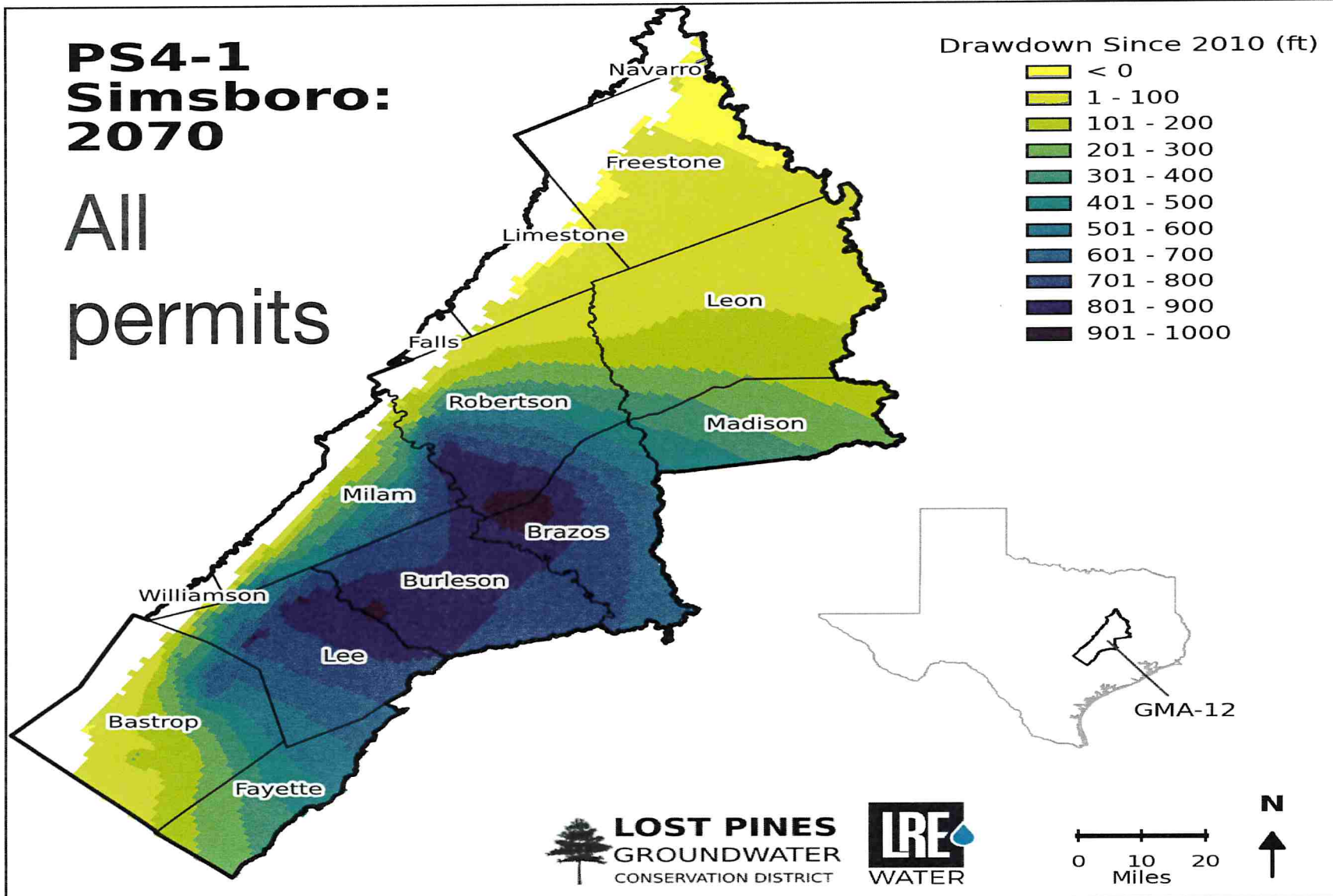
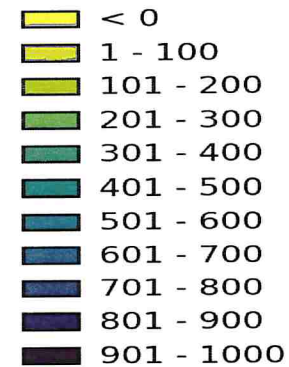
All permits



PS4-1 Simsboro: 2070

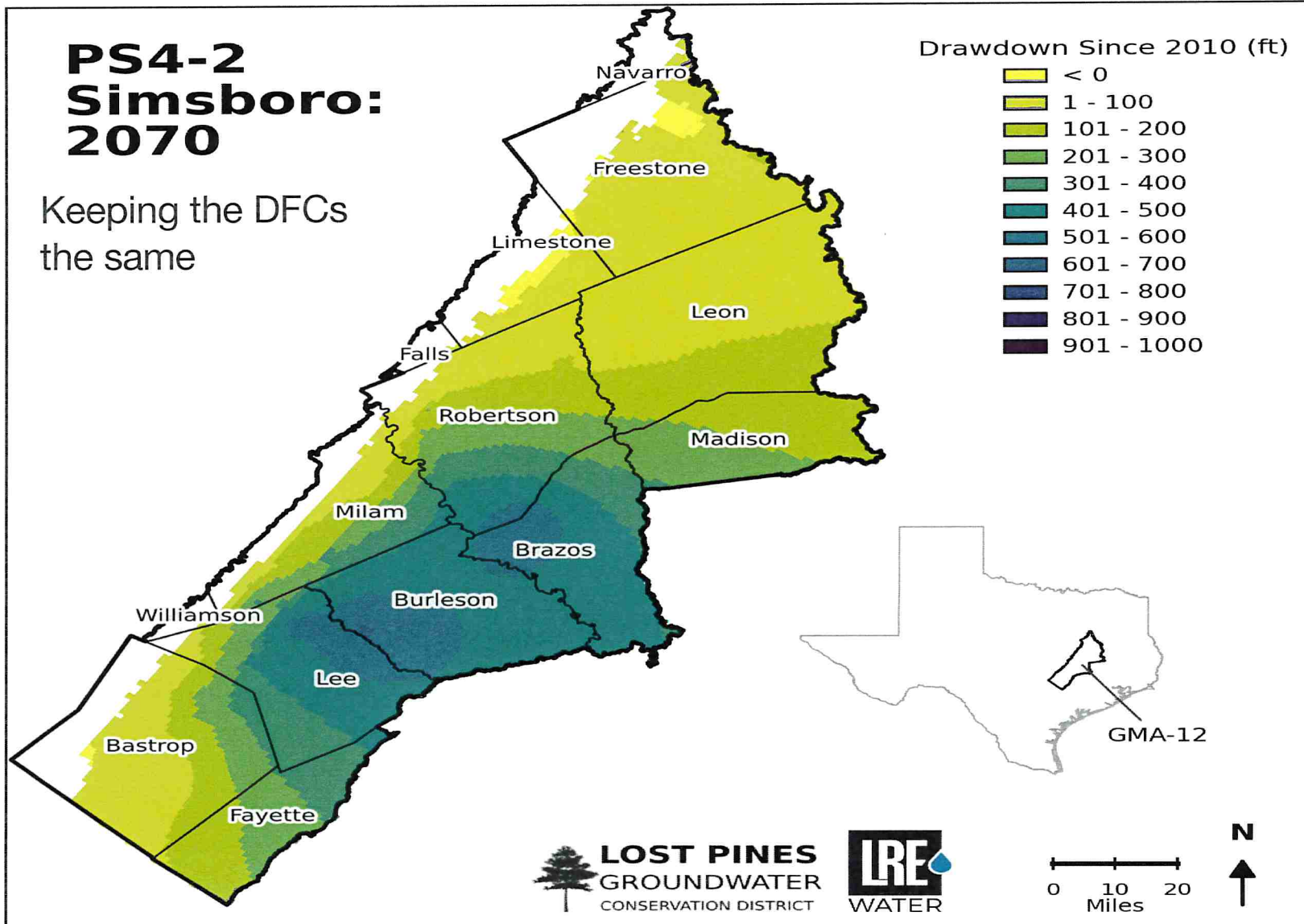
All permits

Drawdown Since 2010 (ft)



