

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JULY 23, 2020**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., July 23, 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, 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, Assistant Secretary Ed Boulware, and Directors Jim Alexander and Brenda Cooper participated remotely via webinar. Jace Houston, General Manager; Ron Kelling, Deputy General Manager; Chuck Gilman, Director of Water Resources and Flood Management; Tom Michel, Director of Financial and Administrative Services; Heather Ramsey-Cook, Director of Communications, Cynthia Bowman, Administrative Services Manager; Chris Meeks, Woodlands Division Manager; Bret Raley, Lake Conroe Division Manager; Jay Smith, Highlands Division Manager; Cheryl Turney, Purchasing Manager; Amber Batson, Engineering Manager; and Mitchell Page, General Counsel participated remotely via webinar.

1. CALL TO ORDER

The meeting was called to order at 8:03 a.m.

2. PUBLIC COMMENTS

Dr. Shelly Sekula-Gibbs commented on the odor issue in the Lakeside Cove Subdivision. Mr. Dan Krueger commented on seasonal lake lowering.

3. DIVISION UPDATES

G & A:

a. No updates were provided by Mr. Houston.

b. G & A:

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

c. G & A:

Cheryl Turney, Purchasing Manager, and Amber Batson, Engineering Manager, provided an update related to various procurement policies and procedures.

d. Woodlands:

Mr. Meeks stated that Wastewater Treatment Plant 2 and Wastewater Treatment Plant 3 were presented with Plant of the Year Awards by the Water Environment Association of Texas. Jason Williams, Rick Moore, Cory Brown, Tracy McGrew, Jeremy Elder, Joshua Hatch, and Kevin Burnett were recognized and congratulated for their accomplishments.

e. GRP:

Mr. Kelling provided an update on recent meetings of the Lone Star Groundwater Conservation District and GMA 14.

f. Lake Conroe:

Mr. Raley provided an update related to ongoing maintenance activities to control invasive species on Lake Conroe.

g. Highlands:

Mr. Gilman provided an update related to the Church Street oil incident in Crosby, Texas.

h. Flood Management:

Mr. Barrett provided information and data related to the spring 2020 temporary seasonal lake lowering initiative.

4. CONSENT AGENDA

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

a. Approve Minutes - Regular Meeting of June 25, 2020, and Special Meeting of July 10, 2020.

b. Unaudited Financials for the Month of June, 2020

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

c. Miscellaneous Services Agreement for Lake Houston Pump Station Intake Screen Channel Rehabilitation

Authorize the General Manager to execute a miscellaneous services agreement with C3 Constructors in an amount not to exceed \$240,000, for the Lake Houston Pump Station Intake Screen Channel Rehabilitation Project in Highlands.

d. Work Order No. 3 for Lake Houston Pump Station Intake Screen Channel Rehabilitation

Authorize the General Manager to execute Work Order No. 3 with Texas Water Engineering, PLLC, in an amount not to exceed \$15,101.24, for construction phase services for the Lake Houston Pump Station Intake Screen Channel Rehabilitation Project in Highlands.

5. REGULAR AGENDA

a. G&A

1. Resolution Adopting Policies and Procedures Related to Contracting with Historically Underutilized Businesses (HUBs)

Ms. Turney explained that the intent of this policy is to give Historically Underutilized Businesses (HUBs) every opportunity to contract with SJRA. Mr. Houston clarified that the word "citizen" in section 3a3 should be removed. Director Alexander made a motion to adopt Resolution No. 2020-R-08 of a resolution of the Board of Directors of the San Jacinto River Authority adopting a policy and procedure related to contracting with Historically Underutilized Businesses (HUBs) with the clarification noted by staff. The motion was seconded by Director Micheletti and carried unanimously, following a roll call of the Board of Directors.

b. RAW WATER ENTERPRISE

1. Amended and Restated Water Conveyance Contract with Coastal Water Authority

Mr. Gilman provided a brief overview of the history and terms of water conveyance contract between SJRA and the Coastal Water Authority (CWA). He explained that both entities agreed to enter into an agreement conveying ownership, operation, and maintenance of the South Canal Transfer Pump Station (SCTPS) and other facilities located within the right-of-way to SJRA. He explained that this arrangement would mirror the arrangement with CWA at the East Canal Transfer Pump Station. Director Anderson made a motion to authorize the General Manager to finalize and execute an Amended and Restated Water Conveyance Contract with the Coastal Water Authority to transfer ownership, operation and maintenance of the South Canal Transfer Pump Station to the San Jacinto River Authority. The motion was seconded by Director Micheletti and carried unanimously, following a roll call of the Board of Directors.

