

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
OCTOBER 24, 2019**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., October 24, 2019, at the Jacinto River Authority General and Administration Building, a notice of said meeting was posted as required by law. President Lloyd Tisdale, Vice-President Ronnie Anderson, Treasurer Mark Micheletti, Secretary Kaaren Cambio, Assistant Secretary Ed Boulware, and Board Member Jim Alexander were present. Board Member Brenda Cooper 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 Jan Bartholomew were in attendance.

1. CALL TO ORDER

The meeting was called to order at 8:04 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Mr. Tisdale.

3. PUBLIC COMMENTS

Mr. David Hopkins spoke in opposition of the temporary Lake Conroe lowering strategy.

4. DIVISION UPDATES

a. G & A:

Mr. Houston reported on a recent meeting with other river authority general managers. He also reported that the San Jacinto River Authority was presented with the Best Workers Compensation Record award from the Texas Water Conservation Association Risk Management Fund.

b. G & A:

Ms. Cook reported on the GRP waterline repair, the Texas Water Development Board's rejection of the appeal by the Lone Star Groundwater Conservation District related to their management plan, the "Imagine a Day Without Water" campaign, and the upcoming public hearing related to the flood forecasting and reservoir operations tool.

c. G & A:

Mr. Michel introduced Chandra Scott, the newest member of the Human Resources Department, and stated that the annual audit was underway.

d. Woodlands:

No update was provided by the Woodlands Division.

e. GRP:

Mr. Smith provided an update related to the September 13, 2019, GRP waterline break in The Woodlands and thanked all divisions and departments for various operational support efforts during the event.

f. Lake Conroe:

No update was provided by the Lake Conroe Division.

g. Highlands:

Ms. Wright provided information related to the recent renewal of a large industrial customer's raw water supply contract.

h. Flood Management:

Mr. Gilman reported that he gave a short presentation on the San Jacinto Regional Watershed Drainage Plan at the Lake Houston Area town hall meeting that took place on October 17, 2019. He stated that a presentation reviewing results of 2019 rainfall events will take place at the January Board meeting with a vote on the Lake Conroe seasonal lowering strategy to take place at the February Board meeting.

5. CONSENT AGENDA

Mr. Alexander made a motion to approve the Consent Agenda as recommended. The motion was seconded by Mr. Micheletti and carried unanimously.

a. Approval of Minutes

Approve minutes of Regular Meeting of September 26, 2019.

b. Unaudited Financials for the Month of September, 2019

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

6. REGULAR AGENDA

Mr. Michel presented information related to the transfer of investment earnings from the GRP and Woodlands Division's Debt Service Reserve Fund to the Debt Service Fund, respectively. Mr. Micheletti stated that the Finance Committee recommended approval.

a. G&A

1. Transfer of Investment Earnings

Mr. Boulware made a motion to approve the transfer of \$856,308 in investment earnings from the GRP Debt Service Reserve Fund to the GRP Debt Service Fund, and the transfer of \$30,350 in investment earnings from the Woodlands Debt Service Reserve Fund to the Woodlands Debt Service Fund. The motion was seconded by Mr. Micheletti and carried unanimously.

2. Fiscal Year 2020 Budget Amendment

Mr. Page provided information related to the Hurricane Harvey litigation that necessitated an amendment to the Lake Conroe Division's Fiscal Year 2020 budget. Mr. Anderson made a motion to adopt Resolution No. 2019-R-11, amending the budget for Fiscal Year 2020 with respect to expenditures for the Lake Conroe Division. The motion was seconded by Ms. Cambio and carried unanimously.

b. WOODLANDS

Mr. Aaron Schindewolf presented information related to the construction contract, the construction phase services, and the highly specialized construction inspection services for the Elevated Storage Tank No. 2 Rehabilitation project. Mr. Alexander made a motion to approve items 6b1 through 6b3. The motion was seconded by Ms. Cambio and carried unanimously.

1. Construction Contract for Elevated Storage Tank No. 2 Rehabilitation

Authorize the General Manager to execute a construction contract with N.G. Painting, L.P., in the amount of \$1,055,100, for Elevated Storage Tank No. 2 Rehabilitation in The Woodlands.

2. Work Order No. 2 for Construction Phase Services

Authorize the General Manager to execute Work Order No. 2 with Dunham Engineering, Inc., in an amount not to exceed \$10,262.50, for construction phase services for Elevated Storage Tank No. 2 Rehabilitation in The Woodlands.

3. Work Order No. 3 for Highly Specialized Construction Inspection Services

Authorize the General Manager to execute Work Order No. 3 with Dunham Engineering, Inc., in an amount not to exceed \$26,000, for highly specialized construction inspection services during construction of Elevated Storage Tank No. 2 Rehabilitation in The Woodlands.

Mr. Schindewolf then presented information related to the construction contract and construction phase services for the Ground Storage Tank No. 2 at Water Plant No. 4 project. Mr. Micheletti made a motion to approve items 6b4 and 6b5. The motion was seconded by Mr. Boulware and carried unanimously.

4. Construction Contract for Ground Storage Tank No. 2

Authorize the General Manager to execute a construction contract with Preload, LLC, in the amount of \$2,809,300, for Ground Storage Tank No. 2 at Water Plant No. 4 in The Woodlands.

5. Work Order No. 3 for Construction Phase Services

Authorize the General Manager to execute Work Order No. 3 with AECOM Technical Services, Inc., in an amount not to exceed \$65,886, for construction phase services for Ground Storage Tank No. 2 at Water Plant No. 4 in The Woodlands.

c. GRP

Ratification Related to Emergency Response for GRP Surface Water Line Segment W2A

Mr. Smith reported the final amount for certain expenses, purchase orders, and other contractual agreements related to the emergency response and repair of the pipeline break of the GRP Surface Water Line Segment W2A in The Woodlands. Ms. Cambio made a motion to ratify actions by the General Manager regarding issuance of Purchase Orders or other contractual agreements related to the emergency response and repair of the pipeline break for GRP Surface Water Line Segment W2A along Research Forest at Technology Forest Boulevard in The Woodlands. The motion was seconded by Mr. Alexander and carried unanimously.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 9:15 a.m., under the following provisions:

- a. Discussion regarding items identified elsewhere on the agenda pursuant to Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Real Property), 551.073 (Prospective Gifts), 551.074 (Personnel Matters), or 551.076 (Security Devices), as applicable.
- b. Consultations with attorney, pursuant to Texas Government Code, Section 551.071 regarding:
 1. Litigation related to Hurricane Harvey, including additional legal services to be provided by Hunton Andrews Kurth, LLP;
 2. Litigation related to GRP water line breaks (Segments W2A and W2B); and
 3. Expedited Declaratory Judgement Act litigation and/or litigation related to GRP.

8. RECONVENE IN OPEN SESSION

The meeting was called into open session at 10:13 a.m. No action was taken regarding the items discussed in executive session.

9. ANNOUNCEMENTS / FUTURE AGENDA

Mr. Tisdale announced that the next San Jacinto River Authority Board Meeting will take place on December 12, 2019.

10. ADJOURN

Without objection, the meeting was adjourned at 10:14 a.m.




 Kaaren Cambio
 Secretary, Board of Directors