

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JUNE 28, 2018**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., June 28, 2018, at the San Jacinto River Authority General and Administration Building, a notice of said meeting was posted as required by law. President Lloyd Tisdale, Secretary Mark Micheletti, Assistant Secretary Jim Alexander, Treasurer Ronnie Anderson, and Board Members Ed Boulware and Kaaren Cambio 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, Public Relations Manager Ronda Trow, Woodlands Division Manager Chris Meeks, GRP Division Manager Mark Smith, Lake Conroe Division Manager Bret Raley, Highlands Division Manager Kim Wright, 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 8:02 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Mr. Boulware.

3. PUBLIC COMMENTS

Ms. Tammy Morrow, Montgomery, Texas, spoke about flooding associated with Hurricane Harvey.

4. DIVISION UPDATES

a. G & A:

Mr. Houston provided an update related to the joint reservoir operations strategy between the San Jacinto River Authority and the City of Houston relative to the proposed seasonal lowering applicable to Lake Conroe. He explained the ruling of the Texas Commission on Environmental Quality ("TCEQ") stating that its intention is to use enforcement discretion in the event total releases from the reservoirs exceed the permitted amounts. Mr. Houston also provided updates related to Texas Water Conservation Association's ("TWCA") June conference held in Conroe, the Father's Day rainfall event, several community association meetings attended by SJRA staff, and the recent graduation of the Leadership SJRA Class of 2018.

b. G & A:

Ms. Trow provided updates related to letters of support received for the San Jacinto River Regional Watershed Study and a recent community outreach project through the TWCA membership services committee.

c. G & A:

Mr. Michel reiterated that the budget process continues with an upcoming presentation to the Board at the July Board of Directors meeting.

d. Woodlands:

Mr. Meeks provided no update relative to the Woodlands Division.

e. GRP:

Mr. Smith provided no update relative to the GRP Division.

f. Raw Water:

Mr. Parkhill made an announcement regarding the third quarter Raw Water Enterprise Newsletter.

g. Lake Conroe:

Mr. Raley provided no update relative to the Lake Conroe Division.

h. Highlands:

Kimberly Wright provided no update relative to the Highlands Division.

i. Flood Management:

Mr. Gilman provided an update related to recent meetings regarding the Texas Water Development Board Flood Planning Grant application.

5. CONSENT AGENDA

It was announced that agenda item 5b would be considered separately. The remainder of the consent agenda was approved, as recommended, upon a motion by Mr. Alexander and a second by Mr. Micheletti, carrying unanimously.

a. Approval of Minutes

Approve the minutes of the San Jacinto River Authority Regular meeting of May 24, 2018.

c. Quarterly Investment Report for the Quarter Ended May 31, 2018

Consider approval of the Quarterly Investment Report for the Quarter Ended May 31, 2018.

d. New GRP Participants

Authorize the General Manager, or his designee, to execute a letter of assurance to Lone Star Groundwater Conservation District for East Montgomery County Municipal Utility District No. 4, in the GRP program, as requested, and approve the GRP Contract as presented and authorize the execution of same by the General Manager.

e. Amendment No. 1 to Work Order No. 3 for Professional Engineering Final Design and Procurement Phase Services

Authorize the General Manager to execute Amendment No. 1 to Work Order No. 3 with Half Associates, Inc., in the deductive amount of (\$8,147.10) for professional engineering final design and procurement phase services for Main Canal Improvements Design - Lake Houston Pump Station to Siphon 6 in Highlands.

The Board of Directors then considered the item removed from the consent agenda for separate consideration.

b. Unaudited Financials for the Month of April, 2018

Mr. Michel and Ms. Steiger, Controller, provided an updated version of the unaudited financials and discussed the revisions. Mr. Boulware made a motion to approve the unaudited financials for the month of April, 2018. The motion was seconded by Mr. Anderson and carried unanimously.

6. REGULAR AGENDA

a. G&A

1. Appointment of Members to Standing Committees of the Board of Directors

Mr. Tisdale announced that Mr. Koetting resigned his position from the Board of Directors in May, therefore creating a vacancy on the Board. He stated that due to this vacancy, election of officers will take place at the July Board of Directors meeting. Mr. Tisdale then provided the 2018 Standing Committee appointments: Finance Committee: Chair Mark Micheletti, Lloyd Tisdale, and Ed Boulware; Long Range Planning Committee: Chair Lloyd Tisdale, Jim Alexander, and Ronnie Anderson; Personnel Committee: Chair Jim Alexander and Kaaren Cambio; Retirement Plans Investment Committee: Mark Micheletti.

b. GRP

1. Purchase of Valve Exercising Equipment

Mr. Smith provided information related to the need to purchase valve exercising equipment as part of preventative maintenance for the water transmission line system for the GRP Division. Ms. Cambio made a motion to authorize the purchase of valve exercising equipment from Ditch Witch Custom Products and Jim Cox Sales in the amount of \$78,221.30 for the GRP Division. Mr. Alexander seconded the motion, which carried unanimously.

