



GRP REVIEW COMMITTEE MINUTES OF REGULAR MEETING

JUNE 24, 2019

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., June 24, 2019, 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.

The following members were present:

Jackie Chance	MUDs West of I-45
Jason Miller	City of Conroe
Mike Mooney	Woodlands Joint Powers Agency
Joe Sherwin	Small Cities
Melanie White	Lone Star Groundwater Conservation District

Absent was:

Kerry Masson	MUDs East of I-45
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Also, present were:

Mark Smith	GRP Division Manager
Matt Corley	GRP Compliance & Administrative Manager
Don Sarich	GRP Senior Utility O&M Manager
Ron Kelling	Deputy General Manager
Tom Michel	Director of Finance & Administrative Services
Tina Felkai	GRP Customer Service & Compliance Supervisor
Lisa Yohner	GRP Administrative Supervisor
Matt Reed	Schwartz, Page & Harding

1. CALL TO ORDER

There being a quorum present, Mike Mooney called the meeting to order at 11:41 a.m.

2. PUBLIC COMMENTS:

There were none.

3. APPROVAL OF MINUTES

Mr. Mooney indicated that the minutes of the GRP Review Committee meeting held on May 20, 2019, were before the Committee for consideration. Motion was made by Ms. Melanie White, seconded by Mr. Jason Miller, and unanimously carried to approve five (5) to zero (0).

4. UPDATES REGARDING GRP DIVISION

a. Compliance and Customer Service Update:

Ms. Felkai presented the GRP Monthly Operations Report. She noted that the report included water use data for the month of May.

b. Operations and Maintenance Update:

Mr. Sarich provided an operations update. Mr. Sarich reported GAC Change out of two basins, which he mentioned last month was completed. Mr. Sarich stated the plant had experienced some electrical issues due to low voltage causing the power to trip off; the generators did not start correctly; and breakers were not opening and closing properly. Staff suspects the issue is in the software and will be contacting vendor to look into the issue. Staff spoke to Entergy about monitoring equipment to determine what is causing the low voltage. The plant experienced another blower core failure. Rockwell was contacted and was onsite the following morning with a loaner core, as per our warranty contract. A report will be forthcoming as to the cause of the failure. Mr. Sarich stated we were expecting to receive the “Small Pump” ninety percent (90%) completion design this week. He is anticipating having something for the Review Committee to review at next month’s meeting. Mr. Sarich concluded by stating the maintenance department had hired a new employee Tim Tassone, Mr. Tassone has 24 years of electrical experience, and will be a great asset to the maintenance team.

c. Financial Update:

Mr. Corley gave the GRP Division’s Financial Update. Mr. Corley provided that the total operating revenues for May, 2019 were \$4,846,798 and operating revenues YTD for Fiscal Year 2019 were \$32,359,661, giving the GRP Division an unfavorable variance of (12%). The total operating expenses for May 2019 were \$1,449,958 and operating expenses YTD for Fiscal Year 2019 were \$12,194,134, giving the GRP Division a favorable variance of 13%. Mr. Corley added that the fund balance, as of May 31, 2019, was \$4,078,579, and the GRP Division has approximately 2.63 months of budgeted operating funds. The balance in the Debt Service Fund, as of May 31, 2019 is \$8,149,603.

5. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON JUNE 27, 2019:

a. Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective September 1, 2019.

Mr. Matt Corley presented the GRP Division’s proposed amended Rate Order. Mr. Corley stated the proposed rates do not contribute to the Emergency Reserve Fund or the Repair and Replacement Fund. Mr. Corley notified the GRP Review Committee that Kerry Masson, who is not in attendance for today’s meeting, sent an email informing staff, he supports the proposed Rate Order and the GRP Division’s proposed FY 2020 Operating Budget. Mr. Masson’s email was forwarded to the other GRP Review Committee Members. Mr. Corley asked if any of the Review Committee Members had any questions on the proposed Rate Order, stating he had previously clarified line items for Melanie White and Kerry Masson. With no other questions regarding the proposed Rate Order, Mr. Mooney asked for a motion to recommend approval of the proposed Rate Order. Motion was by Jackie Chance, seconded by Melanie White, motion passed with a four (4) to one (1) vote recommending approval of the proposed GRP Rate Order, Mr. Jason Miller who represents the City of Conroe, was the one (1) opposed vote. The FY 2020 Rates will be as follows:

Groundwater - \$2.73/1,000 gallons
Surface Water - \$3.15/1,000 gallons

The blended rate will come to \$2.88/1,000 gallons. The blended rate is based on a 35% Surface Water

and 65% Groundwater.

- b. Consider adoption by the San Jacinto River Authority Board of Directors of the proposed GRP Fiscal Year 2020 Operating Budget, effective September 1, 2019. Note: This item will be presented to the SJRA Board of Directors on August 22, 2019**

Mr. Mark Smith presented the GRP Division's Proposed Fiscal Year 2020 Operating Budget. The GRP Review Committee Members were given a copy of the Proposed FY 2020 Operating Budget at the meeting on May 20, 2019 to review. GRP Staff did solicit comments from the GRP Review Committee Members before the June GRP Review Committee Meeting. Mr. Smith stated that if there were no questions he would need a motion to recommend approval of the GRP Division's Fiscal Year 2020 Operating Budget. Mr. Mooney asked for a motion to recommend approval of the GRP Division's FY 2020 Operating Budget. Mr. Jackie Chance made a motion to recommend approval, motion was seconded by Melanie White. The motion to recommend approval of the GRP Division's FY 2020 Operating Budget passed four (4) to one (1). Mr. Jason Miller who represents the City of Conroe, was the one (1) opposed vote.

6. DISCUSSION REGARDING FUTURE AGENDA ITEMS:

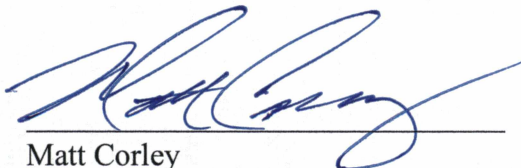
- Resolution confirming and creating funds for Groundwater Reduction Plan Division. A draft Resolution Establishing Reserves for the GRP Division was given to the members of the Review Committee to review. This item will be presented for recommendation of approval at the GRP Review Committee Meeting on July 22, 2019.
- Update on small Raw Water Pump. A presentation will be made at the GRP Review Committee Meeting on July 22, 2019.
- Raftelis' Final Report on the GRP Rate Study. A presentation will be made at the GRP Review Committee Meeting on July 22, 2019.

7. FUTURE MEETING SCHEDULE

- July 22, 2019
- August 19, 2019
- September 23, 2019
- October 21, 2019

8. ADJOURN

Without objection, the meeting was adjourned at 12:05 p.m.



Matt Corley
GRP Compliance & Administrative Manager



Mark Smith
GRP Division Manager