

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
MAY 28, 2020**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., May 28, 2020, at the San Jacinto River Authority General and Administration Building. A notice of said meeting was posted as required by law. Pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas, the San Jacinto River Authority Board of Directors meeting was held via publicly accessible webinar/telephone conference. A roll call of the Board of Directors was taken and President Lloyd Tisdale, Vice-President Ronnie Anderson, Treasurer Mark Micheletti, Secretary Kaaren Cambio, and Directors Jim Alexander and Brenda Cooper participated remotely via webinar. Assistant Secretary Ed Boulware participated in person. Jace Houston, General Manager; Ron Kelling, Deputy General Manager; Tom Michel, Director of Financial and Administrative Services; Chuck Gilman, Director of Water Resources and Flood Management; Heather Ramsey-Cook, Director of Communications and Public Affairs; Cynthia Bowman, Administrative Services Manager; and Engineer Kitt Crabb, Division Engineers Dan Hilderbrandt, Matt Barrett, and Shane Porter participated in person; while Mitchell Page, General Counsel participated remotely via webinar.

1. CALL TO ORDER

The meeting was called to order at 8:07 a.m.

2. PUBLIC COMMENTS

Dr. Shelly Sekula-Gibbs, Mr. Don Lehman, and Mr. Neil Gaynor spoke about item 5b1. Mr. Dan Krueger spoke about the protection of existing water supply storage in reservoirs for future use.

3. DIVISION UPDATES

G & A:

- a.** Mr. Houston provided an update related to the return of employees to onsite facilities following the “work from home” Covid-19 pandemic. He stated that because SJRA is a utility and essential workforce, many employees continued to report to the office/field to continue operations. He stated that many office staff worked from home and began returning to the office in mid-May. He spoke about the regional flood planning process and the kick off meeting with the Sunset Review team scheduled for June 10, 2020.

b. G & A:

Ms. Cook provided an update of the recent social media campaigns highlighting various members of staff continuing to provide essential services to the community.

c. G & A:

Mr. Michel provided no comment related to Finance and Administration.

d. Woodlands:

Mr. Meeks provided no update related to the Woodlands Division.

e. GRP:

Mr. Meeks provided no update related to the GRP Division.

f. Lake Conroe:

Mr. Raley provided no update related to the Lake Conroe Division.

g. Highlands:

Mr. Gilman provided no update related to the Highlands Division.

h. Flood Management:

Mr. Gilman provided an update related to the seasonal lowering of Lake Conroe, stating that coordination with the City of Houston is ongoing relative to the diversion of their water from Lake Conroe.

4. CONSENT AGENDA

Director Anderson made a motion to approve the Consent Agenda, as recommended. The motion was seconded by Director Micheletti and carried unanimously, following a roll call of the Board of Directors.

a. Minutes

Approve Special Meeting of April 23, 2020.

b. Unaudited Financials for the Month of April, 2020

Approve the unaudited financials for the month of April, 2020.

c. Amendment No. 1 to Work Order No. 5 for Lift Station No. 5 Force Main Replacement

Authorize the General Manager to execute Amendment No. 1 to Work Order No. 5 with ARKK Engineers, LLC, in an amount not to exceed \$46,712.65, for final design services for Lift Station No. 5 Force Main Replacement in The Woodlands.

5. REGULAR AGENDA**a. G&A****1. Resolution Amending the San Jacinto River Authority Employee Handbook**

Mr. Michel explained the minor change to the Employee Handbook. He stated the amendment was reviewed by the Personnel Committee on May 8, 2020, and Director Alexander stated that the committee recommended approval. Director Alexander made a motion to adopt Resolution No. 2020-R-06 of the Board of Directors of the San Jacinto River Authority amending the San

Jacinto River Authority Employee Handbook adopted May 23, 2019, by amending Section 8.7, "Sick Leave Pool Policy", Subsection 8.7.4, "Provisions", and authorizing the General Manager to facilitate such change. The motion was seconded by Director Cooper and carried unanimously by a roll call of the Board of Directors.

b. WOODLANDS

1. Professional Services Agreement and Work Order No. 1 for Wastewater Treatment Facility Nos. 1 and 2 Odor Control Preliminary Engineering Report

This item was not considered by the Board of Directors.

c. GRP

1. GRP Fiscal Year 2021 Operating Budget and Rates

Mr. Kelling summarized recent events and variables that have impacted the development of the GRP Division's Fiscal Year 2021 operating budget and rates. Mr. Page presented a brief overview of the legal issues related to the GRP. Mr. Kelling then reviewed the various scenarios presented to the GRP Review Committee and reiterated that several members of the Committee expressed their unwillingness to continue paying for the litigation expenses associated with short pays by other participants. He stated that the Committee members are not opposed to paying a rate for operations and maintenance and debt service and continued by explaining the sources of GRP revenue and demonstrating the flow of funds. Mr. Kelling explained that the GRP Review Committee was currently considering Scenario K, which provides for a 0% increase over Fiscal Year 2020 rates, with a budgeted revenue estimated at \$54,413,973, and a possibility of the utilization of the Debt Service Reserve Fund. In closing, Mr. Kelling explained that the GRP Review Committee is scheduled to take action on the GRP Division Fiscal Year 2021 Budget and Amended Rate Order at their June 22, 2020, meeting.

6. BRIEFINGS AND PRESENTATIONS

a. Presentation regarding Highlands Division, Lake Conroe Division, Flood Management Division, Bear Branch, and Raw Water Enterprise 10-Year Project Plans.

Mr. Dan Hilderbrandt, Division Engineer, and Ms. Kitt Crabb, Technical Services Engineer, presented an overview of the Highlands Division and the Lake Conroe Division 10-Year Project Plans. They provided information and detailed funding sources for each project and summarized the total cost of Highlands Division and Lake Conroe projects through Fiscal Year 2030 totaling \$69,375,000 and \$10,702,000, respectively.

Mr. Matt Barrett, Division Engineer, presented an overview of the Flood Management Division 10-Year Project Plan. Following discussion, Mr. Barrett summarized the total project costs through Fiscal Year 2030 as \$1,979,000.

Mr. Shane Porter, Division Engineer, provided pertinent 10-Year Project Plans for Bear Branch and the Raw Water Enterprise. Mr. Porter summarized that the total cost for all Bear Branch and Raw Water Enterprise projects through Fiscal Year 2030 is \$1,709,000 and \$6,860,000, respectively.

b. Presentation regarding General and Administration 10-Year Project Plan.

Mr. Shane Porter, Division Engineer, presented an overview of the General and Administration 10-Year Project Plan. He provided information for each project and detailed funding sources for same. Mr. Porter summarized that the total cost for all G&A projects through Fiscal Year 2030 is \$1,143,000.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 10:47 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;
 2. Litigation related to GRP water line breaks (Line Segments W2A and W2B); and
 3. Expedited Declaratory Judgement Act litigation and other litigation related to GRP.

8. RECONVENE IN OPEN SESSION

The meeting was called into open session at 11:45 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 Regular Board Meeting will take place on June 25, 2020.

10. ADJOURN

Without objection, the meeting was adjourned at 11:46 a.m.



for Kaaren Cambio
 Kaaren Cambio
 Secretary, Board of Directors