

**BOARD OF DIRECTORS  
SAN JACINTO RIVER AUTHORITY  
MINUTES OF REGULAR MEETING  
MARCH 23, 2017**

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A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 a.m., March 23, 2017, at the San Jacinto River Authority General and Administration Building, a notice of said meeting was posted as required by law. President Lloyd Tisdale, Vice President Fred Koetting, Secretary Gary Renola, Assistant Secretary Jim Alexander, and Treasurer Ronnie Anderson were present. General Manager Jace Houston, Deputy General Manager Ron Kelling, Director of Financial and Administrative Services Tom Michel, Director of Raw Water Enterprise David Parkhill, Woodlands Division Manager Chris Meeks, GRP Division Manager Mark Smith, Lake Conroe Division Manager Bret Raley, Highlands Division Manager Kimberly Wright, Public Relations Manager Ronda Trow, Administrative Services Manager Cynthia Bowman, Financial Advisor Ryan Nesmith, and General Counsel Mitchell Page were in attendance.

**1. CALL TO ORDER**

The meeting was called to order at 8:05 a.m.

**2. PLEDGES OF ALLEGIANCE**

The Pledges of Allegiance were led by Mr. Alexander.

**3. PUBLIC COMMENTS**

Mr. Kent Maggert, 1837 Lake Terrace Court, The Woodlands, expressed his concern with production from the GRP Surface Water Plant. He opined that the Authority's operating philosophy should be to maximize surface water production, rather than minimizing it. Mr. Maggert complimented staff relative to operations.

**4. DIVISION UPDATES**

**a. G & A General Manager:**

Mr. Houston announced that he was recently elected to the position of Chair of the Board of the Texas Water Conservation Association Risk Management Fund.

**b. G & A Public Relations:**

Ms. Trow, Mr. Meeks, and Mr. Smith provided information related to the upcoming violation notice letter to be sent out by the Woodlands Joint Powers Agency (WJPA) and Montgomery County Municipal Utility District No. 60 to its customers related to the maximum contaminant level for total trihalomethanes. Staff was asked to assist the WJPA in this effort. Staff discussed strategies being implemented to improve the issue, including additional flushing of lines. Ms. Trow also presented information related to World Water Day as well as educational events featuring Patty Potty.

**c. G & A Finance and Administration:**

Mr. Michel spoke in regards to the budget process and briefly discussed the monthly financials.

**d. Woodlands:**

Mr. Meeks provided information during a joint update with the Public Relations Department.

**e. GRP:**

Mr. Smith reported that the GRP Review Committee recommended approval of all GRP agenda items for this month. He provided details related to the GRP Review Committee's recommendation to retain Fiscal Year 2018 budget line items related to the payment of the option fee for Trinity River Authority water supply and related legal and engineering costs.

**f. Raw Water:**

Mr. Parkhill provided the Raw Water Enterprise quarterly update by presenting information related to the Raw Water Supply Master Plan.

**g. Lake Conroe:**

Mr. Raley provided the Lake Conroe Division quarterly update by presenting information related to the FM 830 Boat Ramp Improvements Project.

**h. Highlands:**

Ms. Wright provided the Highlands Division quarterly update by presenting information related to the North Main Siphon Improvements Project as well as the South Canal Improvements Project.

**5. CONSENT AGENDA**

Mr. Alexander made a motion to approve the consent agenda as recommended. The motion was seconded by Mr. Koetting and carried with all present voting aye.

**G&A**

**a. Approval of Minutes** – Approve the minutes of the February 23, 2017, Board of Directors Regular meeting.

**b. Unaudited Financials for the Month of February, 2017**

Approve the unaudited financials for the month of February, 2017.

**c. Quarterly Investment Report for the Quarter Ended February 28, 2017**

Approve the Quarterly Investment Report for the Quarter Ended February 28, 2017.

## GRP

### d. New GRP Participants

Because there were no new participants, this item was not considered.

## RAW WATER ENTERPRISE

### e. Work Order No. 10 for Professional Surveying Services in Highlands

Authorize the General Manger to execute Work Order No. 10 with GeoSolutions, LLC, in the amount of \$822.00, for professional surveying services in Highlands.

## 6. REGULAR AGENDA

### a. WOODLANDS

Mr. Page provided information related to item 6a1, stating that the San Jacinto River Authority (“the Authority”) is in the process of preparing an application to the Texas Water Development Board (“TWDB”) requesting \$40 million in financial assistance from the Clean Water State Revolving Fund (“CWSRF”) in order to finance major repair and rehabilitation projects for the Waste Disposal System operated and maintained by the Woodlands Division. He stated that TWDB requires that the Authority include a copy of its agreement for bond counsel services with the application. Further, in reviewing the existing agreement between the Authority and Schwartz, Page & Harding, L.L.P. (“SPH”), it was determined that the issuance of bonds to TWDB fell outside of the scope of such engagement. Mr. Page stated that as such, SPH prepared an updated agreement to comply with this requirement.

