

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JUNE 26, 2020**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., June 25, 2020, at the 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, and subsequent proclamation dated June 11, 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; Chuck Gilman, Director of Water Resources and Flood Management; Cynthia Bowman, Administrative Services Manager were present, while Tom Michel, Director of Financial and Administrative Services; Heather Ramsey-Cook, Director of Communications, and Mitchell Page, General Counsel participated remotely via webinar.

1. CALL TO ORDER

The meeting was called to order at 8:08 a.m.

2. PUBLIC COMMENTS

Dr. Shelly Sekula-Gibbs, Mark Crabbe, and Don Lehman spoke about agenda item 5b1.

3. DIVISION UPDATES

G & A:

- a. Mr. Houston provided an update related to the various meetings with the Sunset Review Team. He stated that due to a possible conflict with the Sunset Review Commission hearing, the December Board meeting will take place on December 3, 2020.

b. G & A:

Ms. Cook highlighted various communication efforts for each of the divisions.

c. G & A:

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

d. Woodlands:

Mr. Meeks highlighted the Woodlands Division staff working through Covid-19, continuing to provide essential services while maintaining social distancing.

e. GRP:

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

f. Lake Conroe:

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

g. Highlands:

Mr. Smith provided an update related to the Church Street oil incident in Crosby, Texas, and reported that to date, a Purchase Order in the amount of \$75,000 was issued to assist with the emergency cleanup, \$11,000 was spent on a property boundary survey, and staff has accumulated approximately 200 hours for the containment and clean-up efforts related to the spill.

h. Flood Management:

Mr. Gilman provided an update related to the Texas Water Development Board Flood Infrastructure Fund Grant applications related to the San Jacinto River Sand Trap Development Preliminary Design; the Spring Creek Watershed Flood Control Dams Conceptual Engineering Feasibility Study; the Upper San Jacinto River Basin Regional Sedimentation Study; the Lake Conroe – Lake Houston Joint Reservoir Operations Study; and the Flood Early Warning System for San Jacinto County.

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 Regular Meeting of May 28, 2020.

b. Unaudited Financials for the Month of May, 2020

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

c. Quarterly Investment Report for the Quarter Ended May 31, 2020

Approve the Quarterly Investment Report for the Quarter Ended May 31, 2020.

d. Service Agreement for High Service Pump Station Medium Voltage Variable Frequency Drive Maintenance

Authorize the General Manager to execute a service agreement with The Reynolds Company in the amount of \$139,524.74, for High Service Pump Station medium voltage variable frequency drive maintenance for the GRP Division.

e. Work Order No. 2 for Lake Houston Pump Station Emergency Operations Center

Authorize the General Manager to execute Work Order No. 2 with Halff and Associates, Inc., in the amount of \$65,404.25, for preliminary design for the Lake Houston Pump Station Emergency Operations Center in Highlands.

f. Amendment No. 1 to Work Order No. 1 for Westside Diversion Channel Improvements

Authorize the General Manager to execute Amendment No. 1 to Work Order No. 1 with Freese and Nichols, Inc., with a zero cost, for final design services for Westside Diversion Channel Improvements in Lake Conroe.

5. REGULAR AGENDA

a. G&A

1. Resolution Adopting Rules for Electronic Receipt of Bids or Proposals

Mr. Michel explained that the Texas Water Code allows for the receipt of electronic bids, with certain rules in place to ensure the identification, security, and confidentiality of electronic bids or proposals and to ensure the electronic bids or proposals remain effectively unopened until the proper time. He stated that a third party provider will host the system so that SJRA may securely receive electronic “sealed” bids and proposals in addition to hard copy bids or proposals. Director Alexander made a motion to adopt Resolution No. 2020-R-07, the Board of Directors of the San Jacinto River Authority adopting rules for the electronic receipt of bids or proposals. The motion was seconded by Director Micheletti and carried unanimously, following a roll call of the Board of Directors.

b. WOODLANDS

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

Mr. Kelling provided information related to the concerns of residents surrounding the Woodlands Division Wastewater Treatment Facility No. 1. He stated that staff participated in extensive outreach with residents, The Woodlands Township, and other stakeholders. Mr. Kelling discussed the scope of work, path forward, and the identification of any additional permitting necessary. Director Micheletti made a motion to authorize the General Manager to execute a professional services agreement and Work Order No. 1 with Kimley-Horn Associates, Inc., in an amount not to exceed \$159,172, for professional engineering services for Wastewater Treatment Facility No. 1 Odor Control Preliminary Engineering Report in The Woodlands. The motion was seconded by Director Anderson and carried unanimously, following a roll call of the Board of Directors.

6. BRIEFINGS AND PRESENTATIONS

a. Presentation regarding the proposed Fiscal Year 2021 GRP Budget and Rates.

Mr. Kelling stated that the GRP Review Committee met on June 22, 2020, and made a recommendation to the Board, to approve the proposed Fiscal Year 2021 GRP budget with no rate increase. He provided an update of various items related to the recent meetings of the GMA 14

Joint Committee and the Lone Star Groundwater Conservation District. Mr. Kelling discussed GRP Revenue and the flow of funds. He explained that the rates of today are in line with the rates that were forecasted in the 2014 Rate Study. Mr. Kelling summarized the key factors to the Fiscal Year 2021 budget: rate will remain the same (pumpage \$2.73/1,000 gallons and \$3.15/1,000 gallons for surface water), based on 51.5 MGD Annual Average Total Water Demand and 12 MGD Annual Average Surface Water Production; \$3,032,794 withdrawal from Debt Service Reserve Fund; no contributions to the Emergency Fund or Repair and Replacement Fund; and flow of funds will meet bond covenants.

Mr. Mark Smith provided information related to asset infrastructure insurance and explained that it is a temporary risk management strategy to mitigate any type of risk until the Emergency Reserve can be funded. He explained that all GRP transmission pipelines would be insured in case of rupture, however the Treatment Plant, the Stand Pipe, and the Water Receiving Facilities would not be covered as they are already insured via the general property coverage. Mr. Smith detailed the coverage and premiums related to the insurance and stated that the cost of this insurance is included in the Fiscal Year 2021 GRP budget.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 9:44 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 11:05 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 be on July 23, 2020.

10. ADJOURN

Without objection, the meeting was adjourned at 11:06 a.m.




 Kaaren Cambio
 Secretary, Board of Directors