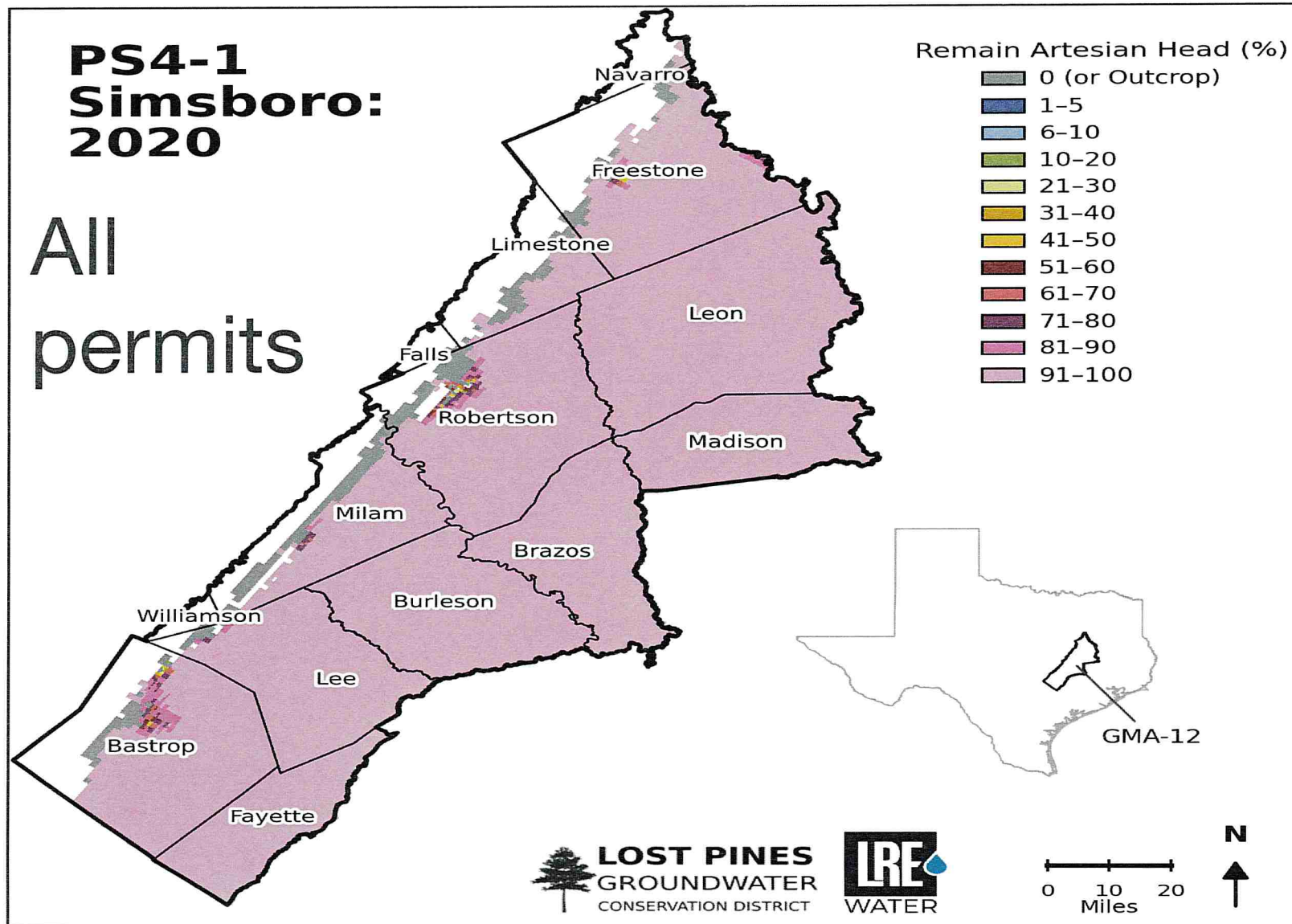
PS4-2 Simsboro: 2070

Keeping the DFCs
the same



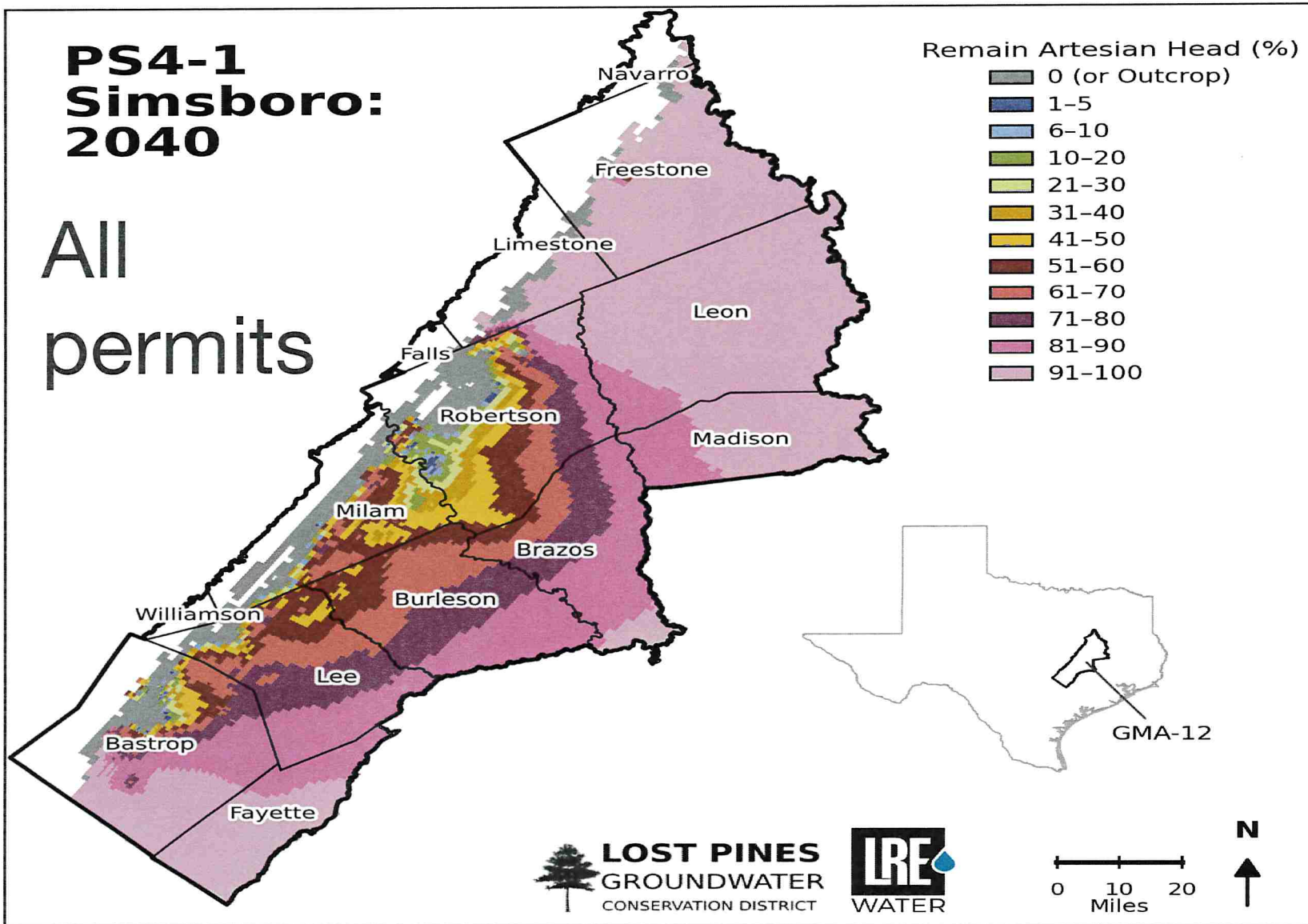
PS4-1 Simsboro: 2020

All permits



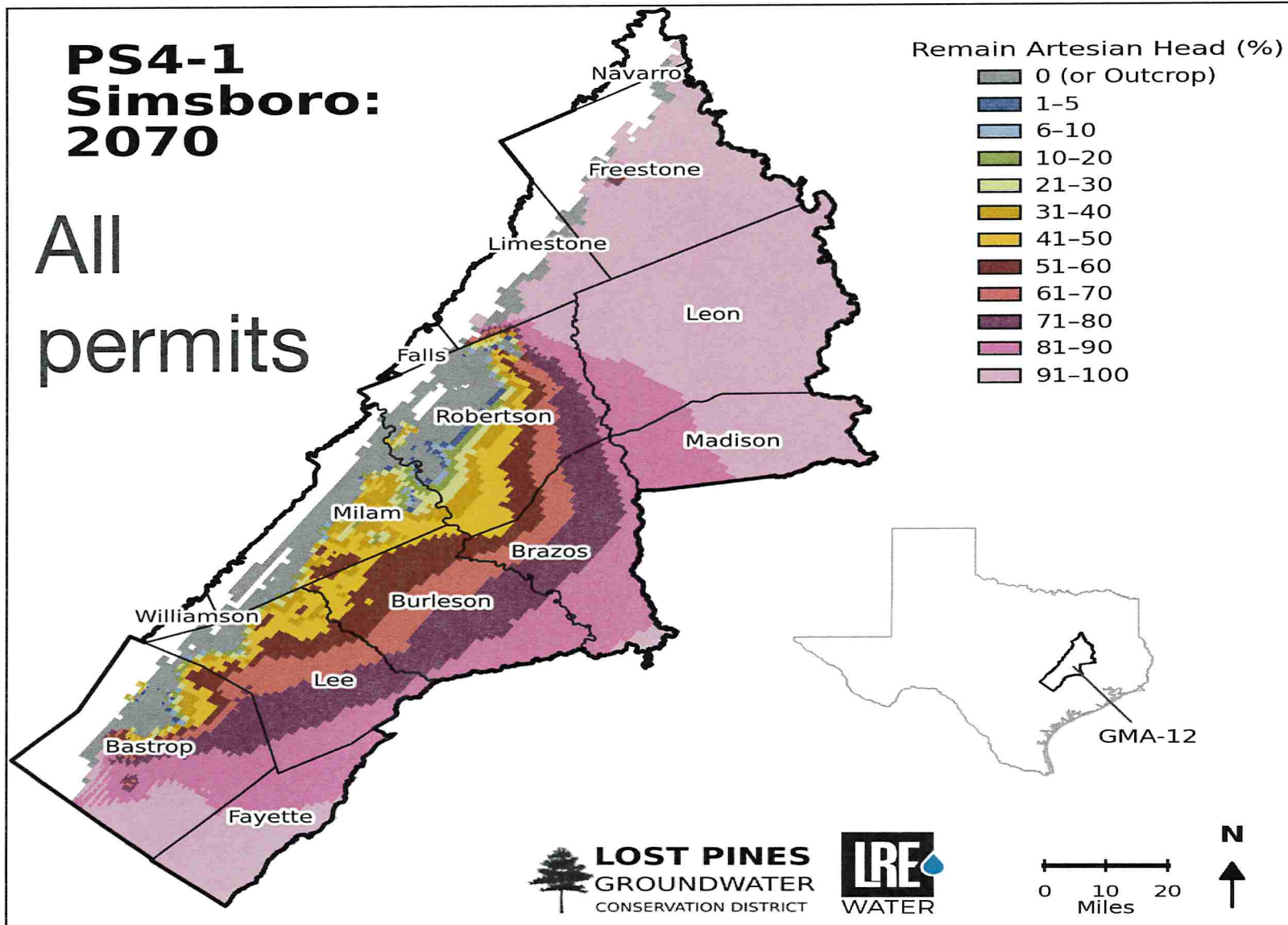
PS4-1 Simsboro: 2040

All permits



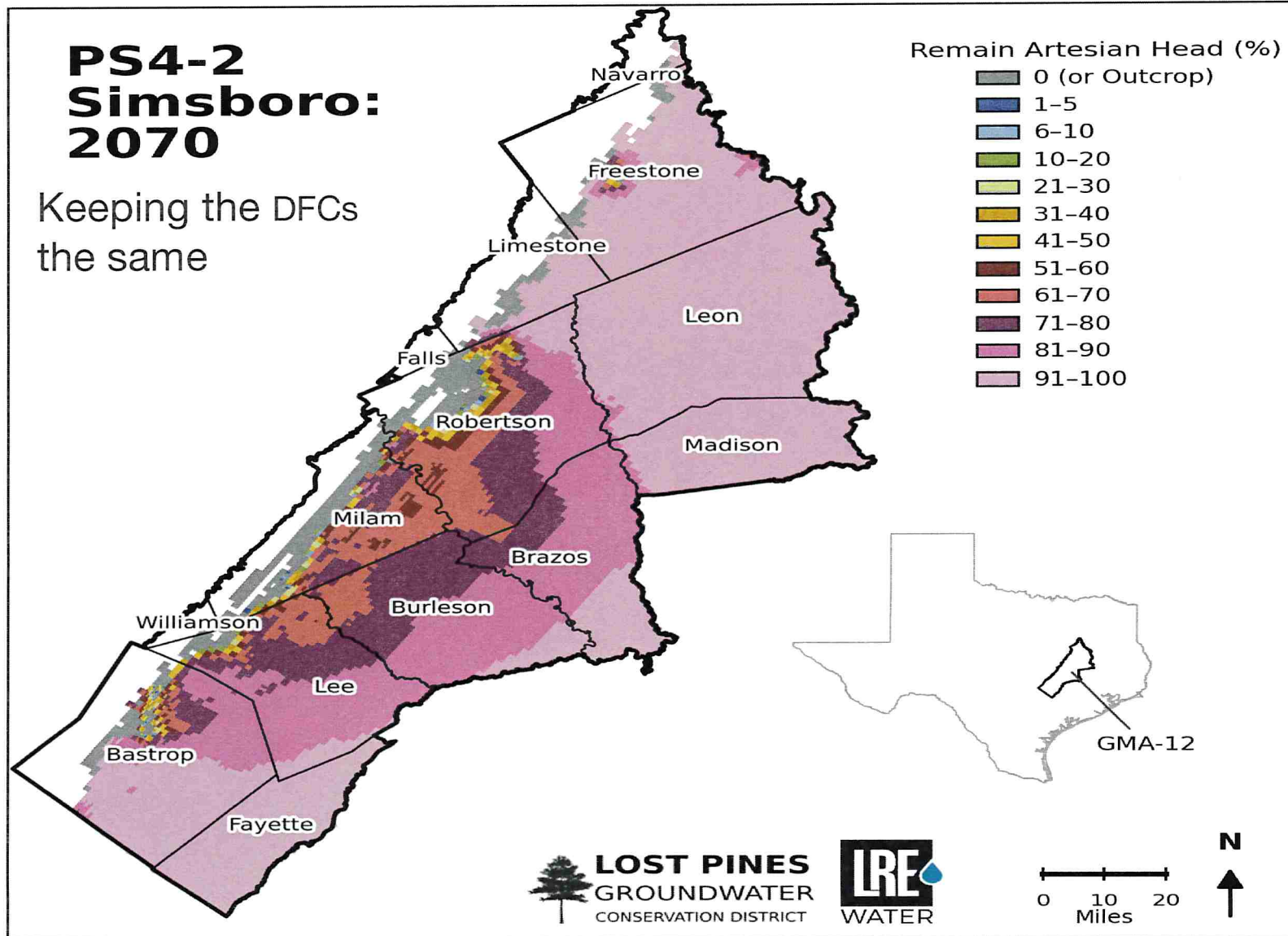
PS4-1 Simsboro: 2070

All permits



PS4-2 Simsboro: 2070

Keeping the DFCs
the same



LPGCD Average “DFC” Drawdown Over Time (GAM and OPMAN)

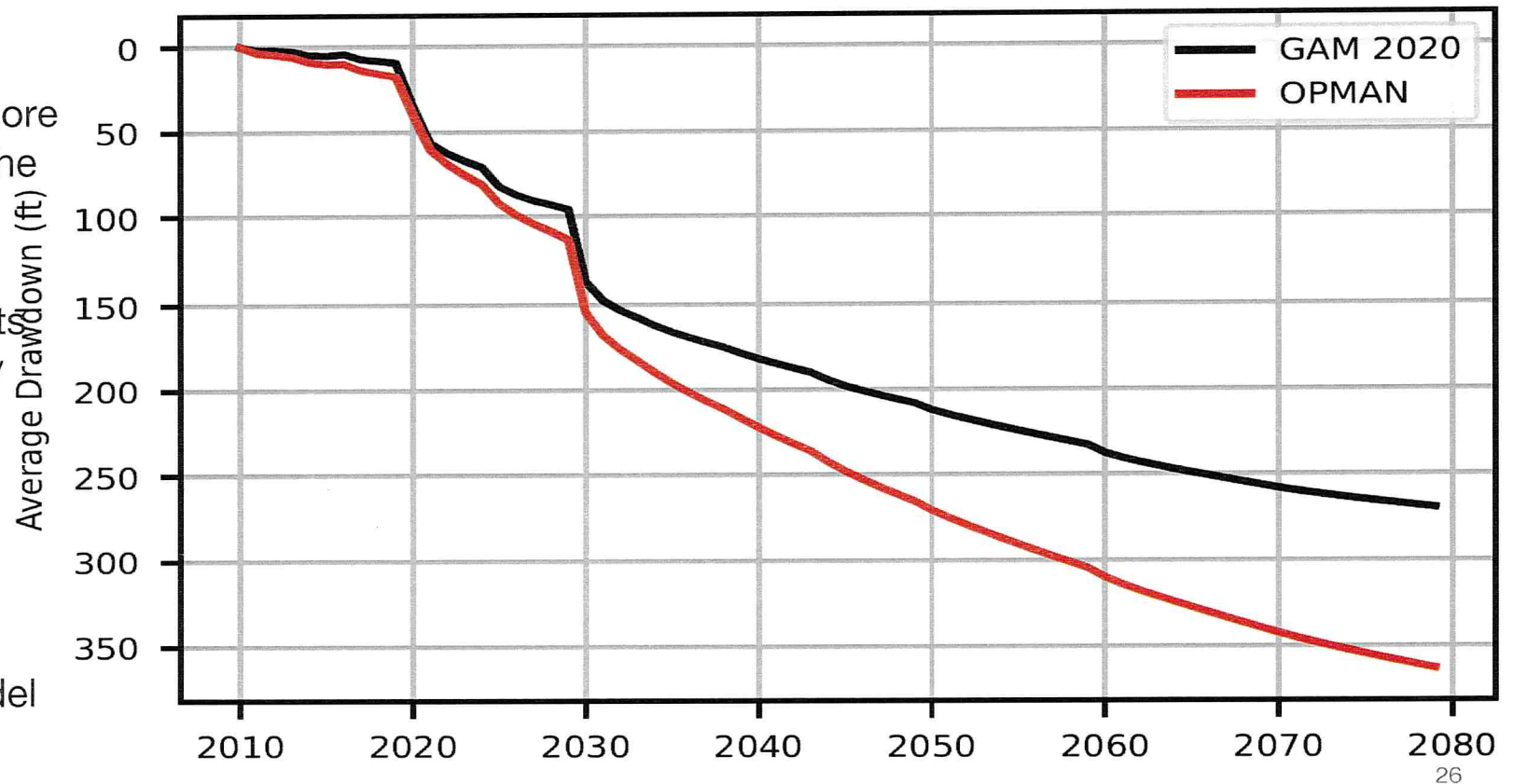
Keeping the DFCs the same.

OPMAN is POSGCD new model that is more accurate than the State Model (GAM).

OPMAN predicts the GAM is off by 100' in 2080.

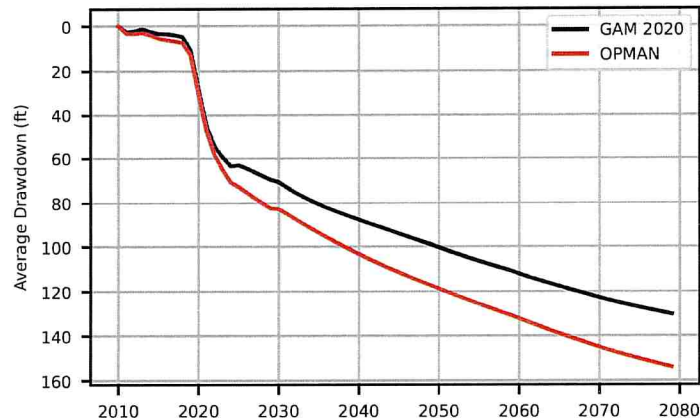
GAM = State Groundwater Availability Model

PS4-2 Modified, Drawdown in LPGCD 2011 - 2079, Simsboro

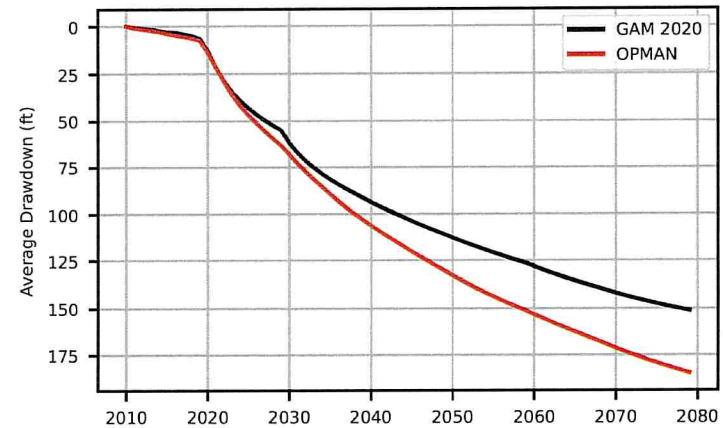


LPGCD Average “DFC” Drawdown Over Time (GAM and OPMAN)

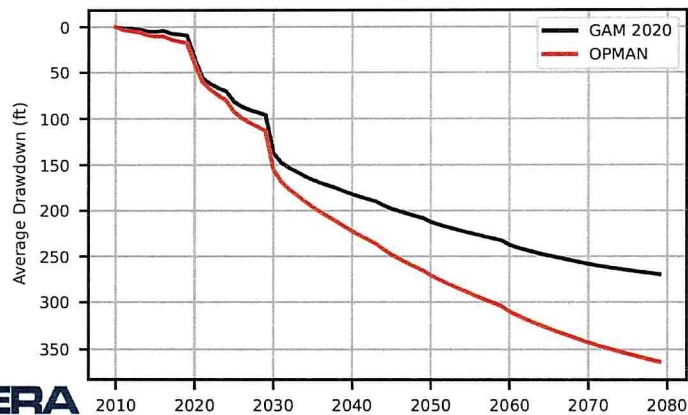
PS4-2 Modified, Drawdown in LPGCD
2011 - 2079, Carrizo



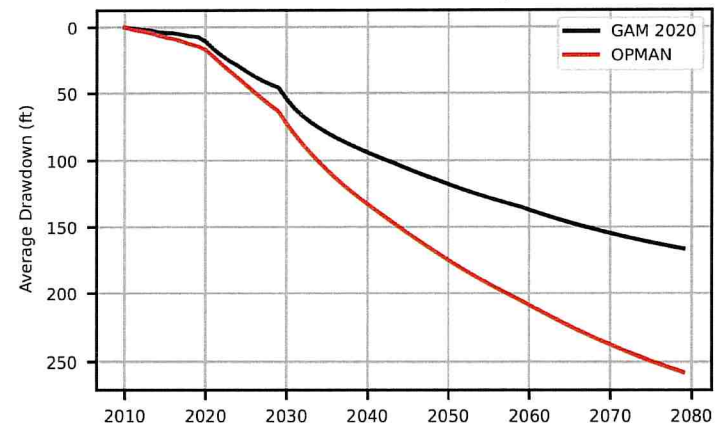
PS4-2 Modified, Drawdown in LPGCD
2011 - 2079, Calvert Bluff



PS4-2 Modified, Drawdown in LPGCD
2011 - 2079, Simsboro



PS4-2 Modified, Drawdown in LPGCD
2011 - 2079, Hooper



Existing DFCs in 2070 compared to *PS4-2mod drawdowns in 2080*

	Layer	BVGCD	FCGCD	LPGCD	METGCD	POSGCD
3	Sparta	53 56	43 54	22 21	25 22	32 46
5	Queen City	44 45	73 96	28 31	20 19	30 29
7	Carrizo	84 84	140 173	134 137	48 45	146 170
8	Calvert Bluff	111 114	NR	132 132	57 58	156 184
9	Simsboro	262 281	NR	240 257	76 85	278 365
10	Hooper	167 191	NR	138 150	69 77	178 234

Socioeconomic Impact Study of Simsboro Aquifer Desired Future Conditions

A Study of Brazos and Robertson Counties

Prepared for

Brazos Valley Groundwater Conservation District
112 West 3rd Street
Hearne, TX 77859

