

**GRP Review Committee
Minutes of Regular Meeting
October 22, 2018**

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., on October 22, 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, 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 Lisa Yohner and Jeanette McKinzie, 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)

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 September 24, 2018, were before the Committee for consideration. Motion was made by Mr. Chance, seconded by Mr. Masson, and unanimously carried, to approve said minutes as presented.

4. UPDATES REGARDING GRP DIVISION

a. Compliance and Customer Service Update:

Mr. Corley, Compliance and Administrative Manager, reported that East Montgomery County MUD No. 4's permit has been approved by Lone Star Groundwater Production Agency. The GRP Division is hoping to be able to bring this contract before the Review Committee next month for approval. Mr. Corley gave a brief update on the upcoming election for the seat on the Review Committee Board for Small Cities. Currently the GRP Division has received three ballots. Mr. Corley assured the Committee he would notify the remaining Participants who had not submitted their ballots. Mr. Corley stated groundwater consumption was extremely low; it was the second lowest in the GRP Division's history for the month of September. Mr. Corley advised the Review Committee Members to review page four of the Monthly Operations Report for a comparison. Mr. Corley concluded with an update on the Rate Study being performed. All data requested by Raftelis has been submitted. On November 14, 2018, a meeting on Risk Assessment and Policy Review will be held. Raftelis will be giving a presentation on the Rate Study and provide recommendations to the Review Committee at the December meeting.

b. Operations Update:

Mr. Sarich provided an operations update. Mr. Sarich reported that the plant was running well at 11.5 MGD. Mr. Sarich stated he had received the report from Neuro's

on the blower core that failed last month. The report indicated the failure was due to soot build up. Their recommendation is to refurbish all six blowers. The approximate cost of this would be around \$70K. Mr. Sarich explained that the theory is that soot was getting sucked into the blowers when the generators were being turned on. Then Mr. Smith stated that staff looked at redirecting the exhaust, but quickly realized this was not a viable solution. Mr. Sarich stated they are still researching the matter and will keep the Committee updated.

c. Division Engineer/Manager Update:

Mr. Smith, Division Manager, updated the GRP Review Committee on the TXDOT 2978 Road Widening Project. Mr. Smith went on to state that GRP Staff is moving forward on the excess bond proceed projects.

d. Financial Update:

Mr. Corley, Compliance & Administrative Manager, presented the financial update. Mr. Corley provided that the total operating revenues for August 2018 were \$6,638,008 and operating revenues for YTD for fiscal year 2018 were \$55,224,636, giving the GRP Division an unfavorable variance of (8%). Mr. Corley then provided that the total operating expenses for August, 2018, were \$1,624,190 and operating expenses for YTD for fiscal year 2018 were \$17,690,437, giving the GRP a favorable variance of 20%. Mr. Corley went on to provide that the fund balance as of August 31, 2018, was \$3,572,777 and the GRP Division had approximately 1.94 months of budgeted operating expenditures in the multipurpose operating reserves, but no reserves for repairs and replacements, or capital improvements.

5. ASSET MANAGEMENT PLAN PRESENTATION

Mr. Smith, Division Manager, gave a presentation over SJRA Asset Management Plan (AMP). Mr. Smith explained that the plan developed is a systematic way of managing assets. The purpose of the Asset Management Plan (AMP) is to document the current state of asset inventory, valuation, condition, risk of assets, and to project the long-range asset renewal (rehabilitation and replacement) requirements for the GRP Division. The AMP consolidates the Division's asset information into a structured framework and uses it to provide a justifiable basis to support long-term organization, operations, and asset management decisions.

6. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON OCTOBER 24, 2018

No items for consideration.

7. DISCUSSION REGARDING FUTURE AGENDA ITEMS

- Rate Study Presentation in December
- Election – Will send out notices

8. FUTURE MEETING SCHEDULE

- December 10, 2018
- January 22, 2019 “Tuesday”
- February 25, 2019

- March 25, 2018

9. **ADJOURN**

Without objection, the meeting was adjourned at 12:17 pm.



Matt Corley
Compliance & Administrative Manager



Mark Smith
GRP Administrator