

**GRP Review Committee  
Minutes of Regular Meeting  
January 25, 2016**

The San Jacinto River Authority GRP Review Committee meeting was held at 11:30 a.m., January 25, 2016, at the San Jacinto River Authority GRP Division Operations Building located at 6627 Longmire Road, Conroe, Texas 77304. Committee members Mike Mooney, Jackie Chance, Joe Sherwin, Scott Taylor, Kerry Masson and Richard Wagner were present.

**1. CALL TO ORDER**

The meeting was called to order at 11:42 a.m.

**2. GRP Review Committee Members**

Mark Smith introduced and welcomed new Review Committee member Richard Wagner, who by the Lone Star Groundwater Conservation District, pursuant to the GRP Contract (Sections 2.07 and 2.08).

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

There were no public comments.

**4. APPROVAL OF MINUTES**

Mr. Mooney then indicated that the minutes of the GRP Review Committee meeting on December 7, 2015 were before the Committee for consideration. Motion was made by Mr. Masson, seconded by Mr. Sherwin and unanimously carried, to approve the minutes for the GRP Review Committee meeting as presented.

**5. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON JANUARY 28, 2016:**

Mr. Smith requested Items 5a, 5b, and 5c be considered together. Mr. Smith proceeded with an overview of each.

- a. Consider authorizing the General Manager to execute a construction contract for Surface Water Transmission Line Segment W3C and the MUD 99 Water Receiving Facility for the GRP Program.
- b. Consider authorizing the General Manager to execute the Work Order No. 7 for construction phase services for Surface Water Transmission Line Segment W3C and the MUD 99 Water Receiving Facility for the GRP Program.
- c. Consider authorizing the General Manager to execute the Work Order No. 2 for construction phase services for Surface Water Transmission Line Segment W3C and the MUD 99 Water Receiving Facility for the GRP Program.

After brief discussion, motion was made by Mr. Taylor, seconded by Mr. Masson and unanimously approved to recommend the execution of (5a) a construction contract with Huff & Mitchell, Inc., in the amount of \$3,088,649.01 and contract modifications up to \$75,000.00 for Surface Water Transmission Line Segment W3C and the MUD 99 Water

Receiving Facility, (5b) Work Order No. 7 with IDS Engineering Group, Inc., in an amount not to exceed \$102,490.25 for construction phase services for Surface Water Transmission Line Segment W3C and the MUD 99 Water Receiving Facility, and (5c) Work Order No. 2 with EMA, Inc., in an amount not to exceed \$14,434.29 for construction phase services for Surface Water Transmission Line Segment W3C and the MUD 99 Water Receiving Facility.

- d. Consider authorizing the General Manager to execute Amendment No. 5 to Work Order No. 2 for construction management and inspection services of the Surface Water Transmission System for the GRP Program.

Mr. Smith presented Item 5d to the Committee. He explained that Stantec Consulting Services, Inc. would provide construction management and inspection services through final close-out of the Surface Water Transmission System, including the Water Receiving Facilities. After brief discussion, motion was made by Mr. Masson, seconded by Mr. Chance and unanimously approved to recommend the execution of Amendment No. 5 to Work Order No. 2 with Stantec Consulting Services, Inc., in an amount not to exceed \$95,384.29 for construction management and inspection services of the Surface Water Transmission System for the GRP Program.

- e. Consider authorizing General Manager, or his designee, to execute Letter(s) of Assurance to Lone Star Groundwater Conservation District for the 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 action was required.

- f. Presentation, discussion, and possible action to provide direction to staff regarding City of Willis Cooling Tower Proposal.

Mr. Mark Smith gave an overview of the City of Willis' (the "City") proposal for cost sharing. He discussed the recommendations of GRP staff and the subcommittee, which consisted of Mr. Taylor, Mr. Sherwin, and Mr. Mooney. He explained the GRP's financial obligation under the current contract, incorporating pumpage fees for the City, and the retention of all conversion credits to the GRP.

