

**GRP Review Committee
Minutes of Regular Meeting
May 22, 2017**

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., May 22, 2017, at the San Jacinto River Authority GRP Division Operations Building located at 11998 Pine Valley Drive, Conroe, Texas, 77304. A notice of said meeting was posted per GRP Contract requirements. Committee members Jackie Chance, Mike Mooney, Scott Taylor, Joe Sherwin and Melanie White were present. GRP Division Manager Mark Smith, Senior O&M Utility Manager Don Sarich, Compliance & Administrative Manager Matt Corley, Deputy General Manager Ron Kelling, Technical Services Manager Steve Fenney, Administrative Assistants Lisa Yohner and Tina Felkai and General Counsel Mitchell Page were in attendance.

1. CALL TO ORDER

The meeting was called to order at 11:40 a.m.

2. PUBLIC COMMENTS (maximum of 3 minutes per speaker)

There were no public comments.

3. APPROVAL OF MINUTES

Mr. Mooney indicated that the minutes of the GRP Review Committee meeting on April 24 2017, and May 8, 2017 were before the Committee for consideration. Motion was made by Mr. Chance, seconded by Mr. Taylor, motion was unanimously approved with the correction of a typo on the May 8, 2017 minutes.

4. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON MAY 25, 2017

a. Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective September 1, 2017.

Mr. Smith gave a brief overview of the Rate Order which had previously been presented to the GRP Review Committee at the April 24, 2017 meeting and then discussed at the May 8, 2017 Budget and Rate Order Workshop. After a brief discussion motion was made by Mr. Chance, seconded by Ms. White and approved with a four to one vote, with Mr. Taylor opposing.

b. Consider adoption by the San Jacinto River Authority Board of Directors of the proposed GRP Fiscal Year 2018 Operating Budget, effective September 1, 2017.

NOTE: This item will be presented to the SJRA Board of Directors on August 24, 2017

Mr. Smith gave a brief overview of the Fiscal Year 2018 Operating Budget which had previously been presented to the GRP Review Committee at the April 24, 2017 meeting and then discussed at the May 8, 2017 Budget and Rate Order Workshop. After a brief discussion motion was made by Mr. Chance, seconded by Ms. White and approved with a four to one vote, with Mr. Taylor opposing.

- c. **Consider authorizing the General Manager, or his designee, to execute Letter(s) of Assurance to Lone Star Groundwater Conservation District for new Participants in the GRP Program, as requested, and approve the GRP Contract(s) as presented and authorize the execution of same by the General Manager.**

No New Participants at this time.

5. UPDATE REGARDING GRP DIVISION

a. Compliance and Customer Service Update

Ms. Felkai, Administrative Assistant, presented a compliance update. Ms. Felkai stated water usage in April was comparable to last year's usage. April, 2017 groundwater usage remained relatively the same as it was for this period last year. Ms. Felkai notified the Committee that per their request the Budget Presentation was sent out to Participants. Ms. Felkai also notified the GRP Review Committee about a recent survey that was sent out to Participants regarding ways to improve communication between the GRP and the Participants. Ms. Felkai asked that if the Committee had any suggestions to please let her or Mr. Corley know.

b. Operations Update

Mr. Sarich, Senior O&M Utility Manager, presented an operations update. Mr. Sarich stated there was a plant shutdown the previous week due to recycled water from the Backwash EQ Basin. During the process of taking down levels in the EQ Basin fines got pass and clogged both turbidity meters and membranes. The operations team performed a thorough cleaning of membranes and were able to get the plant back up and running. An email was sent out notifying Participants. The Operations staff researched different styles of meters and have ordered one called "Surface Scatter" which should prevent this from happening in the future. These meters will be installed in three different locations, Raw Water, Backwash EQ and Process Water Recovery. Mr. Mooney inquired about the process of notifying well operators. It was explained we have a call list that is used during these notifications. Mr. Taylor stated Conroe was notified and the process was seamless. Mr. Smith stated the operating staff did a great job; as soon as they noticed there was a situation, they shut everything down to prevent any further issues and started the process of cleaning everything. The time in which the situation transpired happened to be a time of low demand. The low demand allowed the GRP not to consume much from the ground storage tanks.

c. Financial Update

Mr. Corley, Compliance & Administrative Manager, presented the financial update. Mr. Corley provided that the total operating revenues for April were \$3,936,578 and operating revenues YTD were \$29,930,012, giving the GRP an unfavorable variance of (6%). Mr. Corley then provided that the total operating expenses for April were \$1,994,707 and operating expenses YTD were \$14,260,398, giving the GRP a favorable variance of 14%. Mr. Corley went on to provide that the cash balance as of April 30, 2017, was \$4,762,730 and the GRP had approximately 2.72 months of budgeted Operating Reserve.

6. DISCUSSION REGARDING FUTURE AGENDA ITEMS

Mr. Smith stated the following items will be presented in the upcoming months:

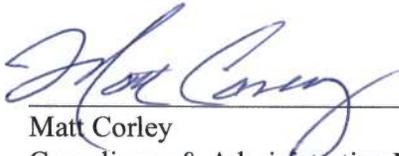
- Staff is working on press release requested by the GRP Review Committee regarding rate increase and working on getting information out to participants.
- Resolution regarding W3B

7. FUTURE MEETING SCHEDULE

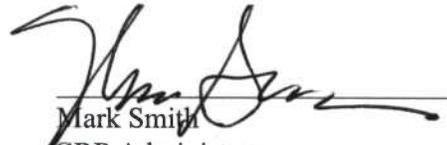
- June 19, 2017
- July 24, 2017
- August 21, 2017
- September 25, 2017

8. ADJOURN

Without objection, the meeting was adjourned at 12:00 pm.



Matt Corley
Compliance & Administrative Manager



Mark Smith
GRP Administrator