

# San Jacinto River Authority

Board of Directors Meeting  
May 23, 2019





## AGENDA

**SAN JACINTO RIVER AUTHORITY  
THURSDAY, MAY 23, 2019 - 8:00 A.M.  
GENERAL AND ADMINISTRATION BUILDING  
1577 DAM SITE ROAD, CONROE, TEXAS**

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- 1. CALL TO ORDER**
- 2. PLEDGES OF ALLEGIANCE**
- 3. PUBLIC COMMENTS** (3 minutes per speaker/10 minutes per topic)
- 4. DIVISION UPDATES** - Receive updates from Operational Divisions and General & Administration Division related to ongoing projects, staff reports, or items on the consent agenda.
  - a. G & A:** Jace Houston, General Manager
  - b. G & A:** Heather Ramsey Cook, Director of Communications and Public Affairs
  - c. G & A:** Tom Michel, Director of Finance and Administration
  - d. Woodlands:** Chris Meeks, Woodlands Division Manager
  - e. GRP:** Mark Smith, GRP Division Manager
  - f. Lake Conroe:** Bret Raley, Lake Conroe Division Manager
  - g. Highlands:** Kimberly Wright, Highlands Division Manager
  - h. Flood Management:** Chuck Gilman, Director of Water Resources and Flood Management
- 5. CONSENT AGENDA** - This agenda consists of ministerial or "housekeeping" items required by law, such as routine bids, contracts, purchases, resolutions, and orders; items previously approved by Board action, such as adoption of items that are part of an approved budget or capital improvement projects, interlocal agreements, or action which is required by law or delegated to the General Manager; and items of a non-controversial nature. These items will be considered by a single motion unless removed and placed on the Regular Agenda for individual consideration at the request of any Director.

### **G&A**

- a. Approval of Minutes** - Regular Meeting of April 25, 2019.
- b. Unaudited Financials for the Month of April, 2019**

Consider approval of the unaudited financials for the month of April, 2019.
- c. Resolution Amending Employee Handbook**

Consider adoption of a resolution amending the San Jacinto River Authority Employee Handbook.

## **RAW WATER ENTERPRISE**

### **d. Lake Conroe Surplus Property**

Declare to be surplus and authorize the disposal by sale of a 0.610 acre tract of real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, and authorize the General Manager to execute all necessary documents to complete the transaction.

## **6. REGULAR AGENDA - This agenda consists of items requiring individual consideration by the Board of Directors.**

### **a. G&A**

#### **1. San Jacinto River Authority Strategic Plan**

Consider adopting the San Jacinto River Authority Strategic Plan.

### **b. RAW WATER ENTERPRISE**

#### **1. Potential Refunding of Raw Water Enterprise Revenue Bonds**

Consider presentation regarding potential refunding of three of the San Jacinto River Authority's Raw Water Enterprise Revenue Bonds.

## **7. BRIEFINGS AND PRESENTATIONS**

- a.** Presentation regarding General and Administration 10-Year Project Plan.
- b.** Presentation on the Annual Field Investigations for the Highlands Division.
- c.** Receive presentation regarding proposed GRP Fiscal Year 2020 Budget and Rate Order Amendment.

## **8. EXECUTIVE SESSION (if applicable)**

Closed Meeting-Executive Session regarding one or more of the topics below:

- a. Consultation with attorney, pursuant to Texas Government Code 551.071*
- b. Deliberation regarding real property, pursuant to Texas Government Code 551.072*
- c. Deliberation regarding prospective gift, pursuant to Texas Government Code 551.073*
- d. Deliberation regarding personnel matters, pursuant to Texas Government Code 551.074*
- e. Deliberation regarding security devices, pursuant to Texas Government Code 551.076*

## **9. RECONVENE IN OPEN SESSION FOR ACTION FOLLOWING EXECUTIVE SESSION, IF NECESSARY**

## **10. ANNOUNCEMENTS / FUTURE AGENDA**

Next San Jacinto River Authority Board Meeting - June 27, 2019

## **11. ADJOURN**

*All items on the agenda are for discussion and/or action. The Board of Directors reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Real Property), 551.073 (Prospective Gifts), 551.074 (Personnel Matters), and 551.076 (Security Devices).*

*Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact Cynthia Bowman at (936) 588-3111 at least three business days prior to the meeting so that appropriate arrangements can be made.*



# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
4	Receive updates from Operational Divisions and General & Administration Division related to ongoing projects, staff reports, or items on the consent agenda.	05/23/2019

### BACKGROUND INFORMATION

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** N/A

### RECOMMENDED ACTION

No action required.



# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
5a	Consider approval of minutes from the Board of Directors meeting of April 25, 2019.	05/23/2019

### BACKGROUND INFORMATION

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Minutes

### RECOMMENDED ACTION

Approve the minutes of the April 25, 2019, Board of Directors meeting.



# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
<b>5b</b>	Consider approval of the unaudited financials for the month of April, 2019.	<b>05/23/2019</b>

**BACKGROUND INFORMATION**

The monthly unaudited financial statements are intended to keep the Board of Directors apprised of the ongoing financial condition of the Authority.

The monthly statements include Financial Highlights, Schedules of Revenues and Expenses (Actual and Budget), Unaudited Balance Sheet, Unaudited Statement of Revenues and Expenses (Summary), and Schedule of Investments.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Unaudited Financials provided at meeting.

**RECOMMENDED ACTION**

Approve the unaudited financial statements for the month of April, 2019.



# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
5c	Consider adoption of a resolution amending the San Jacinto River Authority Employee Handbook.	<b>05/23/2019</b>

**BACKGROUND INFORMATION**

Within the Authority’s Employee Handbook, most recently updated and adopted on April 27, 2017, the Authority has had in place, policies and procedures related to pay practices for licenses held by certain non-exempt employees. Staff has reviewed the practice of paying license premiums to employees whose positions require those licenses and has determined that it is more practical and correct to assume pay for those licenses are part of the base pay for that position rather than being paid as a premium.