Mr. Taylor confirmed that all parties are in agreement with the proposal. Mr. Masson wanted clarification on the GRP's potential for debt relief, Mr. Page explained the GRP's contingent liability and the City of Willis' inability to currently meet the requirements of the agreement. Discussion followed regarding maintenance on the wells; Mr. Page confirmed that the City maintains the responsibility of maintenance. Mr. Chance inquired as to the need to address the City's water quality issues, when other wells in the county have the same issues. Mr. Smith addressed Mr. Chance's concern, including further explaining the GRP's financial backing of the Catahoula wells. He went on to explain the necessary timeline to get an updated contract, with the terms discussed, presented to the Review Committee and SJRA Board. Mr. Smith stated that bonds would need to be sold

to fund the project. Mr. Masson inquired as to the City's ability to come up with part of the financial obligation to continue with this project. Staff and representatives from the City discussed this aspect and explained that the City would begin paying pumpage fees in fourteen (14) months. A brief discussion related to the availability of funds and a potential bond issue followed. Mr. Smith confirmed that new debt would need to be issued. Motion was made by Mr. Chance, seconded by Mr. Taylor and approved to recommend that SJRA/GRP staff proceed with legal counsel to develop an agreement with the City to incorporate the various terms presented. Mr. Masson abstained from the vote. Mr. Smith stated that the agreement would be provided in February or March for the Review Committee to review and then a request for action would be included on the agenda the following month.

- g. Consider authorizing the General Manager to execute Change Orders and any other closeout documentation for Surface Water Transmission Line Segments T1 and T3 for the GRP Program.

No action was required.

## **6. UPDATE REGARDING GRP DIVISION**

### **a. Compliance and Customer Service Update**

Mr. Matt Corley, Customer Service and Compliance Supervisor presented a compliance update. Mr. Smith discussed the current reporting period, which allows Participants forty-eight (48) days to report their pumpage from the previous month, thus causing a delay in operational reporting. He presented a recommendation to change the reporting period to ten (10) days, but stated that Participants would still have the forty-eight (48) days to submit payment. Mr. Chance inquired as to the ability and availability of electronic metering system that could be utilized to help with reporting. Mr. Page stated that the required notifications would be sent to all Participants to notify them of any changes.

Mr. Smith then gave an overview of the *Monthly Operations Report* for the GRP Division. Highlighting total water usage, tracking historical trends, and impacts to Lake Conroe (the "Lake"). Mr. Chance inquired as to the impact of rainfall on water quality. Mr. Sarich, Senior Utility O&M Manager discussed the impact of rainfall to the Lake and the processes required to address same. Mr. Smith went on to discuss the Alternative Water Source Goal chart in the report and explained the GRP's ability to carry forward any unused early conversion credits for future use.

Mr. Smith went on to discuss the Surface Water Treatment Plant (SWTP) operations and stated that operations is continuing to increase and is currently up to 16 mgd. Continuing, he stated that modifications were completed to the weirs last week. Also, he noted that the City of Conroe's Water Plant No. 6 and Water Plant No. 14 are not online as of yet. Mr. Smith concluded by saying that that the GRP is still in startup mode and making the necessary adjustments to ensure efficient operations. Mr. Masson informed the Committee that South Montgomery County MUD is in the process of installing SCADA and that they are willing to assist with the testing of any systems and/or equipment.

Mr. Smith went on to discuss the financial aspect of the report. He stated that revenues are lower than projected due to low demands and that operating expenses are lower due to low power consumption and the negotiation of a lower than anticipated rate. Finally, he stated that overall the GRP Division is ahead on the budget by twenty-eight percent (28%).

b. Operations Update

Mr. Sarich provided an update on operations, including recent repairs to a 54" flowmeter on the plant site and the coordination efforts that took place with GRP Participants to reduce any impact to them. Also, he discussed the recent weir repairs, current plant operations, and an update on the access road.

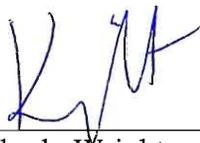
**7. DISCUSSION REGARDING FUTURE AGENDA ITEMS**

**8. FUTURE MEETING SCHEDULE**

- February 22, 2016
- March 21, 2016
- April 25, 2016
- May 23, 2016

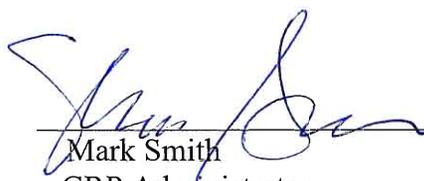
**9. ADJOURN**

Without objection, the meeting was adjourned at 12:38 p.m.



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Kimberly Wright  
Division Administrative Manager



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Mark Smith  
GRP Administrator