Related to item 6a2, Mr. Page stated that in order to comply with TWDB application requirements and federal requirements related to the CWSRF, the Authority must pass and adopt a resolution requesting that the Authority be designated as a management agency for purposes of Section 208 of the Clean Water Act, which is a condition of the Authority’s receipt of financial assistance from the CWSRF.

With no further discussion, Mr. Anderson made a motion to approve items 6a1 and 6a2 as recommended by staff. The motion was seconded by Mr. Koetting and carried unanimously.

#### 1. Legal Services Agreement Related to the Woodlands Division Water Supply System and Waste Disposal System

Authorize the General Manager to execute an Agreement for Legal Services with Schwartz, Page & Harding, L.L.P., related to the Woodlands Division Water Supply System and Waste Disposal System.

#### 2. Resolution Seeking Designation as a Management Agency for the Woodlands Waste Disposal System

Adopt Resolution No. 2017-R-06, of the Board of Directors of the San Jacinto River Authority seeking designation as a management agency for the Woodlands Waste Disposal System.

**b. GRP****1. Amended Fiscal Year 2017 Operating Budget for the GRP Division**

Mr. Smith provided information related to the GRP Division Fiscal Year 2017 operating budget, stating that expenditures for legal services have exceeded the initial amount budgeted for Fiscal Year 2017, as well as the first amendment to the GRP budget in the amount of \$750,000, approved in December, 2016. He explained that additional funds are needed to make it through the end of the fiscal year, therefore, staff is requesting the approval of a second budget amendment to the GRP operating budget in the amount of \$800,000. Mr. Smith reported that the GRP Review Committee approved the second budget amendment by a vote of 4 (yesses) to 1 (no). Mr. Koetting and Mr. Tisdale stated that these additional amounts are a direct reflection of the City of Conroe lawsuit and will directly impact the rates to the customers. With no further discussion, Mr. Koetting made a motion to approve the second amendment to the GRP Division Fiscal Year 2017 operating budget in the amount of \$800,000 (Professional Fees). The motion was seconded by Mr. Alexander and carried unanimously.

**7. EXECUTIVE SESSION**

The meeting was called into Executive Session at 9:50 a.m., under the provisions of Section 551, Texas Local Government Code, to discuss topics under the authority of Section 551.071, consultation with attorney.

**8. RECONVENE IN OPEN SESSION FOR ACTION FOLLOWING EXECUTIVE SESSION**

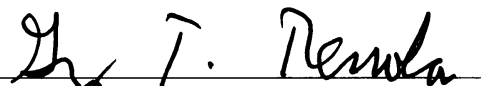
The meeting was called into open session at 10:40 a.m. No action was taken regarding the items discussed in executive session.

**9. ANNOUNCEMENTS / FUTURE AGENDA**

Mr. Tisdale announced that the next SJRA Board Meeting will take place on April 27, 2017.

**10. ADJOURN**

Without objection, the meeting was adjourned at 10:41 a.m.

  
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Gary T. Renola  
Secretary, Board of Directors

RESOLUTION NO. 2017-R-06


**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY SEEKING DESIGNATION AS A MANAGEMENT AGENCY FOR THE WOODLANDS WASTE DISPOSAL SYSTEM.**

**WHEREAS**, the San Jacinto River Authority has the authority to design, construct, operate, and maintain wastewater collection and treatment facilities; to raise revenues and assess appropriate charges to assure that each participating party pays its appropriate share of sewerage system costs; to accept or refuse to accept any wastes from any participating party; to accept and utilize grants or other funds from any source for wastewater management purposes; and to carry out appropriate portions of an area-wide water quality management plan.

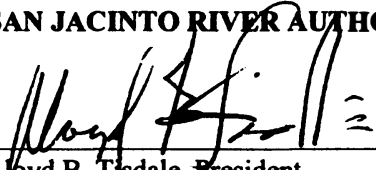
**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Jacinto River Authority, that the San Jacinto River Authority seeks designation as a management agency for wastewater collection and treatment facilities owned, operated and maintained by the Woodlands Division of the San Jacinto River Authority, in accordance with the requirements of Section 208 of the Federal Water Pollution Control Act, as amended.

**APPROVED AND ADOPTED**, this 23<sup>rd</sup> day of March, 2017, at a regular meeting of the Board of Directors of the San Jacinto River Authority.

**ATTEST:**

  
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Gary J. Renola, Secretary

**SAN JACINTO RIVER AUTHORITY**

  
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Lloyd B. Tisdale, President