The Authority has also allowed and encouraged both exempt and non-exempt employees to pursue additional licenses and certifications that allow for employee development and growth and increases the ability for operational employees to cross-train within different operational systems. The proposed new policy takes that into account for both exempt and non-exempt employees.

The proposed new policy will be inclusive of all employees whose positions required license and certifications and will explain those employees responsibilities regarding uploading and maintaining those licenses and certifications into the Authority’s Human Resource Information System. It also describes the manager’s and Human Resource Department’s responsibility for ensuring the licenses and certification required by employee positions are maintained and uploaded into the system.

The recommended action is to adopt a resolution amending the San Jacinto River Authority Employee Handbook adopted April 27, 2017, by replacing Section 11.0, "Pay Practices", Subsection 11.8, "License Premiums", with Section 11.0, "Pay Practices", Subsection 11.8, "Licenses and Certifications", and authorizing the General Manager to facilitate such change.

A copy of the current policy and the proposed policy are attached hereto.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Proposed Resolution, Excerpt of Employee License Premium Current Policy, Proposed Employee License and Certifications Policy

**RECOMMENDED ACTION**

Adopt a resolution amending the San Jacinto River Authority Employee Handbook adopted April 27, 2017, by replacing Section 11.0, “Pay Practices”, Subsection 11.8, “License Premiums”, with Section 11.0, “Pay Practices”, Subsection 11.8, “Licenses and Certifications”, and authorizing the General Manager to facilitate such change.





# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
<b>5d</b>	Declare to be surplus and authorize the disposal by sale of a 0.610 acre tract of real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, and authorize the General Manager to execute all necessary documents to complete the transaction.	<b>05/23/2019</b>

**BACKGROUND INFORMATION**

The Authority has received a request from a landowner along the shores of Lake Conroe to purchase a small tract of SJRA property that is adjacent to the landowner's tract. Staff has processed the request in accordance with the Board-approved guidance memo and recommends that the Board declare the tract surplus and dispose of it via sale to the adjacent landowner as outlined below.

Buyer: Kay Eaton

Description: A 0.610 acre parcel in the Williams C. Clark Survey, A-6

Location: 14711 Marina Drive Montgomery, TX 77356 (survey and legal description attached)

MCAD Land Value: \$128,600.00 / 28,009 sq. ft. = \$4.59 sq. ft.

SJRA Tract Value: (\$4.59 sq. ft. X 26,572 sq. ft.) / (0.8 factor) = \$152,456.85

Attorney Closing Cost: \$2,000.00

Disposal Sale Price: \$154,456.85

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** MCAD Data Sheet, Metes and Bounds Survey

**RECOMMENDED ACTION**

Declare to be surplus and authorize the disposal by sale of a 0.610 acre tract of real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, at a price of \$154,456.85, and authorize the General Manager to execute all necessary documents to complete the transaction.



# San Jacinto River Authority

## Board Communication

Item No.	Agenda Item	Date
<b>6a1</b>	Consider adopting the San Jacinto River Authority Strategic Plan.	<b>05/23/2019</b>

**BACKGROUND INFORMATION**

The San Jacinto River Authority engaged The Azimuth Group, Inc., to support the senior management team and the Board of Directors in the creation of a comprehensive strategic plan. The planning process resulted in the development and documentation of a strategic framework to guide policymakers, managers, and SJRA staff over the next three to five years.

David Eisehlohr, facilitator of The Azimuth Group, began the process in February, 2018, with an overall review of the organization. He then facilitated strategic planning exercises and gathered input from several stakeholders throughout the interview process.

The senior management team worked with Mr. Eisenlohr to further define strategic goals and initiatives, presented the draft plan to the Board of Directors in February, 2019, and solicited comments from the Board of Directors.

Staff respectfully recommends adoption of the San Jacinto River Authority Strategic Plan.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** San Jacinto River Authority Strategic Plan

**RECOMMENDED ACTION**

Adopt the San Jacinto River Authority Strategic Plan.



# San Jacinto River Authority Board Communication

Item No.	Agenda Item	Date
<b>6b1</b>	Consider presentation regarding potential refunding of three of the San Jacinto River Authority's Raw Water Enterprise Revenue Bonds.	<b>05/23/2019</b>

**BACKGROUND INFORMATION**

The Raw Water Enterprise has one revenue bond that is callable August 15, 2019, and two revenue bonds that are callable October 1, 2019. The total refunding par amount of the Bonds is roughly \$26.11 million. The average coupon of the Bonds is 4.154%.

Refunding Candidates					
Series	Maturities to be Refunded	Refunded Par Amount	Call Date	Call Price	Average Coupon
W Rev Bds Ser 2010	2020 to 2035	\$ 18,765,000	8/15/2019	100.000	4.200%
W Rev Ref Bds Ser 2010	2020 to 2024	5,600,000	10/1/2019	100.000	4.054%
W Rev Ref Bds Ser 2012	2020 to 2024	1,745,000	10/1/2019	100.000	3.000%
Total		\$ 26,110,000			4.154%

Anticipated market conditions over the next couple of months are favorable to SJRA and present an opportunity for refunding that could provide a net savings of more than 7% and a potential annual savings of roughly \$140,000.

Staff will begin a process for a request for proposals for underwriting services and bring to the Board, at the June 27<sup>th</sup> Board Meeting, a recommendation on whether to pursue refunding of the Bonds and a recommendation of an underwriter.

The latest update on market conditions will be presented at the Board meeting.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Provided at meeting.

**RECOMMENDED ACTION**

No action at this time.