

**GRP Review Committee  
Minutes of Regular Meeting  
December 10, 2018**

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., on December 10, 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 Jackie Chance, Jason Miller, Mike Mooney, Joe Sherwin, Kerry Masson, and Melonie 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 Tina Felkai and Jeanette McKinzie, and General Counsel Mitchell Page were in attendance.

**1. CALL TO ORDER**

The meeting was called to order at 11:38 a.m.

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

There were no public speakers present at the meeting.

**3. APPROVAL OF MINUTES**

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

**4. UPDATES REGARDING GRP DIVISION**

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

Ms. Felkai, Administrative Assistant, presented the Monthly Operations Report. She noted that the report includes the month of October. Next month's report will include the months of November and December. Mr. Smith noted that next month's report will include a dashboard that will summarize items in the report.

**b. Operations Update:**

Mr. Sarich, O&M Utility Manager, provided an operations update. Mr. Sarich reported that we are currently experiencing a very low water demand. The plant is running at approximately a 10.3 MGD average for November. For October, we produced 12.3 on average. The TTHM level is leaving the plant around the 10 to 12 range – but due to the low demand and water age, it is arriving to the facilities around the 30 to 40 range. Calgon is currently doing the GAC change out. Mr. Masson asked if the plant was still experiencing electrical issues. Mr. Sarich stated that we are not having any more electrical issues. The misting system is being assembled in the Raw Water Building for elimination of spiders and bugs. Mr. Sarich also noted that we have a meeting with Freese and Nichols to discuss the design and installation for the new pump at the Raw Water Building.

**c. Division Engineer/Manager Update:**

Mr. Smith, Division Manager, updated the GRP Review Committee on the TXDOT 2978 Road Widening Project. He noted that the work is under way.

**d. Financial Update:**

Mr. Corley, Compliance & Administrative Manager, presented the financial update. Mr. Corley provided that the total operating revenues for October 2018 were \$3,580,407 and operating revenues for YTD for fiscal year 2019 were \$7,663,015, giving the GRP Division an unfavorable variance of (23%). Mr. Corley then provided that the total operating expenses for October, 2018, were \$879,810 and operating expenses for YTD for fiscal year 2019 were \$1,621,709, giving the GRP a favorable variance of 22%. Mr. Corley went on to provide that the fund balance as of October 31, 2018, was \$7,533,885 and the GRP Division had approximately 4.86 months of budgeted operating expenditures in the multipurpose operating reserves, but no reserves for repairs and replacements, or capital improvements.

**5. GRP REVIEW COMMITTEE ELECTION RESULTS FOR SMALL CITIES**

Ms. Felkai, Administrative Assistant, gave the election results. The Board Members received a packet showing the breakdown of the votes. She stated that Mr. Joe Sherwin had been re-elected to the same chair as he currently serves.

**6. GRP RATE STUDY PRESENTATION – RAFTELIS FINANCIAL CONSULTANTS**

Mr. Smith, Division Manager, noted that today is a presentation only. We are not asking for a vote. At January's meeting, the GRP will be asking for approval for the Rate Study from the Review Committee.

Ms. Angie Flores and Mr. Rob Wadsworth, with Raftelis Financial Consultants, presented the Rate Study along with Reserve recommendations.

Mr. Chance made a comment about how the rate is based on the studies and that it would seem difficult to make recommendations because of the variances in the funds. Ms. Flores further discussed how the Rate Study is based. Mr. Kelling and Mr. Smith also made suggestions on how the rate would be implemented.

**7. RECEIVE APPROVAL FOR ENTERGY AGREEMENT**

Mr. Smith, Division Manager, brought the Entergy Agreement up for approval. Entergy is proposing a new power plant. Entergy would like to use 7 MGD out of the GRP's portion that is reserved in our fees that GRP pays to the City of Houston. It was noted that this will not impact the GRP Operations. Mr. Chance made the motion to approve the agreement. Mr. Masson seconded the motion.

**8. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON DECEMBER 13, 2018**

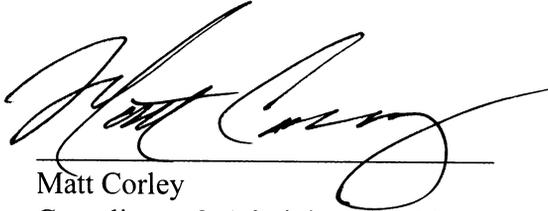
There were no items for consideration.

**9. FUTURE MEETING SCHEDULE**

- January 22, 2019
- February 25, 2019
- March 25, 2019
- April 22, 2019

**10. ADJOURN**

Without objection, the meeting was adjourned at 12:47 p.m.



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Matt Corley  
Compliance & Administrative Manager



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Mark Smith  
GRP Administrator