Prepared by

WestWater Research
111 Sandra Muraida Way #100
Austin, TX 78703

March 6, 2026



Table of Contents

Executive Summary	4
1 Introduction	5
1.1 Purpose and Context	5
1.2 Groundwater Conservation Districts and the BVGCD	5
1.3 Regulatory Framework for Desired Future Conditions	6
1.4 The Need for This Analysis	7
2 Regional Economic Profile	8
2.1 Gross Domestic Product & Population	8
2.2 Regional Groundwater Supplies	9
2.3 Data Center and Power Development	10
3 Study Approach	11
3.1 Overview	11
3.2 Groundwater Availability Model Runs	11
3.3 Stakeholder Engagement	12
3.4 Scenario Definition	12
3.5 Demand Assumptions and Supply Sources	14
3.6 UW Brazos Valley Farms LLC Project Considerations	14
3.7 Study Limitation: Curtailment Not Modeled	14
4 Direct Economic Impacts	15
4.1 Pumping Cost Estimation	16
4.1.1 Well Infrastructure Costs	17
4.2 Economic Impact Methodology	18
4.3 Direct Economic Impacts	20
5 Indirect and Induced Impacts	21
5.1 Input-Output Modeling & IMPLAN Methodology	21
5.2 Methodology & IMPLAN Output Metrics	22
6 Results	23
6.1 Economic Output	23
6.2 Value Added	24
6.3 Employment and Labor Income	25
6.4 Tax Revenue	26
6.5 Summary of Results	27
7 Other Impacts not Quantified	27
8 Discussion and Conclusion	28
Appendix A: Nuclear Power, Combined Cycle Natural Gas Generation, and Data Center Economic Input Methodology	30
Appendix B: List of Acronyms	33

List of Figures and Tables

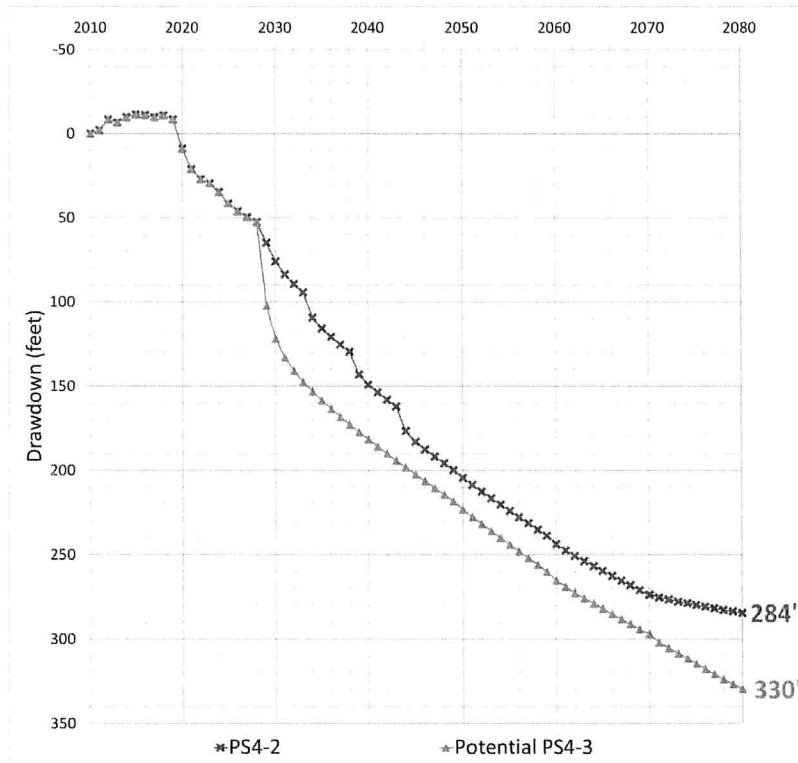
Figure 1: BVGCD Simsboro Drawdown for PS4-2 and Potential PS4-3	4
Figure 2: Gross Domestic Product of Brazos and Robertson Counties	8
Figure 3: Population of Brazos and Robertson Counties	9
Figure 4: Metered Groundwater Pumping by Aquifer in BVGCD	10
Figure 5: BVGCD Simsboro Annual Pumping Volumes	13
Figure 6: Simsboro Pumping Difference (Potential PS4-3 minus PS4-2)	13
Figure 7: Average Annual Direct Impacts by Period (Potential PS4-3 minus PS4-2)	21
Figure 8: Economic Output Impacts by Period (Potential PS4-3 minus PS4-2)	24
Figure 9: Value Added Impacts by Period (Potential PS4-3 minus PS4-2)	25
Figure 10: Annualized Employment Difference (Potential PS4-3 minus PS4-2)	26
Figure 11: Average Annual Tax Revenue Impacts by Period (Potential PS4-3 minus PS4-2)	26
Table 1: BVGCD Curtailment Levels	14
Table 2: Additional Pumping Costs (Potential PS4-3 minus PS4-2)	17
Table 3: Volumetric Costing for C&I uses	19
Table 4: IMPLAN Input Categorization	19
Table 5: Annual Direct Economic Output by Sector	20
Table 6: IMPLAN Output Metrics	22
Table 7: Total Output Difference by Period (Potential PS4-3 minus PS4-2)	24
Table 8: Summary of Impacts (Potential PS4-3 minus PS4-2)	27
Table 9: Cumulative Water Demand Growth by Category	30
Table 10: Parameter Values, Units and Sources	30
Table 11: List of Acronyms	33

Executive Summary

The Brazos Valley Groundwater Conservation District (BVGCD) commissioned this report to evaluate the socioeconomic impacts of alternative groundwater management goals for the Simsboro Aquifer. Texas Water Code § 36.108 requires this evaluation as Groundwater Management Area 12 (GMA 12) considers new Desired Future Conditions (DFCs).

The analysis compares two DFC scenarios: PS4-2 (as of this report, anticipated to be around a 284-foot drawdown), which was approved by GMA 12 on November 20, 2025, and Potential PS4-3 (330-foot drawdown), which is not an official GMA 12 run but represents BVGCD's best estimate of local pumping demand layered on top of PS4-2 (**Figure 1**) and is treated as the locally preferred DFC. The study defines the "incremental water supply benefit" as the additional modeled Simsboro pumping unlocked under Potential PS4-3 relative to PS4-2 and measures impacts as the economic activity enabled by the additional groundwater volumes available under the locally preferred DFC. The UW Brazos Valley Farm LLC export project volume is the same under both scenarios, so it does not contribute to different results between the two model runs.

Figure 1: BVGCD Simsboro Drawdown for PS4-2 and Potential PS4-3



Methodologically, the analysis assumes continued reliance on the Simsboro Aquifer as the source of all future water-supply growth (i.e., the study does not credit speculative offsets from alternative supplies), and it uses Potential PS4-3 modeled pumping as the measure of incremental water demand. Total economic impacts are estimated using IMPLAN, a software used to estimate indirect and induced economic effects from direct economic impacts, and include direct, indirect, and induced effects as the additional modeled water supply available under Potential PS4-3 propagates through the regional economy.

Results indicate that the approximately ~1 million acre-feet of additional Simsboro pumping made available over 2030–2080 under Potential PS4-3 would support substantial economic activity in Brazos and Robertson Counties, with cumulative (annualized-sum) impacts of about \$79.4 billion in total economic output, \$38.4 billion in value added, \$18.4 billion in labor income, and \$9.8 billion in total tax revenue, alongside ~5,150 full-time equivalent jobs (267,547 job-years) and 4,439 single-family equivalent homes supported. The report characterizes average annual output enabled by the additional water supply as ranging from approximately \$836 million to \$3.5 billion per year depending on the period, driven primarily by modeled data center and power generation construction and operations and supplemented by residential development needed to support the associated workforce.

This study has been constructed in accordance with the requirements set forth by Texas Water Code § 36.108 and § 36.1083 using widely accepted scientific and technical approaches to quantifying the socioeconomic impacts of groundwater management goals.

1 Introduction

1.1 Purpose and Context

Groundwater Management Area 12 (GMA 12) is currently developing new Desired Future Conditions (DFCs) for the Simsboro Aquifer as part of the ongoing joint planning process. The DFC adopted through that process will have material consequences for Modeled Available Groundwater (MAG), future groundwater availability, and regional economic growth within Brazos Valley Groundwater Conservation District (BVGCD). Different DFC alternatives carry meaningfully different economic tradeoffs, and decision-makers require a clear, evidence-based understanding of those tradeoffs to fulfill their statutory obligations under Texas Water Code § 36.108.

BVGCD commissioned this analysis to support the joint planning process by providing a scenario-based evaluation of socioeconomic impacts within Brazos and Robertson Counties under plausible alternative DFC outcomes. The analysis is intended to inform GMA 12 decision-makers of the socioeconomic impacts of alternative DFCs under consideration and to ensure that the economic effects associated with more or less restrictive conditions are considered before a final determination is made.

1.2 Groundwater Conservation Districts and the BVGCD

Groundwater conservation districts (GCDs) are the state's preferred method of groundwater management in order to protect property rights, balance the conservation and development of groundwater to meet the needs of this state, and use the best available science in the conservation and development of groundwater. GCDs accomplish this statutory obligation by developing rules in accordance with the provisions of Chapter 36 of the Texas Water Code.¹

BVGCD was created by the 77th Texas Legislature through House Bill 1784 on June 16, 2001, taking effect September 1, 2001.² The District operates within GMA 12 and has jurisdiction over five significant aquifers: the Carrizo-Wilcox, Queen City, Sparta, Yegua-Jackson, and Brazos River Alluvium.

On September 1, 2005, the Texas Legislature passed House Bill 1763, requiring joint planning among GCDs that share a GMA. Under this framework, GCDs within a GMA must collectively define DFCs for the aquifers in their jurisdiction based on the considerations set forth in TWC § 36.108(d). The Texas Water Development Board (TWDB) then translates adopted DFCs into MAG values using groundwater models where applicable,

¹ Texas Water Code § 36.0015(b): <https://statutes.capitol.texas.gov/Docs/WA/htm/WA.36.htm#36.0015>

² Rules of the BVGCD, BVGCD, Retrieved from: <https://brazosvalleygcd.org/governing-documents/>

with MAG representing the estimated volume of annual groundwater pumping that will achieve the DFC.^{3,4} Within GMA 12, most DFCs are defined as a maximum allowable artesian pressure decline over a specified period, and their corresponding MAGs represent the pumping threshold beyond which those targets would be exceeded. DFC and MAG values are generally updated every five years through the development of a new Groundwater Management Plan; the most recently approved plan, adopted in 2023, is based on 2021 DFCs and MAG values.

In practice, BVGCD does not manage to MAG values directly. Rather, the District evaluates progress toward DFC targets using data collected from its network of monitoring wells across each aquifer. Under current District rules and subject to District Rule 8.3, BVGCD may continue issuing permits to applicants who own requisite surface or groundwater estate rights and comply with spacing limitations, production limitations, and other District permitting criteria in the District's rules. However, should production cause DFC targets to be exceeded, the District has authority to curtail water use in accordance with District Rule 7.2.⁵

1.3 Regulatory Framework for Desired Future Conditions

Texas Water Code (TWC) § 36.108 establishes the legal framework governing how GMAs develop and adopt DFCs.⁶ The statute requires the presiding officer or presiding officer's designee ("District Representative") for each district located wholly or partly in the GMA consider when establishing all DFCs the following (9) nine factors: (1) aquifer uses and geographic variability; (2) water supply needs and management strategies in the state water plan; (3) hydrological conditions in each aquifer, including total estimated recoverable storage and average annual recharge; (4) other environmental impacts, such as spring flow and groundwater-surface water interactions; (5) subsidence; (6) the socioeconomic impacts reasonably expected to occur as a result of the DFC; (7) the rights and interests of private property owners; (8) the feasibility of achieving the proposed desired future condition; and (9) any other information relevant to the specific DFC.

The statute also requires that GMA members balance competing public interests. TWC § 36.108(d)(2) explicitly directs GMAs to weigh the highest practicable level of groundwater production against the long-term conservation, preservation, protection, recharging, and prevention of waste of groundwater resources. This production-versus-conservation tradeoff is not merely a policy preference; it is a statutory obligation that requires substantive, evidence-based analysis to discharge responsibly.

Beyond the nine-factor requirement, TWC § 36.108(d-3)(2-5) impose a distinct affirmative obligation: the report accompanying a DFC adoption must provide the policy and technical justifications for each DFC, including documentation that the nine factors were considered by each District Representative and a discussion of how each factor impacts the adopted DFCs. This statute requires GMAs to document, in a transparent and defensible manner, the specific technical and policy reasoning that supports the adopted DFC—reasoning that must be grounded in scenario-specific analysis capable of withstanding scrutiny from regulators, stakeholders, and courts.

Should an "Affected Person" believe that an adopted DFC is unreasonable, TWC § 36.1083 details the process by which the Affected Person may petition for a hearing at the State Office of Administrative Hearings (SOAH) appealing the reasonableness of the DFC. As described in TWC § 36.1083(e), the process

³ The value of decline is calculated as an average over an observation period that can be different depending on the aquifer. An average is used because the extent of decline can range significantly based on cyclical hydrological conditions that may cause peaks or troughs in certain years.

⁴ The Brazos Alluvium Aquifer is the only formation where the DFC is based on percent saturation instead of average annual decline.

⁵ BVGCD Rules, Approved 10/9/2025: <https://brazosvalleygcd.org/files/?upf=dl&id=23972>

⁶ Texas Water Code § 36.108: https://statutes.capitol.texas.gov/Docs/WA/hun/WA_36.htm#36.108

requires the Texas Water Development Board (TWDB) to determine whether the proposed DFC meets the statutory criteria of TWC § 36.108(d) and also to conduct a study containing scientific and technical analysis of the desired future condition, including consideration of, among other things, the explanatory report provided to the TWDB under TWC § 36.108, the factors described under TWC § 36.108 and any relevant information provided in the petition or available to TWDB. TWDB's study must be delivered to SOAH for consideration by a SOAH Administrative Law Judge ("ALJ") during a hearing on the reasonableness of the appealed DFC. In light of this statutorily mandated process, it is important that careful and meaningful consideration of the information relevant to each of the nine factors specified in TWC § 36.108(d) is conducted and memorialized: (i) by the District Representatives at the GMA level prior to proposal of a DFC; and (ii) after receipt of public comments prior to final adoption, by TWDB during both its administrative review and its substantive review, as well as the development of its report to be submitted to SOAH. Consequently, what is memorialized by the District Representatives and TWDB will be important evidence subject to review during SOAH's hearing.

After the conclusion of the SOAH hearing, SOAH's ALJ will issue a proposal for decision that includes findings of fact and conclusions of law. Should the district whose DFCs are on appeal vacate or modify the ALJ's proposal for decision, as contemplated by TWC § 36.1083(o), the district must issue a report describing in detail the district's reasons for disagreement with the ALJ's findings of fact and conclusions of law. The report shall provide the policy, scientific, and technical justifications for the district's decision.

1.4 The Need for This Analysis

Like most GMAs in Texas, GMA 12 has historically met the statutory requirement to consider socioeconomic impacts by presenting the TWDB's regional socioeconomic impact analysis for water planning groups during the joint planning process. While this approach has provided useful regional context, the TWDB's standard analysis has important limitations that constrain its usefulness for DFC decision-making in GMA 12's current planning cycle.

The TWDB analysis operates at a regional, water-planning-group scale and does not address the economic impacts associated with declining groundwater levels caused by increased pumping or the forgone economic activity associated with limited water production. It is not designed to evaluate the relative socioeconomic differences between alternative DFC scenarios—such as those under active consideration by GMA 12—and therefore provides no basis for comparing the economic consequences of one DFC option against another. Because it is not a comparative study of the socioeconomic impacts of alternative groundwater management goals, it cannot inform a determination of how to balance socioeconomic impacts of alternative DFCs alongside other competing public interests including the long-term integrity of the resource.

