

**GRP Review Committee
Minutes of Regular Meeting
February 20, 2018**

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., on February 20, 2018, 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 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 11:34 a.m.

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

3. APPROVAL OF MINUTES

Mr. Masson indicated that the minutes of the GRP Review Committee meeting held on January 22, 2018 were before the Committee for consideration. Motion was made by Ms. White, seconded by Mr. Sherwin and unanimously carried, to approve said minutes as presented.

4. SURFACE WATER TREATMENT PLANT PRODUCTION PRESENTATION

Mr. Kelling provided a presentation regarding the temporary reduction of the surface water treatment plant production rate. This presentation was in response to Kent Maggart's questions and concerns.

5. BRIEFING AND PRESENTATION REGARDING THE WOODLANDS FAULT MONITORING

Mr. Smith provided a presentation regarding the GRP's fault line monitoring along the transmission line system. Mr. Smith explained that there are two known faults along the transmission line and these areas are currently monitored. Mr. Smith explained that there has not been any movement detected in the last two years. There have been some outside parties who have requested that the GRP increase monitoring along these areas. The GRP's Geologist have assured staff that the current monitoring is sufficient. To continue monitoring at the recommended level is minimal cost. Mr. Masson stated that he would not recommend increase spending if the current level of monitoring is sufficient.

6. GRP 10-YEAR PROJECT PLAN

Mr. Smith provided a presentation regarding the GRP's 10-Year Project Plan. The 10-Year Project Plan includes the following projects:

1. Transmission Line Extensions/Flow Control Valve Replacements
2. Alternative Water Supply Projects
3. GAC Fines
4. Membrane Replacement

There are not any projects planned for fiscal year 2019 or 2020.

7. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON JANUARY 25, 2018

- a.** Consider permanently removing the TRA Option Contract payment from the GRP Operating Budget.

Mr. Smith provided this item for recommendation, which permanently removes the TRA Option Contract payment from the GRP's Operating Budget. The annual cost of this payment is \$234,500. The Review Committee agreed to go ahead and vote on this item with the understanding that this item would be brought back in March for ratification, when all Review Committee Members were present. Mr. Sherwin made a motion, we the note that at last month's meeting all members were in agreement. Ms. White seconded and the recommendation passed unanimously.

8. UPDATE REGARDING GRP DIVISION

- a. Compliance and Customer Service Update**

Ms. Felkai, Administrative Assistant, stated that this month's operation report includes January water demand.

- b. Operations Update**

Mr. Smith provided an operations update, stating that the plant was currently running at 10 MGD. Mr. Smith went on to state that the GRP is continuing to monitor TTHM. Mr. Smith added that the GRP is currently bypassing 5% at the GAC process; this will allow operations to stretch the life of the GAC fines and delay change outs.

- c. Financial Update**

Mr. Corley, Compliance & Administrative Manager, presented the financial update. Mr. Corley provided that the total operating revenues for January were \$3,218,457 and operating revenues YTD were \$20,446,692 giving the GRP an unfavorable variance of (7%). Mr. Corley then provided that the total operating expenses for January were \$2,031,884 and operating expenses YTD were \$7,870,858, giving the GRP a favorable variance of 25%. Mr. Corley went on to provide that the fund balance as of January 31, 2018, was \$6,342,392 and the GRP had approximately 3.4 months of budgeted operating funds.

9. DISCUSSION REGARDING FUTURE AGENDA ITEMS

The following items were discussed for future agenda items:

1. TRA Ratification - March
2. Elections and Appointments Update – March
3. New Participant Item – March
4. Fiscal Year 2019 Budget - April

10. FUTURE MEETING SCHEDULE

- March 19, 2018
- April 23, 2018
- May 21, 2018
- June 25, 2018

11. ADJOURN

Without objection, the meeting was adjourned at 1:25 pm.


Matt Corley
Compliance & Administrative Manager


Mark Smith
GRP Administrator