

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
SEPTEMBER 27, 2018**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., September 27, 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, Vice-President Ronnie Anderson, Treasurer Mark Micheletti, Secretary Jim Alexander, Assistant Secretary Ed Boulware, and Board Member 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, Director of Flood Management Chuck Gilman, 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 Jan Bartholomew, and General Counsel Mitchell Page were in attendance.

1. CALL TO ORDER

The meeting was called to order at 8:04 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Mr. Boulware.

3. PUBLIC COMMENTS

There were no public comments.

4. DIVISION UPDATES

a. G & A:

Mr. Houston provided an update related to the Texas Water Conservation Association's Flood Response Committee, the Texas Water Foundation, issues related to the North Texas Municipal Water District, and attendance at the Rainmaker dinner honoring Representative Lyle Larson.

b. G & A:

Mr. Tisdale announced that Ms. Trow resigned her position with the San Jacinto River Authority. He thanked Ms. Trow for her dedication to SJRA and wished her well in future endeavors. Ms. Trow thanked the Board and staff for their support throughout the years.

c. G & A:

Mr. Michel provided no update related to Financial and Administrative Services.

d. Woodlands:

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

e. GRP:

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

f. Raw Water:

Mr. Parkhill provided no update related to Raw Water Enterprise.

g. Lake Conroe:

Mr. Raley provided an update related to the expedited procurement of services for the resurfacing of the road above the Lake Conroe dam. He stated that this project provided no concerns relative to the structural viability of the dam and was not considered a dam safety issue.

h. Highlands:

Ms. Wright provided no update related to the Highlands Division.

i. Flood Management:

Mr. Gilman provided an update related to the Texas Water Development Board (“TWDB”) grant application stating that a decision on the submitted applications was deferred by TWDB until late October/early November. He provided an update related to the regional flood study stating that a consulting contract for the study should be on the November Harris County Commissioners Court agenda for approval.

5. CONSENT AGENDA

Mr. Micheletti made a motion to approve the consent agenda as recommended. The motion was seconded by Mr. Alexander and carried unanimously.

a. Approval of Minutes

Approve the minutes of the San Jacinto River Authority Regular meeting of August 23, 2018.

b. Quarterly Investment Report for the Quarter Ended August 31, 2018

Approve the Quarterly Investment Report for the Quarter ended August 31, 2018.

6. REGULAR AGENDA

a. G&A

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

Mr. Tisdale announced that the newly-formed Communications Committee’s charge will be to review goals and policies and provide feedback and input to staff on goals and effectiveness of various communications strategies in order to effectively communicate messages, provide more knowledge, education, and communication to the public. Mr. Tisdale announced that he, Mr. Anderson, and Ms. Cambio will serve on the committee.

2. Amendment to Depository Agreement with First Financial Bank, N.A.

Ms. Steiger explained that the amendment to the depository agreement with First Financial Bank, N.A., will now include, at no extra charge, Positive Pay, which is a service that provides extra security related to possible fraudulent checks. Mr. Anderson made a motion to amend the depository agreement with First Financial Bank, N.A., to include Positive Pay as part of the services provided under the Treasury Management Services Agreement. The motion was seconded by Mr. Micheletti and carried with five ayes and one abstention (Mr. Tisdale).

b. WOODLANDS

1. Professional Services Agreement and Work Order No. 1 for Phase I of the Sanitary Sewer Transmission Assessment and Renewal Program

Mr. Schindewolf provided information related to the renewal program explaining that Phase I will include planning-level engineering to identify and investigate areas of excessive infiltration and inflow into the system while conducting a condition assessment of the system. He stated that data collected will be utilized to prioritize renewal projects in the 10-year project plan for the system. Mr. Alexander made a motion to authorize the General Manager to execute a professional services agreement and Work Order No. 1 with Garver, LLC, in an amount not to exceed \$1,758,675, for Phase I of the Sanitary Sewer Transmission Assessment and Renewal Program in The Woodlands. The motion was seconded by Mr. Boulware and carried unanimously.

c. GRP

1. Usage Plan for Remaining GRP Open Market Bond Funds

Mr. Smith stated that all Texas Water Development Board bonds were closed out last month, however two Open Market Bond funds in the combined amount of \$2,163,548.59 had not been depleted. He explained the various options that were considered to make the best use of the funds. He stated that after considerable review and discussion, it was determined that implementing projects to improve GRP operations and transferring remaining funds to GRP debt service funds would be the best use of said funds. Mr. Smith provided an overview of the various capital projects and estimated the cost to be \$1,745,000, leaving an estimated \$418,548.59 to be transferred to the GRP debt service fund. Ms. Cambio made a motion to approve a plan for the use of remaining GRP Open Market Bond funds in the estimated amount of \$1,746,000 to be used for various projects and an estimated \$418,548.59 to be deposited into the GRP debt service fund. The motion was seconded by Mr. Alexander and carried unanimously.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation by Mike Turco, Harris Galveston Subsidence District, regarding recent research and subsidence in the region.

Mr. Turco presented information related to subsidence in the area. He explained that there are two mechanisms for subsidence in the Gulf Coast - elastic compaction which occurs at the surface and causes cracks in infrastructure, and inelastic compaction which occurs deeper in the ground and causes permanent decrease in land surface elevation. He provided an overview of the hydrogeology related to the Chicot, Evangeline, Jasper, and Catahoula Aquifers. Mr. Turco summarized and

concluded that groundwater-use-induced compaction of the aquifer and subsequent land subsidence continue to occur in northern and western Harris County and Southern Montgomery County; areas where groundwater use has been reduced have shown a reduction or cessation in annual subsidence; a study of the potential impact of brackish groundwater development from the Jasper aquifer on the occurrence of land subsidence revealed that the Jasper aquifer is susceptible to compaction from groundwater withdrawal; and areas of highest relative risk exist where the Jasper is the shallowest near areas with historic freshwater development in the Northern parts of the study area.

8. EXECUTIVE SESSION

The meeting was called into Executive Session at 9:59 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 10:27 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 October 25, 2018.

11. ADJOURN

Without objection, the meeting was adjourned at 10:28 a.m.



James C. Alexander
 Jim Alexander
 Secretary, Board of Directors