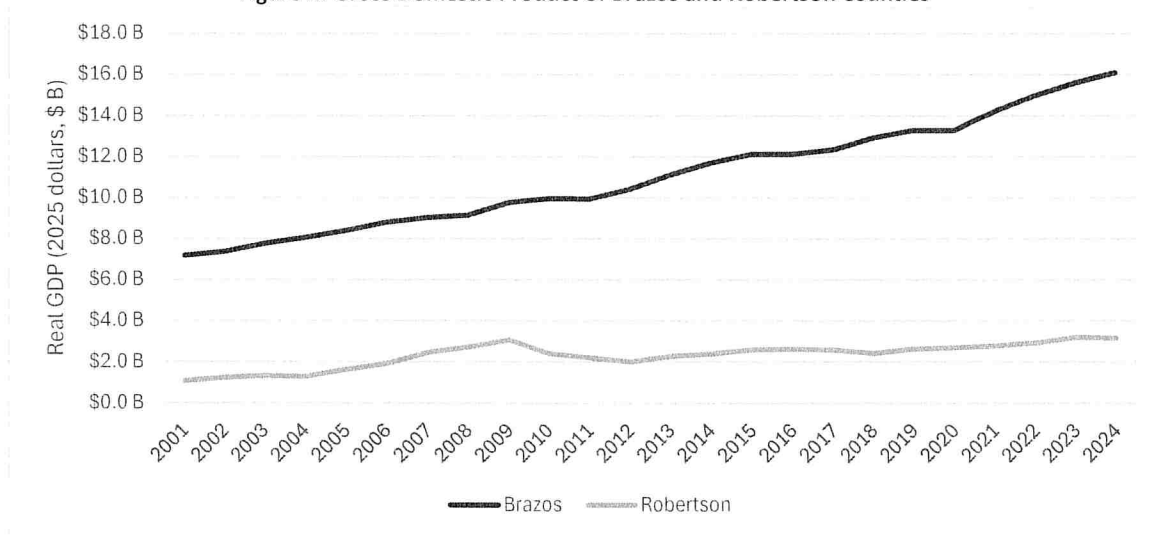
This study has been developed in accordance with the requirements set forth by TWC § 36.108 and § 36.1083 using widely accepted scientific and technical approaches to quantifying the socioeconomic impacts of groundwater management goals to support the statutorily required considerations set forth in TWC § 36.108. It provides the scenario-specific, aquifer-level, socioeconomic, scientific and technical assessments required to justify a proposed DFC, that TWC § 36.108(d) and § 36.108(d-3)(2) require, equipping GMA 12 with the evidentiary foundation needed to adopt a DFC for the Simsboro Aquifer that is both legally defensible and grounded in sound science and policy, in the event of an appeal under the standard of review and considerations set forth in TWC § 36.1083.

2 Regional Economic Profile

2.1 Gross Domestic Product & Population

The Brazos–Robertson study area combines two distinct county economies: a larger, faster-growing, and increasingly urbanized Brazos County, and a smaller, more rural Robertson County. In aggregate, the region has experienced substantial and sustained economic expansion. Using real GDP (2025 dollars), combined output increased from \$8.24 billion in 2001 to \$19.26 billion in 2024, a gain of approximately 133.7 percent (about 3.8 percent average annual growth) (**Figure 2**).⁷ Brazos County is the primary driver of regional output throughout the period and accounts for approximately 83.6 percent of total 2024 real GDP (\$16.1 billion of \$19.26 billion). Robertson County remains much smaller in absolute economic scale, but its real GDP also increased materially over the same period, from approximately \$1.07 billion to \$3.16 billion. This regional GDP pattern is therefore best characterized by sustained long-run growth anchored by Brazos County, alongside a smaller Robertson County economy that can post strong percentage gains from a lower base. Because the GDP series is expressed in real (inflation-adjusted) terms, these trends reflect changes in economic output volume rather than changes driven primarily by price inflation.

Figure 2: Gross Domestic Product of Brazos and Robertson Counties



The demographic profile shows an even stronger concentration of growth in Brazos County. Census counts indicate that the combined two-county population increased from 168,944 in 2000 to 251,466 in 2020 (48.8 percent growth), with Brazos County increasing from 152,930 to 234,515 (53.3 percent) and Robertson County growing only modestly from 16,014 to 16,951 (5.9 percent) (**Figure 3**).⁸ TWDB planning projections extend this divergence over the long term.⁹ The combined population is projected to reach 313,322 by 2030 and 601,096 by 2080, with nearly all project growth occurring in Brazos County (586,922 by 2080), while Robertson County is projected to gradually decline to 14,174. Taken together, the economic and

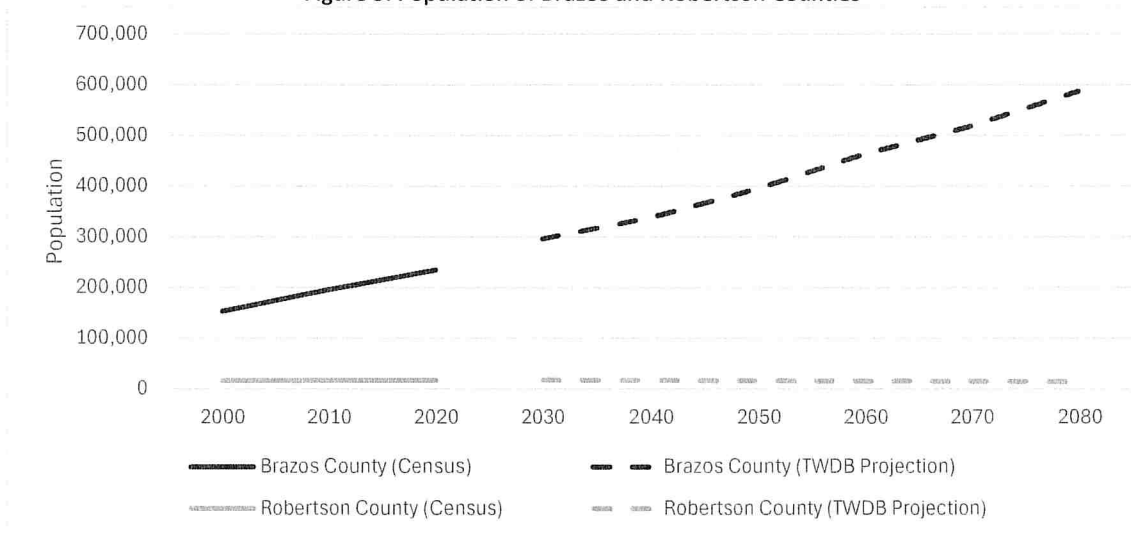
⁷ U.S. Bureau of Economic Analysis, Real Gross Domestic Product [GDPCA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GDPCA>

⁸ U.S. Bureau of Economic Analysis, Resident Population, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/data/TXBRAZ3POP>

⁹ Texas Water Development Board, 2027 State Water Plan Adopted Population Projections; <https://www.twdb.texas.gov/waterplanning/data/projections/index.asp>

demographic data indicate that future regional growth pressures, including municipal water-demand growth, are likely to remain heavily concentrated in Brazos County, while Robertson County's demand profile may continue to depend more on sector-specific activity than on population expansion.

Figure 3: Population of Brazos and Robertson Counties



2.2 Regional Groundwater Supplies

Groundwater is the dominant water-supply source within the Brazos Valley Groundwater Conservation District (BVGCD) and forms the operational backbone of municipal, agricultural, and other water uses in the district. Although tributaries of the Brazos River traverse both Brazos and Robertson Counties and the mainstem of the Brazos River lies along portions of the counties' southwestern boundary, surface water is used primarily for agricultural purposes and does not currently serve as a practical municipal supply source at scale within BVGCD. In economic and infrastructure terms, this reflects path dependence in the regional water system: most public water providers in the district have built treatment and distribution systems around groundwater production rather than surface-water treatment and conveyance.

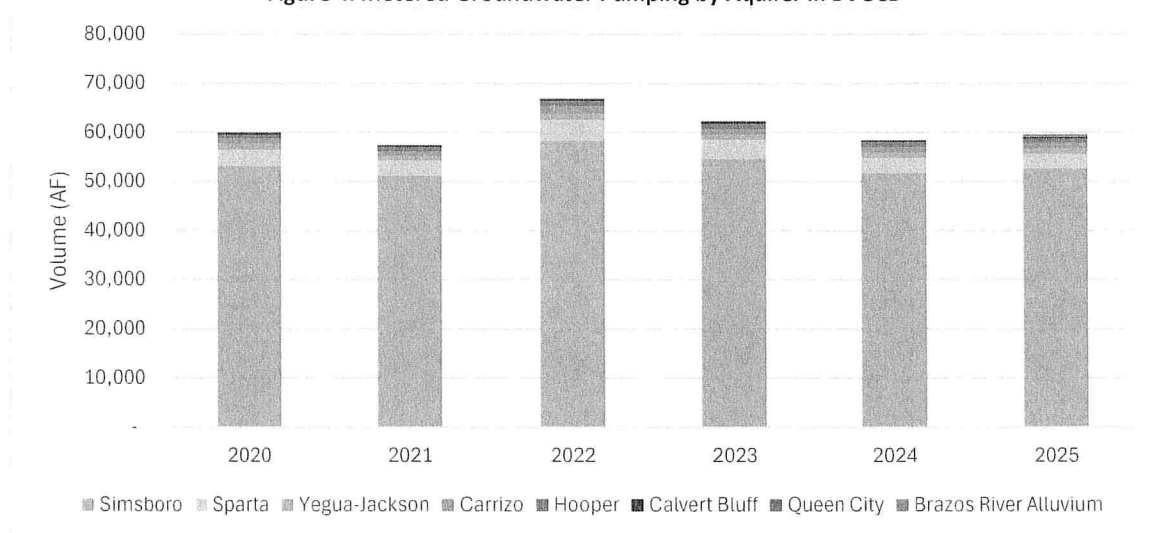
BVGCD overlies eight aquifer units with materially different yield characteristics, water quality, and geographic distribution. The Simsboro Formation (part of the Carrizo-Wilcox Aquifer) is the district's most productive groundwater source and supports the largest-capacity municipal and agricultural wells. The Sparta Aquifer also supports large-capacity use, but at substantially lower volumes than Simsboro. Other aquifers, including Queen City, Calvert Bluff, Hooper, and Yegua-Jackson, provide usable groundwater for domestic, livestock, irrigation, industrial, and limited municipal demand, but availability and production rates vary significantly by location. Aquifer access is also spatially uneven across the district (for example, Calvert Bluff production is concentrated in Robertson County, while Yegua-Jackson production is generally concentrated in Brazos County). Brazos River Alluvium wells are used primarily for irrigation, and water quality conditions in the alluvium are generally not considered suitable for municipal/public supply use.

Metered pumping data for 2020–2025 confirm a highly concentrated production profile (**Figure 4**).¹⁰ The Simsboro Aquifer supplied approximately 51,128 to 58,313 acre-feet per year over this period and accounted for roughly 87–89 percent of total metered groundwater production annually (about 88.2 percent on average). By comparison, the Sparta Aquifer—the next-largest source—contributed 3,046 to

¹⁰ 2025 BVGCD Annual Report; <https://brazosvalleygcd.org/files/?upfi=di&id=25787>

4,308 acre-feet per year (generally about 5–7 percent of total metered pumping), while all remaining aquifers each represented relatively small shares. From a socioeconomic-impact perspective, this concentration is a critical baseline condition: district-wide water availability, observed production trends, and the economic effects of future management actions are primarily determined by Simsboro Aquifer performance and related permitting/curtailment constraints. Secondary aquifers provide localized supply diversity, but they do not currently operate at a scale sufficient to serve as meaningful substitutes for the additional Simsboro volumes made available under a less restrictive DFC.

Figure 4: Metered Groundwater Pumping by Aquifer in BVGCD



2.3 Data Center and Power Development

Texas data center development increasingly looks like a joint electricity–water capacity problem rather than a pure real estate or tax-incentive story. Houston Advanced Research Center (HARC) (using Baxtel and Energy Information Agency (EIA)-based estimates) reports 464 operating facilities in Texas, with the footprint concentrated in Dallas–Fort Worth (197 sites), San Antonio (60), West Texas (59), Austin (53), and Houston (48), plus more than 70 additional sites under construction as of September 2025.¹¹ Existing facilities are estimated to require roughly 9,567 MW of power capacity, about 8% of the Electric Reliability Council of Texas’ (ERCOT’s) stated summer available generation capacity and, if operated continuously, could account for about 13% of Texas electricity production (2023 basis). The key economic signal is forecast dispersion: ERCOT-linked projections show 2030 data-center load ranging from 22,175 MW (adjusted realization case) to 77,965 MW (transmission-provider pipeline case), implying a very large wedge between announced demand and deliverable grid capacity. That wedge is what is driving alternative siting and procurement strategies, including co-location with generation and “behind-the-grid” power arrangements.

HARC estimates current statewide data-center water use (including indirect power-related use) at about 25 Bgal (77 kAF), with statewide total consumption equivalent to roughly 0.44% of Texas water demand. For 2030, direct cooling–water demand at data centers alone is estimated at 23–24 Bgal (71–74 kAF) under the 22,175 MW case and 81–87 Bgal (249–267 kAF) under the 77,965 MW case (roughly 0.4% to 1.4% of

¹¹ “Thirsty Data and the Lone Star State: The Impact of Data Center Growth on Texas’ Water Supply”, HARC, January 2026; <https://harcresearch.org/wp-content/uploads/2026/01/Thirsty-Data-Water-Use-and-The-Projected-Data-Center-Boom-in-Texas.pdf>

statewide annual demand). On the power side, if growth is served by more water-efficient grid additions, marginal power-plant water consumption falls to 6–20 Bgal (18–64 kAF)(0.1%–0.3% of total demand); if instead the “off-grid” residual load is served by onsite natural gas combined-cycle generation, HARC estimates 21–74 Bgal (64–227 kAF) of power-plant water consumption (0.4%–1.2%), with dry-cooled/solar/solar+storage pathways potentially reducing indirect cooling-water demand to near zero. In short, co-location with power solves a reliability/timing constraint, but whether it improves system welfare depends heavily on the water intensity of the chosen generation technology.

Potential PS4-3 was structured to capture the demand of the expected growth in these sectors. In this study, future incremental groundwater pumping under both scenarios was allocated to data center, power and associated increased residential demand as discussed in Section 4.2.

3 Study Approach

3.1 Overview

The purpose of this economic analysis is to quantify, monetize, and evaluate the tradeoffs between the adoption of alternative DFCs within BVGCD, with particular focus on the additional economic activity enabled by the incremental groundwater volumes available under the locally preferred Potential PS4-3 relative to PS4-2. The analytical framework is grounded in a direct comparison of two DFC scenarios—PS4-2 and Potential PS4-3—using modeled pumping files provided by BVGCD. The additional Simsboro pumping volumes available under Potential PS4-3 above PS4-2 constitute the study's measure of incremental water supply benefit, and all economic impacts are assessed in relation to that additional volume. Total economic impacts include direct effects (initial, immediate changes in economic activity resulting from a scenario), indirect effects (changes in expenditures within the region in industries supplying goods and services), and induced effects (changes in expenditures of household income).

3.2 Groundwater Availability Model Runs

The analysis draws on a series of Groundwater Availability Model (GAM) runs developed in connection with GMA 12's ongoing DFC process. This analysis estimates the economic impacts of pumping under Potential PS4-3 relative to PS4-2. Two earlier GAM runs provide background context but are not used in this analysis.¹²

Run PS4-2 corresponds to an anticipated 284-foot DFC and represents the scenario approved to be used as a base run in DFC planning by GMA 12 on November 20, 2025. It reflects a collaborative effort by the GCDs to estimate pumping volumes based on anticipated use but was not constructed to reflect full build-out to permitted amounts. PS4-2 serves as the constrained pumping scenario in this analysis and defines the upper bound on allowable Simsboro pumping under the associated DFC. PS4-2 includes production consistent with permitted pumping for transport outside the district. This pumping is associated with permits issued by BVGCD to UW Brazos Valley Farm LLC and a set of associated landowners, which is subject to a collective export volume limit of 50,000 acre-feet per year (AFY) under a Negotiated Settlement

¹² Run S-19 is associated with the Simsboro DFC adopted in 2022, which reflected a 262-foot drawdown threshold. S-19 was selected by GMA 12 in November 2021 following GAM simulations and served as the basis for the 2022 DFC and its accompanying explanatory report. Like most GMA 12 future pumping scenarios, S-19 was constructed using a combination of permitted and anticipated pumping volumes. Although S-19 was initially considered within this study, GMA 12 reached a general consensus during the study period to move toward a newer GAM run, and S-19 is no longer treated as a relevant reference point. Run PS4-1 is not included in this analysis or in any figures but serves as a reference point in the broader GMA 12 DFC selection process. It was constructed to include all permitted pumping volumes.

Agreement executed in June 2025.¹³ The Negotiated Settlement Agreement was established between UW Brazos Valley Farm LLC and associated landowners, BVGCD, Texas A&M University System, Brazos County, City of Bryan and City of College Station.

