

**GRP Review Committee  
Minutes of Regular Meeting  
December 11, 2017**

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., December 11, 2017, at the San Jacinto River Authority GRP Division Operations Building located at 11998 Pine Valley Drive, Conroe, Texas, 77304. Notice of said meeting was duly posted per GRP Contract requirements. Committee members Jackie Chance, Jason Miller, Mike Mooney, Joe Sherwin, Kerry Masson 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, Administrative Assistants Lisa Yohner, Jeanette McKinzie 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)**

No public comments.

**3. GRP REVIEW COMMITTEE MEMBERS**

- a. Pursuant to the GRP Contract (Sections 2.07 and 2.08) with Participants, the GRP Administrator seated the new member, Jason Miller to fill the appointment by the City of Conroe who is an employee, director, or officer of City of Conroe.

**4. APPROVAL OF MINUTES**

Mr. Mooney indicated that the minutes of the GRP Review Committee meeting on October 23, 2017 were before the Committee for consideration. Motion was made by Mr. Masson, seconded by Mr. Chance, to approve with the correction of a typo, and motion was unanimously approved.

**5. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON  
December 14, 2017**

No items for consideration this month.

**6. LONESTAR GROUNDWATER CONSERVATION DISTRICT**

- a. Samantha Reiter with the Lone Star Groundwater Conservation District (LSGCD) gave an update regarding LSGCD's recently adopted Desired Future Conditions (DFC). Ms. Reiter stated that GMA 14 met the previous Friday, December 8, 2017, and agreed to formally consider increasing the DFC from 64,000 acre-feet per year to 100,000 acre-feet per year. Until GMA 14 makes a decision, all current rules will stay in effect. Mr. Kelling addressed the Review Committee, regarding the possible impacts this proposed change would have on the Joint GRP. Based on Run D, the average water decline in the Jasper Aquifer would be 250 feet. The proposed DFC will be required to go through the approval process, which could be approximately twelve to eighteen months. Subsequently, LSGCD's proposed DFC must be approved and adopted by a

two-thirds majority of the groundwater districts in GMA 14. Mr. Kelling pointed out the following potential impacts of an amended DFC:

- We may be able to run the plant at a lower capacity
- Delay future Capital Expenditures
- With the 250 feet decline in water level, all participants will need to look at their wells to determine if they need to be lowered. Currently SJRA is conducting a study of The Woodlands Division wells.

Mr. Masson stated that if wells had to be dropped this would result in higher electrical cost, which would not be desirable. Mr. Chance stated not all wells are capable of being dropped and we need to look at long range planning. Mr. Smith assured the Review Committee we would be keeping them updated in the upcoming months.

## **7. FISCAL YEAR 2019 BUDGET PROCESS**

Mr. Smith stated the GRP staff has started working on the GRP's Fiscal Year 2019 Operating Budget and will be updating the Review Committee at the January 22, 2018 meeting with key issues. We will prepare a list of key-issues to present to the Review Committee at a later date for recommendations. Mr. Smith went over the budget timeline. The GRP will be presenting the Budget and Rate at the same time in May. Starting at the January Review Committee meeting, there will be a monthly item on the agenda for the budget.

## **8. UPDATE REGARDING GRP DIVISION**

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

Ms. Felkai, Administrative Assistant, stated that next month's operation report will have both November and December numbers. The GRP staff provided several tours to Conroe ISD Science Departments; their theme this year is water conservation. The benefit of the tours is educating people on the purpose of the GRP and how the treatment process works.

### **b. Operations Update**

Mr. Sarich, Senior O&M Utility Manager, stated that the plant is currently running at 12 MGD. The TTHM levels have dropped, which could be attributed to newly replaced GAC basins coming online, reduced surface water volume being sent to receiving facilities and operational changes The Woodlands Division implemented in their system. The TTHM levels leaving the plant are between 10 and 11, which is considered low. The current sample testing for The Woodlands, show all levels are within drinking water standards.

### **c. Financial Update**

Mr. Corley, Compliance & Administrative Manager, presented the financial update. Mr. Corley provided that the total operating revenues for September were \$4,859,149 and operating revenues YTD were \$4,859,149, giving the GRP an unfavorable variance of (17%). Mr. Corley then provided that the total operating expenses for September were \$1,524,834 and operating expenses YTD were \$1,524,834, giving the GRP a favorable variance of 26%. Mr. Corley went on to provide that the cash balance as of September 30, 2017, was \$4,302,997 and the GRP had approximately 2.33 months of budgeted Operating Reserve.

**9. DISCUSSION REGARDING FUTURE AGENDA ITEMS**

Mr. Smith stated there are no pending projects and the GRP is deferring all projects until operating reserves have been met. In the upcoming months the, GRP will discuss changing the methodology used to determine demand projections. The bond validation lawsuit is still pending in the appellate court, which has deferred legal expenditures. The line break lawsuit is still ongoing and the GRP's goal is to have a mediation with all parties involved this January or early February, 2018. The SJRA will also be looking into our Electronic Security Policy to make sure we are in compliance with all State and Federal Government policies.

**10. FUTURE MEETING SCHEDULE**

- January 22, 2018
- February 20, 2018
- March 19, 2018
- April 23, 2018

**11. ADJOURN**

Without objection, the meeting was adjourned at 12:40 pm.



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Matt Corley  
Compliance & Administrative Manager



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Mark Smith  
GRP Administrator