2. Utility Joint Use Acknowledgement Reimbursable Utility Adjustment Agreement with the Texas Department of Transportation

Mr. Smith explained that the San Jacinto River Authority ("SJRA") acquired easements associated with the GRP Program for the construction of the surface water transmission system. He stated that along segment W1A, the Texas Department of Transportation ("TxDOT") acquired land for a detention pond associated with the widening of FM 2978 from the underlying fee owner through the use of eminent domain. Mr. Smith explained that the existing SJRA easement and 16" water line and associated fiber optic cable are in conflict with the proposed TxDOT detention pond. He stated that staff met with TxDOT to discuss relocation, funding, and other logistics related to the project. Mr. Smith stated that SJRA is still working

with TxDOT to finalize the settlement and relocation documents and cost estimates associated with the relocation work. Mr. Alexander made a motion to authorize the General Manager to negotiate and execute the Utility Joint Use Acknowledgement Reimbursable Utility Adjustment agreement with the Texas Department of Transportation for GRP water transmission line and fiber optics conduit and cable relocation in The Woodlands. The motion was seconded by Mr. Boulware and carried unanimously.

c. RAW WATER ENTERPRISE

1. Lake Conroe Surplus Property

Mr. Parkhill provided an overview of a request from a landowner along Lake Conroe to purchase a small tract of property adjacent to the landowner's tract. Mr. Anderson made a motion to declare to be surplus and authorize the disposal by sale of an approximate 0.074 acre tract of real property located in the Elijah Collard Survey, A-7, near Willis, Texas, at a price of \$16,525.74, and authorize the General Manager to execute all necessary documents to complete the transaction. The motion was seconded by Mr. Micheletti and carried unanimously.

2. Interlocal Agreement with Harris County Precinct 2 for Wallisville Road Siphon Improvements

Mr. Parkhill provided an overview of the Wallisville Road Siphon Improvements stating that Harris County Precinct 2 (the "County") is widening East Wallisville Road and expanding its right-of-way where it crosses over SJRA's Highlands Division East Canal and associated easement and siphon structure. He stated that SJRA and the County negotiated to abandon the existing siphon and construct a new siphon structure across the expanded East Wallisville Road right-of-way prior to the County performing the road widening construction. Further, Mr. Parkhill explained that SJRA's structures located within the existing right-of-way are subject to relocation at SJRA's expense, however structures located outside of the existing right-of-way, and within the proposed expansion of the right-of-way, are subject to relocation at the County's expense. He stated that through the interlocal agreement, the County will fund fifty percent of the construction costs for the overall relocation project, up to an amount of \$1,259,375. Mr. Alexander made a motion to authorize the General Manager to negotiate and execute an interlocal agreement with Harris County Precinct 2 for Wallisville Road Siphon Improvements in Highlands. The motion was seconded by Mr. Anderson and carried unanimously.

d. FLOOD MANAGEMENT

1. Resolution Authorizing Submission of an Application for Phase II of the Flood Protection Project for the West Fork San Jacinto River Watershed to the Texas Water Development Board Flood Protection Planning Grant Program

Mr. Gilman explained that Phase II is a study of a regional flood detention in the Spring Creek Watershed, whereas, the project will determine the feasibility of one or more regional flood storage reservoirs; identify the approximate size and boundaries of potential reservoirs; assess the general design, approximate cost, and environmental impacts; and provide a benefit cost analysis and identify potential funding options. Further, Mr. Gilman explained that staff began coordination with five Municipal Utility Districts ("MUDs") within The Woodlands Township and Harris County to identify specific locations where one or more flood storage reservoirs would be feasible, including the approximate size and boundaries of storage facilities. He stated that MUDs 1, 7, 46, 60, and 386 are currently working with staff to provide matching

funds in connection with the project. Mr. Gilman stated that staff is seeking additional funds in the grant application to develop a Flood Forecasting and Gate Operations Tool for Lake Conroe. He stated that this portion of the project will develop an operational tool for the Lake Conroe watershed which will use automated real-time data retrieval of observed precipitation from the Authority's weather monitoring stations, forecast of future precipitation from the National Weather Service, lake level and stream flows from USGS, and current gate openings from SJRA. He explained that this data will be used as input into an operational model, which will be configured to automatically process differing amounts and/or distributions of the forecast precipitation to predict the resulting runoff and evaluate a range of gate operations. Mr. Gilman stated that the matching funds for this portion of the study are expected to be \$150,000, and will be provided by the Lake Conroe Division. Ms. Cambio made a motion to adopt Resolution No. 2018-R-10, attached hereto as Exhibit "A", of the Board of Directors of the San Jacinto River Authority authorizing the General Manager to submit an application for Phase II of the Flood Protection Project for the West Fork San Jacinto River Watershed to the Texas Water Development Board Flood Protection Planning Grant Program. The motion was seconded by Mr. Micheletti and carried unanimously.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation regarding General and Administration 10-Year Project Plan

Raw Water Enterprise Division Engineer, Matt Barrett presented an overview of the General and Administration Division 10-Year Project Plan. He provided information for each project, detailing the funding source and fiscal year in which the projects would be funded. Mr. Barrett summarized that the total cost of General and Administration Division projects through Fiscal Year 2028 is \$614,000.

b. Presentation regarding Highlands Division, Lake Conroe Division, Bear Branch, and Raw Water Enterprise 10-Year Project Plans

Mr. Barrett presented an overview of the Highlands Division, Lake Conroe Division, Bear Branch, and Raw Water Enterprise 10-Year Project Plans. He provided information for each project, detailing the funding source and fiscal year in which the projects would be funded. Mr. Barrett summarized that the total cost of all Highlands Division, Lake Conroe Division, Bear Branch, and Raw Water Enterprise projects through Fiscal Year 2028 as being a combined total of \$173,389,000.