Potential PS4-3 corresponds to a 330-foot DFC and is not an official GMA 12 run. Rather, it represents BVGCD's best estimate of local pumping demand layered on top of PS4-2. Potential PS4-3 includes pumping associated with UW Brazos Valley Farms LLC consistent with PS4-2. Potential PS4-3 adds pumping volumes in the Simsboro Aquifer (along with other aquifers not included in this study) and serves in this study as the proxy for incremental water demand. It is important to note that neither S-19 nor PS4-2 accounts for additional potential large-scale commercial and industrial water needs within Brazos and Robertson Counties—such as semiconductor facilities, modular nuclear reactors, data centers, or mining operations—whereas Potential PS4-3 incorporates additional pumping to serve these demands and related increases in municipal demands from the economic growth they create.

3.3 Stakeholder Engagement

The study incorporated a stakeholder engagement process intended to ground-truth TWDB regional water plan supply strategies, validate demand projections, and assess how water providers would respond under alternative DFC scenarios.

Working collaboratively with BVGCD, the team identified the five largest municipal water providers in the district; the Cities of Bryan and College Station, Texas A&M University, Wellborn SUD, and Wickson Creek SUD, and conducted individual 45-minute structured interviews with each during December 2025. The interviews were designed to validate supply strategies, clarify demand forecasts, understand expected development costs, and explore each entity's anticipated response to different DFC outcomes. Following the interviews, the study team decided to limit future supply availability to water users' existing supplies, augmented with supply growth from the Simsboro Aquifer.

The engagement process produced several substantive findings. Stakeholders identified a significant gap between regional water plan cost estimates and actual recent development costs and expressed considerable skepticism about the accuracy of regional plan demand projections. The availability and viability of alternative water supply sources proved more constrained than planning documents suggest, with multiple providers citing technical, economic, or regulatory barriers to nominally identified Simsboro alternative supply sources.

Stakeholders stated an intention to produce additional Simsboro supplies to meet growing demands. While the regional water plan identifies alternative (non-Simsboro) strategies, their technical and financial feasibility is unknown and considered speculative for this analysis. Based on these qualitative insights, the study was constructed to measure the change in economic output over the 50-year modeling period resulting from the volumetric difference in available Simsboro groundwater between Potential PS4-3 and PS4-2.

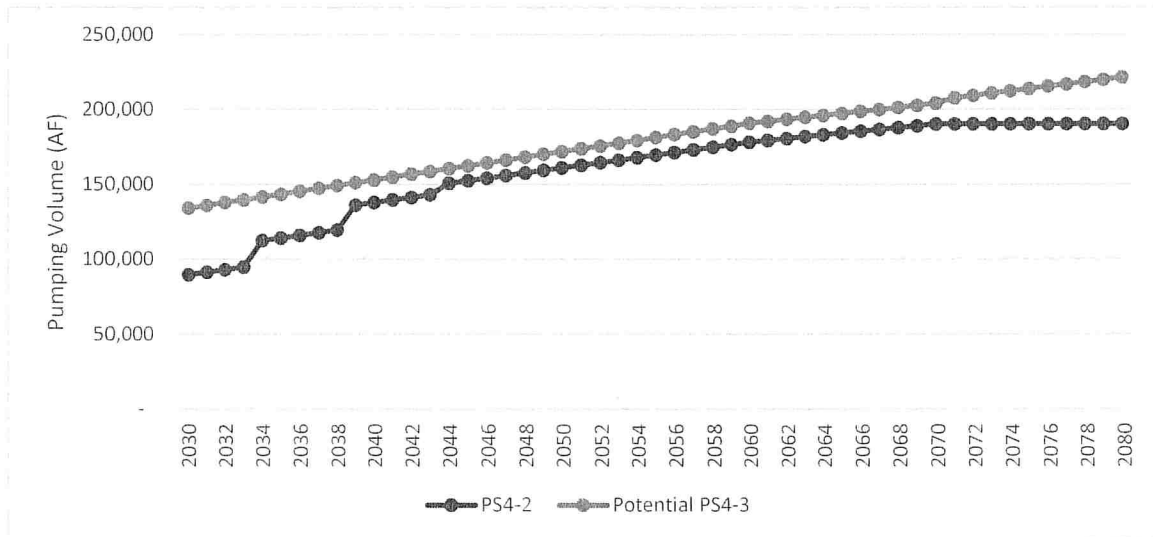
3.4 Scenario Definition

BVGCD has indicated, based on local knowledge of existing and anticipated water uses within its jurisdiction, that Potential PS4-3 represents the best available approximation of future groundwater demand in the area. For the purposes of this analysis, Potential PS4-3 is therefore treated as the incremental demand scenario, reflecting the pumping volumes that would occur if water users were able to meet their reasonably

¹³ 2025 Negotiated Settlement Agreement; <https://brazosvalleygcd.org/wp-content/uploads/2025/06/Settlement-and-Release-Agreement-Execution-Version-June-24-2025.pdf>

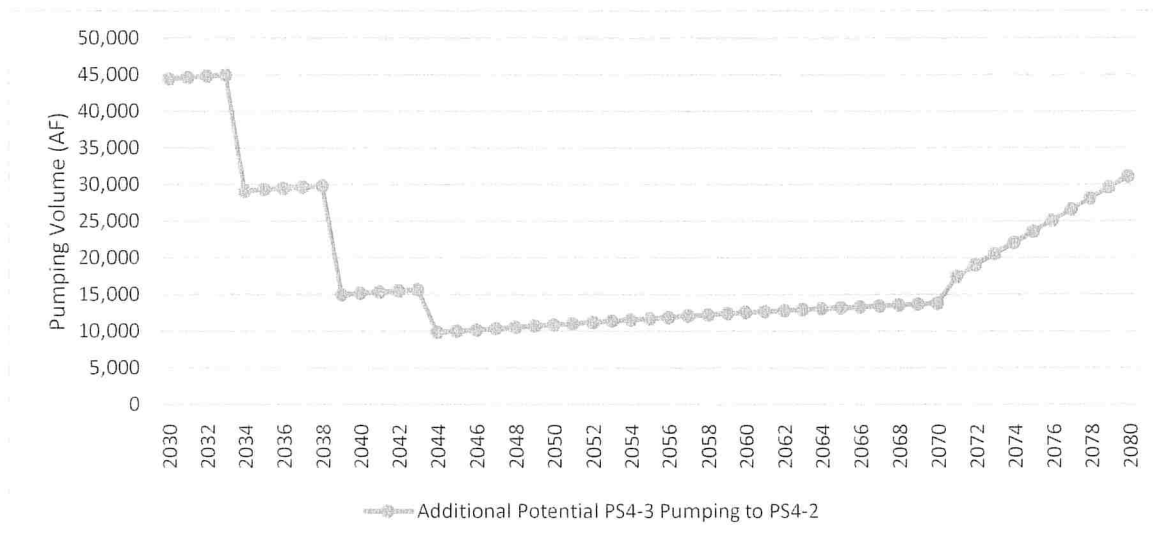
anticipated needs from the Simsboro Aquifer. PS4-2, by contrast, represents a more constrained DFC that limits allowable pumping to a lower threshold (**Figure 5**).

Figure 5: BVGCD Simsboro Annual Pumping Volumes



The incremental water supply benefit is defined in this study as the additional volumetric pumping available under Potential PS4-3 relative to PS4-2 over the study period of 2030 through 2080 (**Figure 6**). Over the fifty-year model horizon, this incremental water supply benefit is nearly 1 million acre-feet. Where Potential PS4-3 pumping exceeds PS4-2 pumping, the difference represents additional water supply unlocked by the less restrictive DFC and made available to support regional growth. Economic impacts are assessed as a function of this additional volume—specifically, the economic activity enabled when Simsboro pumping is permitted to reach the levels reflected in Potential PS4-3 rather than being held to PS4-2 levels.

Figure 6: Simsboro Pumping Difference (Potential PS4-3 minus PS4-2)



3.5 Demand Assumptions and Supply Sources

A key methodological decision in this study is the treatment of future water supply sources. Alternative water supply strategies, such as those that might be identified through regional water planning, were considered as a potential means of offsetting any shortage created by a more restrictive DFC. However, the feasibility of developing and deploying such alternative supplies within the study area is uncertain, therefore their inclusion in the analysis would be overly speculative. Accordingly, BVGCD and stakeholders agreed that this analysis should assume continued reliance on the Simsboro Aquifer as the source of all future water supply growth. This assumption is conservative in the sense that it does not credit users with access to substitute supplies that may not materialize, and it ensures that the full economic value of the additional water supply available under Potential PS4-3 is not understated by speculative offsets.

The water demand forecasts applied in the regional planning process likely underestimate commercial and industrial demand. The additional demand applied in Potential PS4-3 is intended to capture the reasonably expected increase in commercial and industrial water demands (data centers, power, etc.) as well as the associated population growth that will result from the increased economic activity.

3.6 UW Brazos Valley Farms LLC Project Considerations

The export project associated with UW Brazos Valley Farms LLC is a large, proposed export project of Simsboro groundwater sourced from Robertson County permitted to serve communities in Bell, Milam, Travis and Williamson Counties. Its production schedule and volumes are constrained by the 2025 Negotiated Settlement Agreement. The negotiated settlement ramp limits the project to 23,000 AFY for 2029–2033, 39,000 AFY for 2034–2038, and 50,000 AFY from 2039 onward. Under that settlement, the UW Brazos Valley Farms LLC project pumping volumes are fixed and treated identically under both PS4-2 and Potential PS4-3. As a result, the project does not contribute to the modeled shortage and is not a differentiating factor in this analysis.

3.7 Study Limitation: Curtailment Not Modeled

BVGCD uses three threshold drawdown levels (Levels 1–3) based on the BVGCD-wide average aquifer drawdown for an aquifer, calculated using a BVGCD-approved methodology, and measured as an average of the three consecutive years immediately prior to reaching the trigger.¹⁴

Table 1: BVGCD Curtailment Levels

DFC Threshold Level	Trigger	BVGCD Response / Actions	Notes
Level 1	BVGCD-wide average drawdown > 65% of the DFC drawdown amount for that aquifer	BVGCD may designate Study Area(s) (using best available science), increase monitoring/reporting, perform targeted meter checks in study areas, and advance conservation programs; may also conduct studies to improve GAMs/other methods	Early warning / monitoring and data refinement stage

¹⁴ BVGCD Rules, Approved 10/9/2025: <https://brazosvalleygcd.org/files/?upf=dl&id=23972>

Level 2	BVGCD-wide average drawdown > 80% of the DFC drawdown amount for that aquifer	BVGCD may consider adopting Depletion Management Zone(s) (DMZs) in areas with significant drawdown and may adopt production limitations (including potential reductions to existing/future permits) and increased well spacing within DMZs; permit changes due to DMZ curtailment are subject to hearing procedures	BVGCD also calls for evaluating curtailment need as drawdown reaches 80% of DFC (or trends to exceed DFC), plus a public hearing and a response plan (targeted within 6 months after first public hearing)
Level 3	BVGCD-wide average drawdown > 90% of the DFC drawdown amount for that aquifer	BVGCD states it shall curtail as drawdown reaches 90% of DFC (or trends to exceed it), using a pro rata formula to be determined by the BVGCD Board by the time Level 3 is reached; formula may apply different ratios to historic vs. non-historic permits, is based on actual production / maximum beneficial use in any permitted year, and exempt wells cannot be reduced	After curtailment, new wells may still be permitted, but permit amounts are immediately reduced by existing curtailments (within non-historic permits); reductions may be reinstated if aquifer levels recover and average drawdown is < 90% of the adopted DFC

This study does not quantify the economic impacts of potential curtailment events. Two reasons support this boundary. First, any Depletion Management Zones that BVGCD might designate under DFC Threshold Level 2 are discretionary, and their geographic boundaries and specific operating conditions have not been defined. Second, the pro rata curtailment formula applicable under DFC Threshold Level 3 is explicitly reserved for determination by the BVGCD Board at such time as that threshold is approached. Because the spatial scope, proportional reductions, and permit-specific implications of curtailment cannot be specified at this time, incorporating curtailment into the economic model would require assumptions too speculative to be defensible. The analysis therefore focuses on the incremental water supply available under Potential PS4-3 above PS4-2 as the primary driver of economic benefit, with the understanding that avoided curtailment risk represents an additional, unquantified dimension of the benefits associated with a less restrictive DFC.

4 Direct Economic Impacts

This section describes the methodology for estimating the direct economic impacts of the additional water supply unlocked under the Potential PS4-3 pumping projection scenario. Direct impacts represent the initial, immediate economic benefits of the incremental water availability under the less restrictive DFC, before accounting for secondary, or ripple effects through supply chains and household spending that are captured in the indirect and induced impact analysis presented in Section 6.

The analysis evaluates direct economic benefits through three channels: (1) pumping cost differentials associated with groundwater elevation changes between scenarios; (2) additional economic activity enabled by sector-specific water allocations under the incremental volumes available in Potential PS4-3; and (3) residential housing development supported by induced population growth. For each category, both the Potential PS4-3 and PS4-2 scenarios are modeled independently, and the incremental benefit is derived as the difference between them.

The methodological basis for estimating these direct impacts follows a water to economic activity approach. Projected pumping volumes under each scenario are allocated across four distinct demand sectors—combined-cycle natural gas generation (70%), nuclear power generation (15%), hyperscale data centers (10%), and residential housing (5%), using fixed shares that reflect the anticipated composition of new development in the region. Within each sector, facility-specific engineering parameters convert acre-feet of water into generating or computing capacity, which determines quantifiable levels of capital investment, operational output, and employment. Construction spending is regionalized using local capture rates that account for differences in labor intensity and equipment sourcing across facility types, and all inputs are annualized within each analysis period to produce representative annual values consistent with the inputs requirements for the modeling applied to estimate secondary regional effects. The subsections that follow detail each component of the process.

4.1 Pumping Cost Estimation

Pumping costs were estimated for both PS4-2 and Potential PS4-3 across the 2030–2080 analysis period using projected pumping volumes and depth-to-water data provided by BVGCD. Because Potential PS4-3 unlocks greater pumping volumes and, in most locations, involves modestly deeper water levels than PS4-2, it carries somewhat higher associated pumping costs. These incremental costs are accounted for in the modeling framework as an offset against the broader economic benefits enabled by the additional water supply, and are modest in scale relative to the output, labor income, and tax revenue those supplies generate.

Annual pumping costs were estimated using a standard energy-based pumping cost formula:

$$\text{Annual Pumping Cost} = \frac{\text{Pumping Volume} \times \text{Total Dynamic Head} \times 1.024}{\text{Pumping Efficiency} \times \text{Motor Efficiency}} \times \$/\text{kwh}$$

Where:

- Pumping Volume is expressed in acre-feet per year
- Total Dynamic Head (TDH) equals static lift plus friction losses plus pressure head, measured in feet
- Pressure head is calculated by multiplying system pressure (PSI) by 2.31 to convert to feet of head
- The constant 1.024 represents kilowatt-hours per acre-foot per foot of head at 100% efficiency
- Motor Efficiency and Pump Efficiency are expressed as decimals representing the percentage of energy converted to useful work at each stage
- Electric Rate is the cost per kilowatt-hour

To isolate the effect of the scenario-specific changes in pumping volume and depth to water, several inputs are held constant at values representative of a typical municipal well: friction losses of 15 feet, system pressure of 50 PSI, motor efficiency of 0.91, and pump efficiency of 0.65.

Electricity rates are drawn from Bryan Texas Utilities (BTU), whose service area covers a substantial portion of BVGCD. The analysis applies BTU's in-city commercial rate schedule for demand between 25 kW and 1,000 kW, which includes a monthly customer charge of \$26.91, a demand charge of \$4.14/kW, and an

energy charge of \$0.0142/kWh.¹⁵ Rates are escalated at 3% annually over the analysis period to reflect expected electricity price growth.

Pumping costs were calculated individually for each BVGCD-permitted well using the scenario-specific depth-to-water values from the modeled runs and then aggregated across all permitted wells. This well-by-well approach captures spatial variation in drawdown across the aquifer and avoids the distortions that can arise from relying on a single representative well or district-wide average.

In the modeling framework, the incremental pumping cost associated with the additional water supply available under Potential PS4-3 vs. PS4-2 is modeled as a partial offset to household income, reflecting the pass-through of modestly higher utility costs to residential customers. This cost is mapped to the modeled household income category for households earning \$70,000–\$100,000 annually, consistent with median household income in Brazos and Robertson Counties.

