



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

December 09, 2019

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., December 09, 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 Review Committee Members were present:

<u>Name:</u>	<u>GRP Review Committee Office:</u>	<u>Representing:</u>
Mike Mooney	Chair	Woodlands Water
Kerry Masson	Vice Chair	MUDs East of I-45
Jackie Chance		MUDs West of I-45
Joe Sherwin		Cities other than City of Conroe
Melanie White		Other Well Owners

Absent were:

Jason Miller	City of Conroe
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Also, present were:

Mark Smith	GRP Division Manager
Don Sarich	GRP Operations & Maintenance Manager
Matt Corley	GRP Compliance & Administrative Manager
Lisa Yohner	GRP Administrative Supervisor
Tina Felkai	GRP Compliance Manager
Mitchell Page	Schwartz, Page & Harding, L.L.P., SJRA General Counsel

1. CALL TO ORDER

There being a quorum present, the Chair called the meeting to order at 11:34 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 October 21, 2019, were before the Committee for consideration. Motion was made by Mr. Chance, seconded by Ms. White. The minutes passed with a five (5) to zero (0) vote, with Mr. Jason Miller being absent.

4. UPDATES REGARDING GRP DIVISION

a. Compliance and Customer Service Update:

Ms. Felkai presented the GRP Monthly Operations Report. She noted the report included water usage data through the month of October. Ms. Felkai stated that pumpage for October, 2019 was up 33% compared to pumpage from October, 2018 and Groundwater usage was up 31%.

b. Operations and Maintenance Update:

Mr. Sarich provided an operations update. Mr. Sarich stated there was a TCEQ Inspection on November 13, 2019 and they were very thorough. There were a few follow up questions, on TCEQ letters of approval for system connections and on contracts for participants, that he was asked to provide. The only issue they cited us for was the labeling of the chemical feed lines. The current TCEQ requirement is to have these lines labeled every five (5) feet and currently ours are labeled about every thirty (30) feet. The operations department is in the process of correcting this and providing proof to the TCEQ. Mr. Sarich concluded by stating the plant is currently running an average of 10-11 MGD which is normal for the lower demand months.

c. Financial Update:

Mr. Corley gave the GRP Division's Financial Update. The total operating revenues for October, 2019 were \$4,914,317 and operating revenues YTD for Fiscal Year 2020 were \$10,988,437, giving the GRP Division a favorable variance of 36%. The total operating expenses for October, 2019 were \$1,737,047 and operating expenses YTD for Fiscal Year 2020 were \$2,719,594, giving the GRP Division a favorable variance of 27%. Mr. Corley added that the GRP General Fund balance, as of October 31, 2019, was \$4,780,791 representing approximately 3.21 months of budgeted operating funds.

The balance in the GRP Debt Service Fund, as of October 31, 2019 was, \$2,930,043.

5. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON DECEMBER 12, 2019

- a. N/A

6. DISCUSSION REGARDING FUTURE AGENDA ITEMS

- a. FY2021 Budget – January, 2020
- Legal Expenses – Federal Law Suit filed by Quadvest, cost to defend contract and short pay
 - Method to determine water demand
 - Lone Star Rules – No Limits
 - City of Houston Reservation Fee (\$2 million per year, do we want to keep this or let it go?)
- b. Budget Amendment due to W2 Line Break – February, 2020

7. FUTURE MEETING SCHEDULE

- January 21, 2020
- February 24, 2020

**San Jacinto River Authority – GRP Division
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- March 23, 2020

8. ADJOURN

Without objection, the meeting was adjourned at 12:04 p.m.



Matt Corley
GRP Compliance & Administrative Manager



Mark Smith
GRP Division Manager