8. EXECUTIVE SESSION

The meeting was called into Executive Session at 9:35 a.m., under the provisions of Section 551.071, Texas Local Government Code, for consultation with the Authority's attorney.

9. RECONVENE IN OPEN SESSION FOR ACTION FOLLOWING EXECUTIVE SESSION

The meeting was reconvened in open session at 10:14 a.m. No action was taken regarding the items discussed in executive session.

10. ANNOUNCEMENTS / FUTURE AGENDA

Mr. Tisdale announced that the next San Jacinto River Authority Board of Directors meeting will take place on July 26, 2018.

11. ADJOURN

Without objection, the meeting was adjourned at 10:15 a.m.



Mark Micheletti
Secretary, Board of Directors

Exhibit A

RESOLUTION NO. 2018-R-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY AUTHORIZING PARTICIPATION IN SUBMISSION OF A GRANT APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR A FLOOD PROTECTION PLANNING PROJECT

WHEREAS, the San Jacinto River Authority (the "Authority") has coordinated with The Woodlands Municipal Utility District No. 1, Montgomery County Municipal Utility District No. 7, Montgomery County Municipal Utility District No. 46, Montgomery County Municipal Utility District No. 60, and Harris-Montgomery Counties Municipal Utility District No. 386 (collectively, the "MUDs"), regarding participation in and the submission of an application to the Texas Water Development Board for a grant to conduct a Flood Protection Planning Project (the "Project") to (i) identify specific location(s) where one or more flood storage reservoirs are feasible in the Spring Creek Watershed, including approximate size and boundaries of storage facilities (the "Spring Creek Component"), and (ii) develop a Flood Forecasting and Gate Operations Tool for Lake Conroe that will process differing amounts and/or distributions of the forecast precipitation, the resulting runoff based on different watershed conditions, and analyze a range of gate operations (the "Lake Conroe Component"); and

WHEREAS, the Project will not duplicate existing projects, and in fact, the Project will build upon an ongoing flood protection study and flood early warning system project for the upper West Fork of the San Jacinto River watershed funded in part by a Texas Water Development Board ("TWDB") grant, and represent the second phase of such ongoing project; and

WHEREAS, the Authority intends to serve as the contracting agency and apply for a grant from the TWDB to fund a portion of the Project costs; and

WHEREAS, it is anticipated that the MUDs will fund the remaining Project costs associated with Spring Creek Component, while the Authority will fund the remaining Project costs associated with the Lake Conroe Component.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY THAT:

Section 1: The Board of Directors of the Authority hereby finds and declares that:

(a) the Project will be necessary and beneficial to the citizens of Montgomery and Harris Counties and will be particularly beneficial to the Authority, the MUDs, The Woodlands Township, the City of Houston, the City of Humble, and the surrounding region; and

(b) the Authority is eligible to prepare and submit an application to the Texas Water Development Board for Flood Protection Planning Project grant funds to undertake the Project; and

(c) subject to approval of the aforesaid grant application by the TWDB, the MUDs will provide matching local funds for the Spring Creek Component, and the Lake Conroe Division of the Authority will provide matching funds for the Lake Conroe Component, in an amount not to exceed \$150,000.

Section 2: The Board of Directors authorizes the General Manager to apply for grant funding from the TWDB to undertake the Project; including executing the required application, appearing before the TWDB on behalf of the Authority, and submitting such documentation as may be required by the TWDB.

Section 3: The Board of Directors expects that the MUDs will provide matching local funds to the Authority for the Spring Creek Component. The General Manager of the Authority is hereby appointed as the agent and representative of the Authority for purposes of requesting and securing reasonable, written assurances that the MUDs will provide such matching local funds, subject to the TWDB approval of the grant funds sufficient to undertake the Spring Creek Component. If, and when such approval is received, the Board of Directors further authorizes and directs the General Manager to negotiate and enter into a contract or contracts with the MUDs to secure funds from the MUDs for the payment of costs for the Spring Creek Component that are not otherwise payable from grant funds.

Section 4: The Board of Directors of the Authority hereby authorizes the Lake Conroe Division to provide matching local funds for the Lake Conroe Component, in an amount not to exceed \$150,000. The operating budget for the Lake Conroe Division of the Authority shall be amended accordingly, subject to the TWDB approval of the grant funds sufficient to undertake the Lake Conroe Component.

APPROVED AND ADOPTED by the Board of Directors of the San Jacinto River Authority, at a regular meeting on the 28th day of June 2018.

ATTEST:

SAN JACINTO RIVER AUTHORITY



Secretary, Board of Directors



President, Board of Directors