While the average depth-to-water differential between scenarios fluctuates across the analysis horizon, incremental annual lift costs increase in later decades, driven by the combined effect of higher sustained pumping volumes and escalating electricity prices. **Table 2** presents the average additional depth-to-water change and corresponding average annual incremental lift cost by decade. The cost is included in the analysis for completeness and methodological rigor, but it does not materially alter the economic case for the additional volumes available under Potential PS4-3.

Table 2: Additional Pumping Costs (Potential PS4-3 minus PS4-2)

	2030	2040	2050	2060	2070	2080
Average additional change in depth to water	45	24	20	22	34	45
Average annual additional lift cost	\$784,874	\$557,211	\$805,442	\$1,341,847	\$3,168,564	\$5,040,263

4.1.1 Well Infrastructure Costs

In addition to ongoing pumping costs, deeper groundwater levels associated with increased Simsboro production require one-time capital expenditures to maintain the operational integrity of existing wells. As the water table declines, wells may require either pump lowering—repositioning the pump intake to remain below the water surface—or full redrilling to extend the well casing to a greater depth.

Well infrastructure cost estimates were developed by BVGCD in connection with the establishment of the Well Assistance Fund under the 2025 Negotiated Settlement Agreement. The estimates were prepared by reviewing all 612 BVGCD-permitted or registered Simsboro wells and assessing the need for redrilling or pump lowering based on simulated water levels. Where a well was estimated to require both interventions within its 30-year permit term, redrilling costs were applied in the year pump lowering would otherwise have been required. Detailed construction data were not available for all wells, so engineering assumptions were applied where necessary. Combined, total well infrastructure costs across all wells are estimated at approximately \$94 million.

Because well infrastructure needs are driven primarily by long-run aquifer drawdown patterns that are broadly similar under both PS4-2 and Potential PS4-3, BVGCD directed that well assistance costs be treated as equivalent across both scenarios for the purposes of this analysis. Accordingly, well infrastructure costs are not included in the IMPLAN modeling and do not affect the incremental economic results. They are

¹⁵ Bryan Texas Utilities Rate Schedule: <https://btuutilities.com/sites/default/files/ordinance-2498-1.pdf>

presented here for completeness to provide a full accounting of the infrastructure obligations associated with Simsboro production at the district scale.

4.2 Economic Impact Methodology

Socioeconomic impacts are estimated using a counterfactual framework: the analysis asks what economic activity within Brazos and Robertson Counties would be foregone if Simsboro pumping is limited to PS4-2 rather than allowed to reach Potential PS4-3 levels. The incremental water supply volume—defined as the annual additional pumping available under Potential PS4-3 above PS4-2—serves as the primary input to the economic benefit assessment.

The analytical approach translates the incremental water supply available under Potential PS4-3 as compared to PS4-2 into economic benefits through three sequential steps. First, the incremental water volume in each analysis period is allocated across demand sectors reflecting the anticipated composition of new economic activity in the region. Second, sector-specific engineering and financial parameters convert water allocations into direct economic inputs: construction investment on an aggregate scale and operational revenue and employment for each facility type. Third, these direct inputs are applied in a regional input-output model to estimate the full direct, indirect, and induced economic effects further discussed in Section 5.1.

The incremental water supply available under Potential PS4-3 is allocated across four demand sectors using fixed percentage shares. These shares reflect the anticipated composition of future water demand based on regional development conditions, stakeholder intelligence, and the categories of large-scale commercial and industrial (C&I) projects under active consideration within Brazos Valley GCD:

- **Combined-cycle natural gas power generation (70%)** - reflecting the substantial cooling water requirements of thermal power production and the region's strategic proximity to the ERCOT grid infrastructure, including Texas A&M's RELIS campus and proposed next-generation power facilities. The productive load of this generation is assumed to be split between on-grid power generation and off-grid generation co-located with data centers. It is assumed the domestic electrical systems can handle the power load under this split or will be improved to do so.
- **Nuclear power generation (15%)** - representing emerging interest in small modular reactor (SMR) and advanced nuclear deployment in Texas, supported federal and state legislative actions encouraging next-generation nuclear siting and stakeholder indication of nuclear power development associated with Texas A&M.
- **Hyperscale data center operations (10%)** - based on the ongoing expansion of data center development across Texas, driven by AI and cloud computing demand, and the joint electricity and water capacity requirements that favor locations with co-located power and water availability.
- **Residential Housing (5%)** - Capturing the population growth and housing construction associated with the workforce attracted by new development.

These allocated shares are held constant across all analysis periods and applied to the Potential PS4-3 and PS4-2 incremental Simsboro groundwater pumping in each period.

Each C&I sector's economic contribution is derived from a water-to-capacity conversion that translates acre-feet of water supply into megawatts of generating or computing capacity, which in turn supports quantifiable levels of capital investment, operational revenue, and employment. This approach avoids the use of generalized per-acre-foot economic multipliers and grounds each input in facility-specific water use and engineering relationships. Sector-specific parameter values, data sources, and conversion factors are presented in Appendix A.

Residential housing uses a per-unit water demand of 0.35 acre-feet per home per year¹⁶, applied to pumping forecasts applied throughout the analysis. Construction value per home is based on regional building cost data for Brazos and Robertson Counties. Economic benefits from new housing, like other sectors, are estimated for construction spending, and annual operations, which reflect annual rents.

Capital investment estimates for each facility type are regionalized using facility-specific local capture rates that reflect differences in local construction labor intensity and equipment sourcing. Power generation construction is more labor-intensive and draws more heavily from domestic supply chains and local share accounts for approximately 57% of this.¹⁷ The local share of construction labor and equipment intensity for data centers is assumed to be 25%.¹⁸ Data center development involves significant imports of specialized cooling, electrical, and server equipment manufactured outside of the region. Calculated water values for construction and operation are included in **Table 3**. Additional metrics used to determine volumetric costing can be found in **Appendix A: Nuclear Power, Combined Cycle Natural Gas Generation, and Data Center Economic Input Methodology**.

Table 3: Volumetric Costing for C&I uses

Metric	Nuclear Power Generation	Combined Power Cycle Generation	Data Center Facilities
Construction Spend (\$/AF)	\$66,728	\$13,783	\$1,721,645
Annual Operating Spend (\$/AF/Year)	\$10,063	\$4,207	\$400,904
Generating/Computing Capacity Supported by 1 AF (MW)	0.034	0.031	0.77 (50% utilization)

For each period in the analysis, the model calculates direct economic inputs for both the Potential PS4-3 and PS4-2 scenarios independently and subsequently derives the incremental impact as the difference between the two. This dual-scenario approach ensures that the reported economic impacts represent only the marginal contribution of additional water supply under Potential PS4-3 pumping, rather than the total economic activity in the region. Direct inputs into IMPLAN are organized into six categories, each mapped to the appropriate IMPLAN industry sector and impact channel as displayed in **Table 4**.

Table 4: IMPLAN Input Categorization

Input Category	Represents	IMPLAN Industry
Construction	Total capital spending across all C&I and residential sectors	4 – 23 – Construction
Residential	Payments, rents and increased spending associated with enabled housing production	11 – 53 – Real Estate and Leasing
Data Center Operation	Operational spending associated with data centers	9 – 51 – Information
Power Generation Operations	Operational spending associated with Nuclear and Combined Cycle power generation	3 – 22 – Utilities
Pumping Costs	Increased pumping costs for deeper groundwater elevations under Potential	10006 – Households 70-100k (based on average household

¹⁶ Texas Water Development Board, Water Use of Texas Water Utilities, historical use estimates.
<https://www.twdb.texas.gov/waterplanning/waterusesurvey/estimates/>

¹⁷ Regional Economic Development for East Idaho (REDI), Construction and operation of a small modular reactor electric power generation facility ant the Idaho National Laboratory Site, Butte County, Idaho.

¹⁸ (JLARC) Report to the Governor and General Assembly of Virginia, Data Centers in Virginia, 2024, Commission Draft.

	PS4-3. Affects water utility rates and household income.	income in Brazos and Robertson County.
--	--	--

Annualized inputs for each period are calculated by dividing the total period impacts by the number of years in each time interval. This annualized figure represents an “average” or “representative” year that IMPLAN models within each period, consistent with IMPLAN’s point-in-time analytical framework. IMPLAN then applies its regional multiplier structure to generate the full suite of direct, indirect, and induced effects reported in the following section.

4.3 Direct Economic Impacts

Table 5 shows additional economic output generated by new water supply development in in specific commercial and residential sectors by period under the Potential PS4-3 and PS4-2 scenario. These values are the average additional spending across construction, operations and pumping sectors that would flow into the Brazos and Robertson County economies relative to current levels of groundwater pumping. These annual figures serve as the direct inputs to the IMPLAN regional economic model, which then calculates the full suite of indirect and induced effects reported in the results.

The results reflect both the scale and composition of enabled economic activity from augmented water supplies. In the early periods (2029-2033), construction output dominates as new facilities are developed, contributing to over \$900 million annually in the in the 2029-2033 period under Potential PS4-3. As facilities transition from construction to operations, data center and power generation operational spending increasingly drives the output profile.

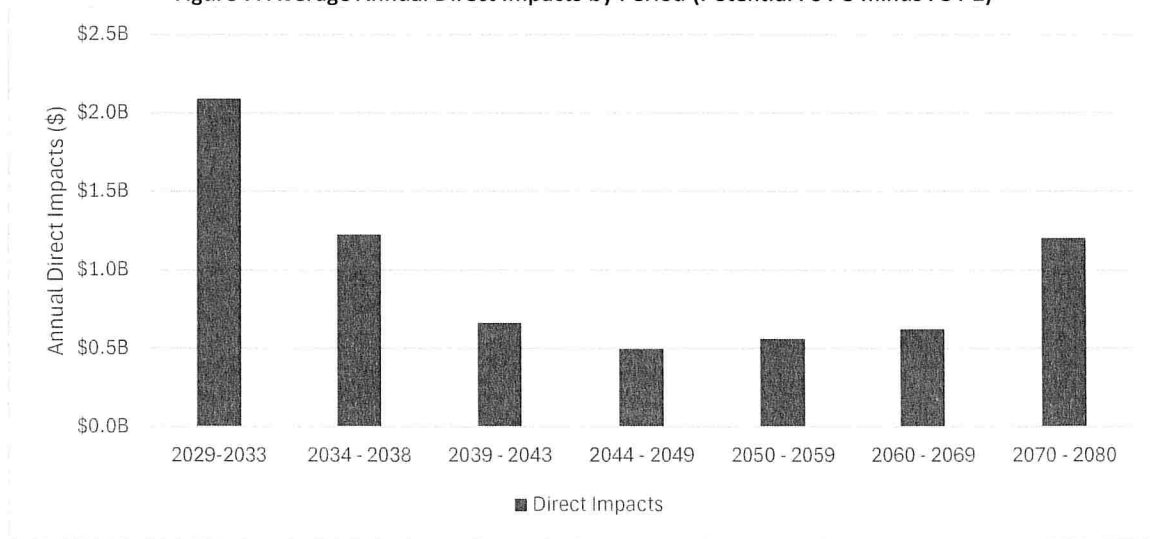
The difference between the two scenarios represents the direct economic impacts of additional water supply available under Potential PS4-3. By the 2040 decade, annual economic impact of increased pumping under Potential PS4-3 relative to PS4-2 is \$0.5 Billion per decade. By the end of the study period the direct economic impact of additional pumping under PS4-3 relative to PS4-2 exceeds \$1.2 billion.

Table 5: Annual Direct Economic Output by Sector

Scenario	Impact Sector	2029 - 2033	2034 - 2038	2039 - 2043	2044 - 2049	2050 - 2059	2060 - 2069	2070 - 2080
PS4-2	Construction	\$0.54 B	\$0.31 B	\$0.19 B	\$0.11 B	\$0.11 B	\$0.08 B	\$0.00 B
	Residential Op	\$0.06 B	\$0.15 B	\$0.23 B	\$0.29 B	\$0.33 B	\$0.39 B	\$0.41 B
	Data Centers Op	\$0.68 B	\$1.80 B	\$2.74 B	\$3.36 B	\$3.92 B	\$4.51 B	\$4.78 B
	Power Op	\$0.08 B	\$0.20 B	\$0.30 B	\$0.37 B	\$0.44 B	\$0.50 B	\$0.53 B
	Total	\$1.35 B	\$2.46 B	\$3.47 B	\$4.14 B	\$4.80 B	\$5.48 B	\$5.72 B
Potential PS4-3	Construction	\$0.92 B	\$0.12 B	\$0.12 B	\$0.12 B	\$0.12 B	\$0.09 B	\$0.10 B
	Residential Op	\$0.18 B	\$0.25 B	\$0.29 B	\$0.32 B	\$0.37 B	\$0.43 B	\$0.49 B
	Data Centers Op	\$2.11 B	\$2.98 B	\$3.36 B	\$3.77 B	\$4.38 B	\$5.04 B	\$5.71 B
	Power Op	\$0.23 B	\$0.33 B	\$0.37 B	\$0.42 B	\$0.49 B	\$0.56 B	\$0.63 B
	Total	\$3.44 B	\$3.68 B	\$4.14 B	\$4.64 B	\$5.36 B	\$6.11 B	\$6.93 B

These direct impacts serve as the foundation for the IMPLAN regional economic modeling presented in Section 5. As direct spending circulates through the regional economy, through supply chain purchasing and B2B sales (indirect effects) and household consumption and spending (induced effects), the total economic impact is substantially larger than the direct impacts alone. **Figure 7** displays total direct impacts for PS4-2 vs. Potential PS4-3 by period.

Figure 7: Average Annual Direct Impacts by Period (Potential PS4-3 minus PS4-2)



5 Indirect and Induced Impacts

In addition to direct benefits/impacts, this analysis also considers regional economic impacts, which are the effects of changes in the economy of a region. The size of regional economic impacts is determined by the linkages within the local/regional economy, and the leakages from this economy to the larger economy. Economic linkages are the relationships between industries, businesses, factors of production (labor and capital), and government created by trade and other exchange, such as taxes, within and among regions. Economic linkages create multiplier effects in a regional economy as money is circulated. The magnitude of impacts is a measure of the income shares spent outside of the region. The more economic leakage, the less the multiplier effect. Generally, the smaller the regional economy, the higher the economic leakage.

5.1 Input-Output Modeling & IMPLAN Methodology

Regional economic analysis modeling is completed using IMPLAN, the most widely used input-output (I-O) impact model system in the United States. IMPLAN is used by various federal and state agencies including the Texas Water Development Board. IMPLAN is an I-O database and modeling software used to estimate economic impacts of changes in demand or spending associated with project alternatives, using annual, regional data. An I-O analysis summarizes and analyzes the relationship among industries, the ripple effect of a given economic activity, and the contribution of some existing activity within a specific region.

Any given industry typically purchases goods and services from and sells goods and services to another industry within a given region, which in turn sells to or buys from other industries or supplies final consumers. IMPLAN uses these interindustry linkages and estimates the total economic effects within a region from a change in final demand associated with an economic sector. The industry linkages are estimated by economic multipliers. For example, a multiplier of 2.0 indicates that each dollar of direct sale generates another dollar of secondary sales in the regional economy.

Regional economic effects, estimated on an annual, point-in-time basis include:

- **Direct Effect:** the initial exogenous change in final demand in terms of Industry Output, Employment, and Labor Income Dollars.

- **Indirect Effect:** changes in the business-to-business purchases in the supply chain that stem from the initial industry input purchases.
- **Induced Effect:** changes in expenditures of household income (typically wages of employees working in the IMPLAN industries).

Changes in population are estimated based on the changes in employment that are produced in the economic model.

5.2 Methodology & IMPLAN Output Metrics

The IMPLAN results in these analyses are presented on a period-by period basis (2029-2033, 2034-2038, 2039-2043, 2044-2050, 2051-2060, 2061-2070 and 2071-2080) and report each metric broken out by direct, indirect and induced effects. These periods were selected to coincide with years exhibiting significant changes in modeled groundwater pumping between potential PS4-3 and PS4-2. IMPLAN shows the annualized average impact over a specified period in current dollars.

