

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
APRIL 25, 2019**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., April 25, 2019, at the San Jacinto River Authority General and Administration Building, a notice of said meeting was posted as required by law. Vice-President Ronnie Anderson, Treasurer Mark Micheletti, Secretary Kaaren Cambio, Assistant Secretary Ed Boulware, and Board Members Brenda Cooper and Jim Alexander were present. President Lloyd Tisdale was absent. General Manager Jace Houston, Deputy General Manager Ron Kelling, Director of Financial and Administrative Services Tom Michel, Director of Water Resources and Flood Management Chuck Gilman, Director of Communications and Public Affairs Heather Ramsey Cook, Woodlands Division Manager Chris Meeks, GRP Division Manager Mark Smith, Lake Conroe Division Manager Bret Raley, Highlands Division Manager Kimberly Wright, Administrative Services Manager Cynthia Bowman, General Counsel Mitchell Page, and Financial Advisor Ryan Nesmith were in attendance.

1. CALL TO ORDER

The meeting was called to order at 8:05 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Ms. Cooper.

3. PUBLIC COMMENTS

Mr. David LaFortune spoke in regards to the Lake Conroe seasonal lake lowering strategy.

4. DIVISION UPDATES

a. G & A:

Mr. Houston provided an update of recently attended events and provided the status and summary of various bills currently being tracked.

b. G & A:

Ms. Cook reported on attendance at various community events and numerous activities going on in the Communications Department.

c. G & A:

Mr. Michel provided updates related to the budget development process, the Finance Committee's April 22, 2019, meeting, monthly financials, and the graduation date for the Leadership SJRA Class of 2019.

d. Woodlands:

No update was provided by the Woodlands Division.

e. GRP:

Mr. Smith announced the San Jacinto River Authority Groundwater Reduction Plan (GRP) Division earned top marks from the American Water Works Association (AWWA) for its water quality based upon clarity, color, taste, and odor, garnering first runner up in the statewide contest. Don Sarich, Ron McCullough, and Lois Worrell were thanked for their daily efforts in producing top quality water. He reported attendance at the Lone Star Groundwater Conservation District's town hall meetings.

f. Lake Conroe:

Mr. Raley provided an update related to the Lake Conroe Relief Well Rehabilitation project.

g. Highlands:

Ms. Wright presented information related to the Lake Houston Pump Station Discharge Piping Rehabilitation and the Boundary Survey and Clearing Project at Siphons 8 and 9.

h. Flood Management:

Mr. Gilman provided an update related to the Lake Conroe seasonal lowering initiative stating the current elevation being 200.37' msl and the rate of flow being 465 cubic feet per second. He explained the protocols being utilized in order to reach the goal of 200 msl by the end of May. Mr. Gilman provided information related to an education and awareness campaign - Know Your Watershed.

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 minutes of Regular Meeting of March 28, 2019.

b. Unaudited Financials for the Month of March, 2019

Approve the unaudited financials for the month of March, 2019.

c. Work Order No. 2 for Lift Station No. 13 Rehabilitation

Authorize the General Manager to execute Work Order No. 2 with Kimley-Horn and Associates, Inc., in an amount not to exceed \$160,670, for professional engineering final design services for Lift Station No. 13 Rehabilitation in The Woodlands.

6. REGULAR AGENDA

Without objection, agenda items 6a1 and 6a2 were considered together.

Mr. Raley provided details related to repairs at the Lake Conroe Division office. He explained that the highest ranked offeror had not provided acceptable bonding documents required by the bid specifications, however felt confident that the documents would be provided within a reasonable

timeframe. Mr. Alexander made a motion to approve agenda items 6a1 and 6a2, contingent upon receiving the required construction bond documents from G.A.M Construction. The motion was seconded by Mr. Boulware and carried unanimously.

a. G&A

1. Construction Contract for Repairs to the Division Office at Lake Conroe

Authorize the General Manager to execute a construction contract with G.A.M. Construction in the amount of \$467,408 for repairs to the Division Office at Lake Conroe, and contract modifications up to \$75,000.

2. Work Order No. 8 for Repairs to the Division Office at Lake Conroe

Authorize the General Manager to execute Work Order No. 8 with L Squared Engineering, LLC, in an amount not to exceed \$26,083.09, for construction phase services for repairs to the Division Office at Lake Conroe.

b. FLOOD MANAGEMENT

Mr. Gilman explained the potential for state funds being available following the legislative session for this project, therefore agenda items 6b1 and 6b2 were not considered.

1. Professional Services Agreement and Work Order No. 1 for Spring Creek Watershed Flood Mitigation Reservoir and Detention Feasibility Study

2. Interlocal Agreements for Spring Creek Watershed Flood Mitigation Reservoir and Detention Feasibility Study

It was announced that the agenda would be followed out of order with Executive Session occurring prior to Briefings and Presentations.

8. EXECUTIVE SESSION

The meeting was called into Executive Session at 8:48 a.m., under the authority of the Texas Government Code, Section 551.071, consultation with the Authority's attorney.

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

The meeting was reconvened in open session at 9:40 a.m. Action relative to the items discussed in executive session is reflected under agenda item 10 below.

10. CONSIDER APPROVAL AND EXECUTION OF A LETTER REGARDING THE LONE STAR GROUNDWATER CONSERVATION DISTRICT MANAGEMENT PLAN

Mr. Alexander moved approval and execution of a letter regarding the Lone Star Groundwater Conservation District's Management Plan. The motion was seconded by Ms. Cambio and carried unanimously.

7. BRIEFINGS AND PRESENTATIONS

a. Update regarding the San Jacinto River Authority Strategic Plan

Mr. Kelling provided the draft San Jacinto River Authority Strategic Plan and asked that any comments be submitted prior to the next Board meeting.

b. Presentation regarding the Woodlands Division 10-Year Project Plan

Woodlands Division Engineer, Aaron Schindewolf, presented an overview of the Woodlands Division 10-Year Project Plan. He provided information for each project in Fiscal Year 2020, detailing the funding source. Mr. Schindewolf summarized that the total cost of all Woodlands projects through Fiscal Year 2029 is \$205,277,200.00.

c. Receive presentation regarding GRP Rate Differential

Ms. Angie Flores of Raftelis provided information related to the GRP rate differential based upon the current rate study. She explained that the GRP contract for participants states that the Authority's fees, rates, and charges will be established so that participants are neither benefitted nor penalized for being required to take water or for relying solely upon groundwater resources to meet their demands. She went on to say that participants receiving surface water experience reduced costs related to well operations because of the reduction in variable costs. Ms. Flores stated that SJRA solicited updated operational and maintenance expenses related to well operations, by fiscal year. Further, the expenses obtained were compared to total groundwater production for the same time period and a cost per thousand gallons was calculated. Ms. Flores explained that surface water is delivered to participant's ground storage tanks, therefore the delivery of surface water reduces groundwater variable costs. She explained the components of the rate differential include utilities, chemicals, maintenance and repairs, and well rehabilitation costs. Ms. Flores stated that three of the seven participants receiving surface water submitted updated information (the Woodlands, City of Conroe, and Southern Montgomery County Municipal Utility District). She explained the well O&M costs of each entity for Fiscal Years 2016 through 2018 and summarized the differential cost for each entity. Ms. Flores stated that rate differential between groundwater fees and surface water fees being proposed is \$0.42/1,000 gallons.

11. ANNOUNCEMENTS / FUTURE AGENDA

Mr. Anderson announced that the next San Jacinto River Authority Board Meeting will take place on May 23, 2019

12. ADJOURN

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




 Kaaren Cambio
 Secretary, Board of Directors