2. Ratify Contract for Time and Materials Services with Masters Advanced Remediation Service, Inc.

Mr. Jay Smith, Highland Division Manager, explained that an emergency contract was executed between SJRA and Masters Advanced Remediation Service to assist in the remediation and containment of the oil spill located at the property adjacent to SJRA at Siphon 13. He stated that the company began the spill cleanup process along the easement utilizing vacuum trucks and storage containers and also removed excess liquid from the ditch. Mr. Smith stated that SJRA staff excavated contaminated soil from the easement ditch and stockpiled it for disposal. He explained that the owner of the adjacent, contaminated property was in the process of performing excavation activities and replacing the excavated materials with fresh soil. Harris County Pollution Control is monitoring the adjacent site as the cleanup continues. SJRA staff continues to monitor and provide containment on the SJRA easement until the condition of neighboring property is remediated. Mr. Gilman provided an update related to enforcement efforts of Harris County Pollution Control as well as the Texas Commission on Environmental Quality to enforce the remediation efforts of the adjacent property owner. Mr. Houston added that SJRA is aggressively pursuing recovery of costs related to this incident. Ms. Cambio commented that the competitive bidding process be utilized for this process moving forward for standby services in the future. Mr. Gilman clarified that the contamination is not within the canal system itself, but rather adjacent to the canal system in a ditch that captures stormwater runoff. Director Cambio made a motion to amend staff's recommendation

to include paying the current invoice and invoices up to ninety days from July 23, 2020, affiliated with this contract and to pursue an emergency services contract utilizing the competitive bidding process for future emergency on-call services. The motion was seconded by Director Cooper and carried unanimously, following a roll call of the Board of Directors. With regard to the main recommendation, Director Cambio moved to ratify the contract for the time and materials services with Masters Advanced Remediation Service, Inc. The motion was seconded by Director Anderson and carried unanimously, following an additional roll call of the Board of Directors.

6. BRIEFINGS AND PRESENTATIONS

a. Presentation regarding the San Jacinto Regional Watershed Master Drainage Plan Project.

Mr. Terry Barr of Halff and Associates presented information related to the San Jacinto Regional Watershed Master Drainage Plan. He explained the goals and objectives, existing conditions, primary mitigation planning, secondary mitigation planning, other mitigation action planning, methods for community outreach, and concluded with the project schedule and status.

b. Presentation regarding the Fiscal Year 2021 Operating Budgets. (11:05AM)

Ms. Steiger provided an overview of the proposed Fiscal Year 2021 operating budgets, including original key budget assumptions and direction received from the Finance Committee. She provided the proposed GRP pumpage and surface water rates for Fiscal Year 2021. Ms. Steiger stated that approval of the budget is scheduled for the August 27, 2020, Board of Directors meeting.

c. Presentation regarding the proposed Rate Order for Raw Water Customers.

Mr. Gilman provided information related to the proposed rate order for raw water customers. He stated the key component for the increase is to continue reinvesting in raw water infrastructure to maintain system reliability. To support the 3.13% increase to \$0.495/1,000 gallons, Mr. Gilman provided an overview of the 10-Year Project Plans for the Highlands Division, the Lake Conroe Division, the Flood Management Division, and Raw Water Enterprise. Mr. Gilman stated that the proposed rate order is scheduled for consideration and approval during the August Board meeting, and if approved, will become effective January 1, 2021.

d. Presentation regarding the proposed Rate Order for Woodlands Division Customers.

Mr. Meeks provided an overview of the budget process, the Woodlands Division budget assumptions, and the Woodlands Division budget summary. He explained that the Woodlands Division budget has been tentatively approved by all the Municipal Utility Districts (MUDs). Further, he mentioned that approval of the proposed Fiscal Year 2021 Woodlands Division rates is scheduled for the August Board meeting.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 11:23 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 12:28 p.m. A roll call of the Board of Directors was taken and determined that a quorum of the Board was present.

9. Settlement Agreement for Lawsuit with Various Parties Associated with GRP Transmission Line Segments W2A and W2B

Director Micheletti made a motion to authorize the General Manager to execute a Settlement Agreement for the lawsuit with various parties associated with GRP Transmission Line Segments W2A and W2B. The motion was seconded by Director Cooper and carried unanimously.

10. ANNOUNCEMENTS / FUTURE AGENDA

Mr. Tisdale announced that the next San Jacinto River Authority Regular Board Meeting will be on August 27, 2020.

11. ADJOURN

Without objection, the meeting was adjourned at 12:31 p.m.



Kaaren Cambio
Secretary, Board of Directors