The output results should be interpreted as:

- **Output** is always the largest number because it captures the full value of production, including inputs purchased from other firms. It should not be confused with profit or net economic benefit.
- **Value Added** is always smaller than Output and is the most appropriate metric for comparison to GDP or for communicating net regional economic contribution.
- **Labor Income** is a subset of Value Added and represents the portion that flows directly to workers and business owners as compensation.
- **Tax Revenue** is reported separately by government level (federal, state, local). The local and state figures are most relevant for BVGCD stakeholders evaluating fiscal impacts within the region.
- **Employment** figures represent jobs sustained each year, not cumulative job creation over time.

Table 6: IMPLAN Output Metrics

IMPLAN Metric	What it Measures	What it Means
Output	The total value of goods and services produced across all industries in the regional economy. Broadest measure of economic activity and includes the dollar value of all production.	Represents the total scale of economic activity supported by the water supply. Output captures the full revenue impact across the supply chain, making it the most comprehensive measure of economic impacts.
Value Add	The contribution to regional Gross Domestic Product (GDP). Value Added equals Output minus the cost of intermediate goods and services purchased from other industries. It includes labor income, proprietary income, other property income, and indirect business taxes.	A meaningful measure of net economic contribution because it avoids counting inputs that are already captured in other sectors' output.

Labor Income	Total compensation paid to workers, including employee wages and salaries, all benefit (health insurance, retirement contributions), and proprietor income. A subset of value-add.	Directly reflects the income flowing to households in the region. Labor income drives consumer spending and is a tangible indicator of how water availability translates into paychecks and livelihoods for Brazos Valley Residents.
Tax Revenue	Federal, state, and local tax collections generated by the economic activity, including sales taxes, property taxes, income taxes, corporate taxes and fees. IMPLAN reports taxes at each level of government separately.	Quantifies the fiscal impact to local governments and the State of Texas. Additional tax revenue from water-enabled economic growth supports public services and infrastructure without requiring tax rate increases.
Employment	The number of full-time and part-time jobs supported by the economic activity. IMPLAN reports employment as annual job-equivalents, meaning one job sustained for one year.	Employment figures represent a human impact of water management decisions, the jobs that could exist in a region as a direct and indirect result.

6 Results

This section presents the economic benefits of the additional water pumping and utilization made available under the Potential PS4-3 pumping projections scenario relative to PS4-2. Results are categorized into three areas: direct economic benefits, which measure the immediate effects of the additional water supply; indirect and induced impacts, which capture the broader effects on regional economic activity as additional spending circulates through the economy; and employment, housing, and population impacts, which translate economic benefit into workforce and demographic outcomes. **All values are reported in real constant 2026 dollars unless otherwise noted.**

Both PS4-2 and Potential PS4-3 were modeled independently through IMPLAN and the results are reported as the difference between the two sets of outputs. This dual-scenario approach was necessary because PS4-2 is not a "no-development baseline"—it supports meaningful economic activity and growth under its pumping levels—and quantifying the PS4-2 economy through IMPLAN was required to isolate the incremental economic benefits delivered by the additional water supply available under Potential PS4-3.

6.1 Economic Output

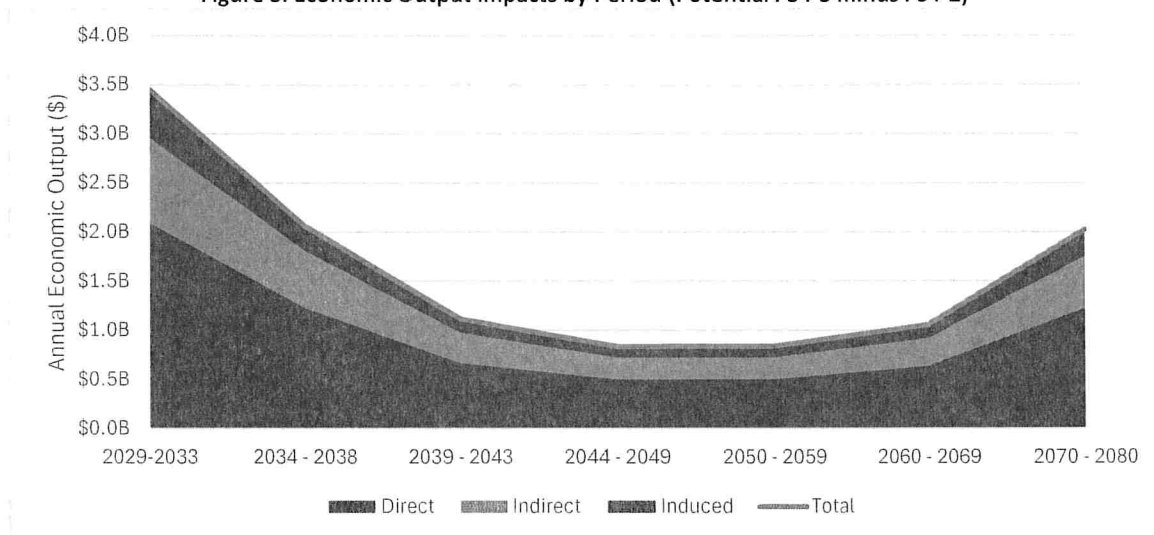
Total economic output measures the full value of goods and services produced across all industries in Brazos and Robertson Counties because of the incremental water supply. Output is the broadest measure of economic activity and includes direct spending, regional purchases from suppliers and household spending that occurs locally. Output is gross, not net: it includes the value of intermediate inputs so it is larger than value add and should not be interpreted simply as "profit" or net benefit. It counts multiple stages of production and accounts for value add as well as various other metrics, it is the largest level of impact

aggregation. The Output difference is displayed in **Table 7**, and shown in **Figure 8**. Total economic output impacts for the period are calculated as approximately \$79.4 Billion.¹⁹

Table 7: Total Output Difference by Period (Potential PS4-3 minus PS4-2)

Period	Direct \$ Billions (2026)	Indirect \$ Billions (2026)	Induced \$ Billions (2026)	Total \$ Billions (2026)
2029 - 2033	\$2.09 B	\$0.87 B	\$0.49 B	\$3.45 B
2034 - 2038	\$1.23 B	\$0.59 B	\$0.25 B	\$2.07 B
2039 - 2043	\$0.67 B	\$0.31 B	\$0.14 B	\$1.12 B
2044 - 2049	\$0.50 B	\$0.22 B	\$0.11 B	\$0.84 B
2050 - 2059	\$0.50 B	\$0.22 B	\$0.11 B	\$0.84 B
2060 - 2069	\$0.64 B	\$0.28 B	\$0.14 B	\$1.06 B
2070 - 2080	\$1.22 B	\$0.53 B	\$0.27 B	\$2.02 B

Figure 8: Economic Output Impacts by Period (Potential PS4-3 minus PS4-2)

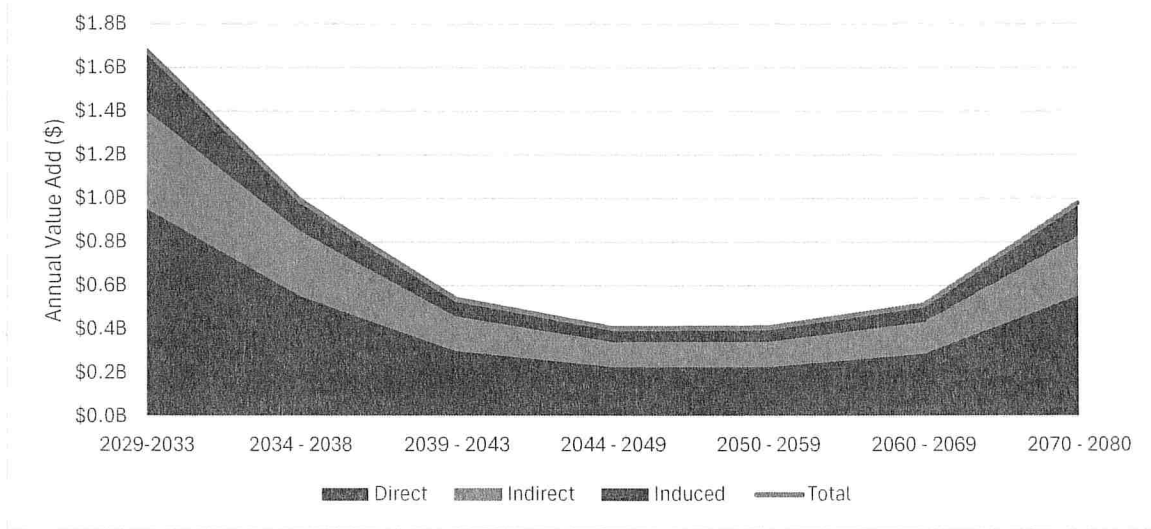


6.2 Value Added

Value added represents the contribution to regional GDP — the difference between total output and the cost of intermediate goods purchased from other industries. It is an appropriate metric for understanding the net economic contribution of the incremental water supply as it avoids double-counting intermediate inputs. Value added by period is displayed in **Figure 9**. Value added follows the same trend as total economic output but is approximately half of the value. Total additional value add throughout the period is approximately \$38.4 billion.

¹⁹ Because results are annual averages are presented over differing time periods, they should be viewed as average conditions for that period rather specific estimates for a single year. Actual impacts in any given year may vary depending on any number of un-modeled variables. Since results represent annual average impacts within each period, they should not be summed across period without converting to period totals (years in period × average year impact).

Figure 9: Value Added Impacts by Period (Potential PS4-3 minus PS4-2)



6.3 Employment and Labor Income

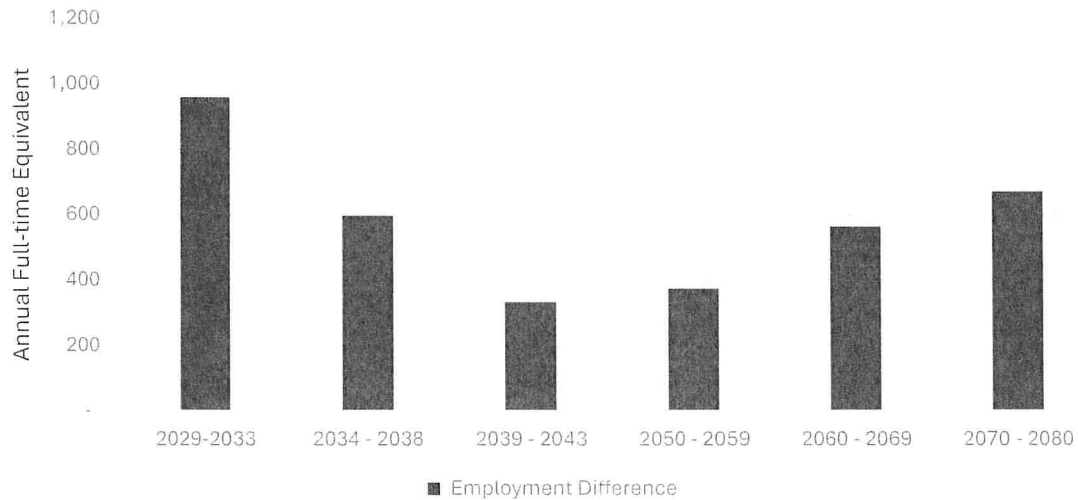
Positive economic impacts translate into augmented employment, additional housing development, and faster population growth. This section quantifies the demographic and labor market impacts.

The IMPLAN analysis estimates that the additional water supply unlocked under Potential PS4-3 would support an additional 268,000 job-years, translating to approximately 5,145 additional full-time equivalents within the district. Employment impacts grow strongly from 2029-2038 and slow until 2070, and increase greatly in 2070-2080. **Figure 10** shows the average annual full-time employment differential between the two modeled scenarios.

The additional employment enabled by Potential PS4-3 translates into faster population growth and additional housing development. Using a ratio of 0.35 AF/home, the additional water supply available under Potential PS4-3 supports approximately 4,440 new homes, or 11,100 new residents within the district (assuming 2.5 residents per home²⁰), increasing spending and tax revenues throughout the region.

²⁰ Conservative rounded assumption, <https://www.houstonstateofhealth.com/demographicdata?id=46§ionid=936>

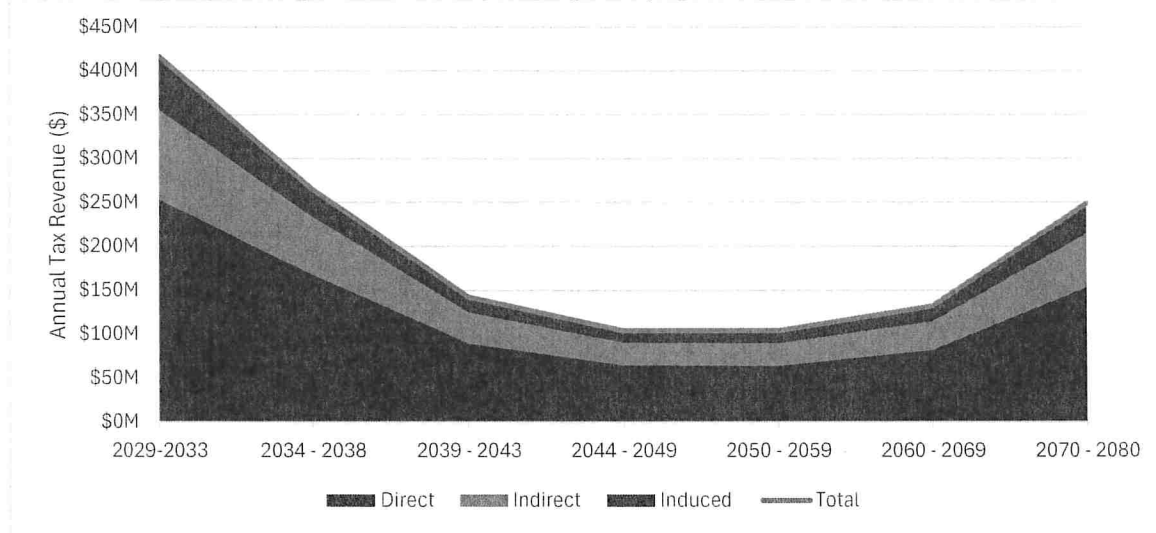
Figure 10: Annualized Employment Difference (Potential PS4-3 minus PS4-2)



6.4 Tax Revenue

The IMPLAN model estimates tax revenues generated at federal, state, and local levels by incremental economic activity. For the purposes of this analysis, tax impacts are aggregated across all levels to determine total additional tax revenue. Incremental tax revenue is \$416 million annually in the 2029-2033 period and \$249 million annually in 2070-2080. State and local tax revenues—including property taxes, sales taxes, and utility fees—support public services and infrastructure investment in Brazos and Robertson Counties without requiring any tax rate increases on existing residents. Throughout the period an additional total tax revenue of approximately \$10 billion is calculated at all levels. **Figure 11** shows the average annual tax revenue impacts across each period. The trends track with outer impacts, as it follows additional water supplies in each period. The highest annual impacts are realized in the 2030 time period with additional incremental water and higher construction intensity.

Figure 11: Average Annual Tax Revenue Impacts by Period (Potential PS4-3 minus PS4-2)



6.5 Summary of Results

Table 8 summarizes key economic benefit metrics across the full analysis period. All figures represent the incremental economic value unlocked by Potential PS4-3 relative to PS4-2, derived as the difference between independent IMPLAN results for each scenario. The results demonstrate that the additional water supply made available under Potential PS4-3 supports substantial and sustained economic activity in Brazos and Robertson Counties across the full analysis horizon. These benefits are driven primarily by data center and power generation operations, which generate high levels of output, employment, tax revenue, and water utilization per acre-foot. The differential grows in early decades and continues to expand in later decades, reflecting the compounding value of the additional water availability enabled by the less restrictive DFC over time.

Table 8: Summary of Impacts (Potential PS4-3 minus PS4-2)

Metric	Value
Cumulative Total (2029 – 2080)	
Total Economic Output	\$79.4 billion
Total Value Added	\$38.4 billion
Total Labor Income	\$18.4 billion
Total Tax Revenue	\$9.8 billion
Cumulative Incremental Water Supply	~1 million acre-feet
Additional Jobs	~5,150 full time equivalents (267,547 job-years)
New Homes Supported	~4,400 Single-Family Equivalents (SFE)

7 Other Impacts not Quantified

The economic impacts presented in this report quantify the incremental value of economic activity enabled by Potential PS4-3 relative to PS4-2, as measured by the differential in IMPLAN outputs between two scenarios. This approach captures the marginal economic contribution of water. The impacts presented in this report are potentially conservative. Several categories of likely impacts have not been quantified due to data limitations or methodological complexity. In each case their omission understates the economic value of adopting Potential PS4-3 relative to PS4-2. Non-quantified impacts are as follows.

Curtailment Risk. This analysis does not model the economic consequences of potential curtailment events under BVGCD's tiered management framework. Under a more restrictive DFC such as PS4-2, the margin between actual pumping and the DFC drawdown threshold is narrower, increasing the probability that observed drawdown will trigger deeper management actions. Deeper curtailment requires pro rata reductions to all permit holders based on actual production, which would force existing users including municipalities, Texas A&M University, and industrial operations to reduce water use below current levels. Unlike the foregone development impacts modeled in this study, curtailment disrupts existing economic activity, potentially triggering production losses, contract defaults, and reputational harm that discourages future investment. Quantifying these impacts would require specifying the geographic scope and timing of Depletion Management Zones and the proportional reduction formula applicable under curtailment, neither of which has been defined by BVGCD at this time.

Alternative Water Supply Costs. Potential PS4-3 reduces the likelihood that water providers would need to develop higher-cost alternative supply sources to meet growing demand. During stakeholder interviews, multiple providers expressed skepticism about the feasibility and cost of alternatives identified in the

Regional Water Plan, noting that actual development costs significantly exceed plan estimates and that technical, regulatory, and financial barriers to non-Simsboro supplies are more substantial than planning documents suggest. To the extent that Potential PS4-3 allows providers to continue relying on the Simsboro Aquifer rather than pursuing higher-cost alternatives, the capital and operating expenditure savings represent an additional, unquantified economic benefit not captured in the differential IMPLAN analysis.

Water Market Development and Price Appreciation. This analysis does not model water market dynamics within the Brazos Valley region. Unlike more mature water markets in other states such as Arizona and California or within Edwards Aquifer Authority's boundaries, Texas groundwater markets are still developing, and transactional data is somewhat limited. However, as water scarcity increases under more restrictive DFC scenarios, the economic value of permitted groundwater rights is expected to increase. To the extent that PS4-2 constrains available supply and increases competition for limited water resources, it may drive up the cost of water for all users in the region, an effect not captured in the scenario differential.

8 Discussion and Conclusion

This study was commissioned by BVGCD to help GMA 12 fulfill its statutory obligation under TWC § 36.108 to consider the socioeconomic impacts of a proposed Desired Future Condition before adoption. The analysis quantifies the economic benefits unlocked by approximately one million additional acre-feet of Simsboro pumping made available over the 2030–2080 period under Potential PS4-3 (330-foot drawdown) relative to PS4-2 (~284-foot drawdown). Both scenarios were modeled independently through IMPLAN, and results are reported as the difference between the two sets of outputs, isolating the marginal economic contribution of the less restrictive DFC.

The results indicate that the additional water supply enabled by Potential PS4-3 supports substantial economic activity in Brazos and Robertson Counties. The additional water supply available under Potential PS4-3 enables average annual economic output ranging from approximately \$836 million to \$3.5 billion per year depending on the period, with a cumulative annualized total of \$79.4 billion across the analysis horizon. The average incremental water supply supports between 2,771 and 12,462 additional job years annually equating to approximately 5,150 full time jobs in the district. The additional water supply generates \$18.4 billion in cumulative labor income and produces \$9.8 billion in cumulative tax revenue at all levels of government. These impacts are driven primarily by data center and power generation operations, which produce valuable economic output per acre-foot of water consumed, and are supplemented by residential housing development that supports the workforce attracted by new industrial activity.

The results may be conservative in that they exclude several categories of likely economic impact that could not be reliably quantified. Curtailment risk under BVGCD's tiered management framework, the cost of developing alternative water supplies if Simsboro access is constrained, and the institutional growth trajectory of Texas A&M University and the RELLIS campus each represent material economic considerations that would increase the estimated differential if included. These "omissions" reinforce that the reported figures potentially represent a lower-bound estimate of the socioeconomic consequences associated with DFC selection.

TWC § 36.108 directs GMAs to balance the highest practicable level of groundwater production against long-term conservation, preservation, and protection of groundwater. This analysis provides the evidentiary foundation for the production side of that balance. The findings demonstrate that a DFC under Potential PS4-3 delivers quantifiable economic benefits—not merely in the abstract, but in jobs, tax revenue, and regional economic output that are made possible when Simsboro pumping is permitted to reach the levels reflected in Potential PS4-3. These benefits accrue to communities, employers, and public institutions within BVGCD over a multi-decade horizon.

This report does not advocate for a particular DFC outcome. The statutory balancing test requires GMA 12 to weigh socioeconomic impacts alongside aquifer sustainability, environmental considerations, and the rights of private property owners. What this analysis provides is a defensible, scenario-specific quantification of one critical dimension of that decision: the additional economic activity that the incremental groundwater volumes available under Potential PS4-3 would enable, and the value of that opportunity relative to the more restrictive PS4-2 baseline. It is intended to ensure that when GMA 12 adopts a DFC for the Simsboro Aquifer, the socioeconomic consequences of that decision have been transparently evaluated and recorded.

Appendix A: Nuclear Power, Combined Cycle Natural Gas Generation, and Data Center Economic Input Methodology

This appendix provides the detailed engineering, financial, and data assumptions underlying the different sector inputs described in the Economic Impact Methodology section.

The incremental Simsboro water supply is allocated across four demand sectors at fixed percentage shares in every analysis period. **Table 9** presents the cumulative volumetric growth allocations by sector and period.

Table 9: Cumulative Water Demand Growth by Category

		2030 - 2033	2034 - 2038	2039 - 2043	2044 - 2050	2051 - 2060	2061 - 2070	2071 - 2080
PS4-2	Residential	4,213	11,204	17,106	29,665	49,697	56,873	59,575
	Data Center	8,427	22,408	34,213	59,330	99,394	113,746	119,150
	Power	71,625	190,464	290,806	504,303	844,846	966,841	1,012,775
Potential PS4-3	Residential	13,149	18,566	20,933	33,281	55,591	63,480	71,717
	Data Center	26,298	37,132	41,865	66,563	111,182	126,961	143,435
	Power	223,532	315,624	355,854	565,785	945,049	1,079,165	1,219,193

Table 10 inventories the values and sources utilized to calculate direct economic impacts that are used in the IMPLAN modeling. Ancillary calculations and non-utilized metrics are not displayed.

Table 10: Parameter Values, Units and Sources

Nuclear Power Generation	Value	Unit	Source/Notes
Nuclear Water Consumption	1,101 ²¹	Gal/MWh	NREL 50900 ²²
Capital cost per kW	\$3,465	\$/kW	Techno-economic analysis ²³
Construction CapEx per AF	\$117,066	\$/AF	Calculated
Regionalized construction	57%	%	REDI EIR ²⁴
Annual construction Spend/AF	\$66,728	\$/AF/Year	Calculated
ERCOT Wholesale Price (avg)	\$51	\$/MWh	EIA Forecast, Utility Dive ²⁵
Annual O&M	\$34	\$/MWh/Year	Nuclear Energy Cost Estimates ²⁶
Net Operating Cost/AF	\$10,062	\$/AF	Calculated
Natural Gas Power Generation	Value	Unit	Source/Notes
Natural Gas Water Consumption	1,203	Gal/MWh	NREL 50900

²¹ The water consumption rate of 1,101 gal/MWh reflects recirculating cooling tower technology, which is the expected configuration for new nuclear facilities in Texas. This rate represents consumption rather than withdrawal. Simsboro groundwater withdrawal allocation represents a consumptive use in this model.

²² Review of Operational Water Consumption and Withdrawal Factors for Electricity Generating Technologies. <https://docs.nrel.gov/docs/fy11osti/50900.pdf>

²³ Techno-economic analysis of advanced small modular nuclear reactors. <https://www.sciencedirect.com/science/article/pii/S0306261923000338>

²⁴ Economic Impact Report for Modular Reactor Electric Power Generation Facility <https://line.idaho.gov/wp-content/uploads/2019/02/smr-economic-impact-report.pdf>

²⁵ Electricity Prices to continue rise in 2026: EIA. <https://www.utilitydive.com/news/electricity-prices-demand-to-continue-rising-in-2026-eia/805395/>

²⁶ Nuclear Energy Cost estimates for Net Zero World Initiative. <https://www.energy.gov/sites/default/files/2024-10/NZW02%20Nuclear%20Energy%20Cost%20Estimates%20for%20Net%20Zero%20World%20Initiative.pdf>

Socioeconomic Impact Study of Simsboro Aquifer Desired Future Conditions
Page 31

Capital Cost per kW	\$782	\$/kW	EIA Construction data ²⁷
Regionalized Constriction	57%	%	REDI EIR
Annual Construction Spend/AF	\$13,783	\$/AF/Year	Calculated
ERCOT Wholesale Price (avg)	\$51	\$/WMh	EIA Forecast, Utility Dive
Annual O&M	\$15.53	\$/MW/Year	EIA Capital Cost, Performance ²⁸
Net Operating Cost/AF	\$4,207	\$/AF	Calculated
Data Center Computing	Value	Unit	Source/Notes
Water Allocation (2) 1 GW Facilities	4,468	AFY	Water Availability to support 2 GW facilities ~20% additional water for contingency.
Water to MW Ratio (at 50% utilization rate)	1.3	AF/MW Computing	Energy usage Report ²⁹
Data Center Water Use Rate (on-sit)	2,000	AFY	Internal Water Use Estimates ³⁰
Facility MW Capacity (IT Load)	1,538	MW	Calculated
Power Usage Effectiveness (PUE)	1.59	Ratio	Nlyte Software ³¹
Total Facility Power (1) facility	2446	MW	Calculated
Total IT Load	3,077	MW	Calculated
Total Facility Power	4,892	MW	Calculated
Total CapEx/MW IT Load	\$10M	\$/MW	Building Costs ³²
Local regional Construction Share of CapEx	25%	%	Virginia study ³³ - conservative to account for non-local equipment
Annual Construction Spend/AF	\$1,721,645	\$/AF/Year	Calculated
Colocation Lease Rate	\$150	\$/KW/Mo	CBRE H2 2024 avg \$184 ³⁴ ; TX markets typically lower.
Annual Electricity cost (2) facilities	\$1,285,968,462	\$/Year	Texas electric Utility Industrial Retail Price I:TEUI73M4
Infrastructure Maintenance	\$461,538,462	\$/Year	Cost Structure ³⁵

²⁷ EIA Construction cost data for electric generators installed in 2023. <https://www.eia.gov/electricity/generator/costs/>

²⁸ Capital Cost and Performance Characteristics for Utility-Scale Electric Power Generating Technologies https://www.eia.gov/analysis/studies/powerplants/capitalcost/pdf/capital_cost_AEO2025.pdf

²⁹ Berkeley Lab, 2024 United States Data Center Energy Usage Report. https://eta-publications.lbl.gov/sites/default/files/2024-12/lbni-2024-united-states-data-center-energy-usage-report.pdf?utm_medium=email&utm_source=stack

³⁰ WMI. Estimating Data Center Water Demand. <https://westwaterresearch.com/wp-content/uploads/2025/03/2025-Q2-Water-Market-Insider-Data-Centers.pdf>

³¹ What is PUE and how is it calculated? <https://www.nlyte.com/blog/data-center-energy-efficiency-pue-dcie/#:~:text=it%20measures%20the%20total%20power,federal%20data%20center%20energy%20efficiency.>

³² How much does it cost to build a data center? [https://qdrilinfra.com/how-much-does-it-cost-to-build-a-data-center/#:~:text=\\$2%2C200%20per%20NRSF,Megawatts%20\(MW\),companies%20%E2%80%93%20vary%20greatly%20from%20enterprises.](https://qdrilinfra.com/how-much-does-it-cost-to-build-a-data-center/#:~:text=$2%2C200%20per%20NRSF,Megawatts%20(MW),companies%20%E2%80%93%20vary%20greatly%20from%20enterprises.)

³³ Data Centers in Virginia, 2024. <https://larc.virginia.gov/pdfs/reports/Rpt598-2.pdf>

³⁴ CBRE: Silicon Valley Data Center Leasing Doubled in 2024 Amid Growth in AI <https://www.cbre.com/press-releases/silicon-valley-data-center-leasing-doubled-in-2024-amid-growth-in-artificial-intelligence>

³⁵ Deconstructing the Data Center <https://www.alpha-matica.com/post/deconstructing-the-data-center-a-look-at-the-cost-structure-1#:~:text=Unpack%20the%20cost%20structure%20of%20a%20TQ,efficiency%20strategies%2C%20and%20risks%20at%20Alpha%20Mat.ca.>

Socioeconomic Impact Study of Simsboro Aquifer Desired Future Conditions
Page 32

Staffing	\$44,000,000	\$/Year	Morrow County Study ³⁶
Annual Operating Cost/AF	\$400,904	\$/AF/Year	Calculated

³⁶ Economic Impact Analysis of Prospective Exascale Data Center Development in Morrow County, Oregon.
https://www.morrowcounty.or.gov/sites/default/files/fileattachments/planning_commission/page/16217/exhibit_08_-_economic_impact_analysis.pdf

Appendix B: List of Acronyms

Table 11: List of Acronyms

Acronym	Full Term
AF	Acre-Feet
AFY	Acre-Feet per Year
ALJ	Administrative Law Judge
BTU	Bryan Texas Utilities
BVGCD	Brazos Valley Groundwater Conservation District
C&I	Commercial and Industrial
CapEx	Capital Expenditure
DFC	Desired Future Condition
DMZ	Depletion Management Zone
EIA	Energy Information Agency
ERCOT	Electric Reliability Council of Texas
GAM	Groundwater Availability Model
GCD	Groundwater Conservation District
GDP	Gross Domestic Product
GMA	Groundwater Management Area
GMA 12	Groundwater Management Area 12
HARC	Houston Advanced Research Center
IMPLAN	Impact Analysis for Planning (Input-Output Modeling Software)
I-O	Input-Output
kW	Kilowatt
kWh	Kilowatt-Hour
MAG	Modeled Available Groundwater
MW	Megawatt
MWh	Megawatt-Hour
NREL	National Renewable Energy Laboratory
O&M	Operations and Maintenance
PSI	Pounds per Square Inch
PUE	Power Usage Effectiveness
SFE	Single-Family Equivalent
SMR	Small Modular Reactor
SOAH	State Office of Administrative Hearings
SUD	Special Utility District
TCEQ	Texas Commission on Environmental Quality
TDH	Total Dynamic Head
TWC	Texas Water Code
TWDB	Texas Water Development Board

Lost Pines Groundwater Conservation District

317 E. Hempstead St
Giddings, TX 78942

MEMORANDUM

DATE: April 15th, 2026
TO: President and Board of Directors
FROM: General Manager & Staff
SUBJECT: April 2026 General Manager's Report

1. Statistics Exempt Wells:
LPGCD Form 100's Drilling Permits received
March 1st through March 31 2026 (16)
LPGCD Form 300's Certificate of Registrations received
March 1st through March 31 2026 (0)

Wells plugged: 0

Water quality test: 0

Wells gauged: 2

Drought Conditions: Drought conditions within the District have stayed the same. The District is in D3 (extreme drought conditions). Year to date rainfall for 2026 was below average (-3.03 inches) in Bastrop County and (-3.02 inches) in Lee County. (Drought.gov and droughtmonitor.unl.edu).

	Bastrop County	Lee County
February	100% (D3) Extreme Drought	100% (D3) Extreme Drought
March	100% (D3) Extreme Drought	100% (D3) Extreme Drought

1. GMA 12 met on April 2nd, at the POSGCD offices in Milano. Finished the 9 Factor evaluations including the BVGCD and UpWell socio-economic reports. The updated PS4-2 model run was tabled until April 16.
2. Spring 2026 well monitoring has started.
3. Legislative update planned for the May 20th board meeting.
4. Employment manual updates are planned for the May 20th board meeting.
5. Plan is to post a job opening for an Assistant GM.
6. Upcoming meetings
 - i. GMA 12 will meet on April 16th and possibly on April 27th. The plan is to vote on Proposed DFCs at the April 16th meeting in Milano, TX.

LOST PINES GROUNDWATER CONSERVATION DISTRICT

REPORT FOR BOARD MEETINGS

Drilling Permits and Well Registration

PERIOD March 1, 2026 through March 31, 2026[illegible]

April 2026

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3 Good Friday Office Closed	4
5 Easter	6	7	8	9	10	11
12	13	14	15 Board Meeting 3:30 p.m.	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2026

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	Board Meeting 3:30 p.m.	20	21	22
24	25 Memorial Day Office Closed	26	27	28	29	30
31						