



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

AUGUST 24, 2020

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., August 24, 2020, via telephone conference call/webinar. Notice of said meeting was duly posted per GRP Contract requirements.

The following Review Committee Members participated:

<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
Duke Coon		City of Conroe
Joe Sherwin		Cities other than City of Conroe

<u>Absent:</u>	
Melanie White	Other Well Owners

Also, participating were:

<u>Name:</u>	<u>Title:</u>
Ron Kelling, P.E.	SJRA Deputy General Manager
Chris Meeks	SJRA Utility Enterprise Operations & Maintenance Manager
Matt Corley	SJRA Utility Enterprise Customer Service & Compliance Manger
Mitchell Page	Schwartz, Page & Harding, L.L.P., SJRA General Counsel

1. CALL TO ORDER

There being a quorum present, the Chair then called the meeting to order at 11:35 a.m.

Mr. Page began the meeting by outlining certain procedures to be observed due to the conduct of the meeting via webinar/telephone conference.

2. PUBLIC COMMENTS:

There were no public comments.

3. APPROVAL OF MINUTES

Mr. Mooney indicated that the minutes of the GRP Review Committee meeting held on July 20, 2020, were before the Committee for consideration. Motion was made by Mr. Masson and seconded by Mr. Chance to approve the minutes as drafted. The motion passed unanimously.

4. GRP DIVISION UPDATES

Mr. Meeks, Utility Enterprise O&M Manager, provided a brief update on plant operations. The Surface Water Plant is running approximately 18 mgd a day on average and the plant operations are running smoothly. With the anticipation of inclement weather with the storms in the Gulf, the GRP O&M staff have prepared all equipment and verified schedules for all staff.

Mr. Chance inquired with only a little over a month of funds in reserves, would it be enough to cover the expenses if we were hit with a hurricane. Mr. Meeks stated that a hurricane hit would put the GRP in a financial bind. Mr. Kelling confirmed that any repairs not covered by insurance would have to be paid from reserve bond funds.

Mr. Corley, Utility Enterprise Customer Service and Compliance Manager, provided the Financial Update. The GRP General Fund balance, as of July 31, 2020, was \$1,577,944, representing approximately 1.06 months of budgeted operating funds. The balance in the GRP Debt Service Fund as of July 31, 2020, was \$18,962,628. The next GRP Bond Principal/Interest payment is due October 1, 2020.

Mr. Page, SJRA Legal Counsel, provided an update on the W2A & B Line Break suit. Mr. Page reported that after mediation, a settlement agreement with all parties involved with the W2A & B line break was reached. The settlement agreement contained provisions that no parties admitted fault, and he was not at liberty to disclose the amount of the settlement due to confidentiality clause therein. Funds from the settlement should flow into our account by next month's financial report.

5. UPDATE REGARDING LONE STAR GROUNDWATER CONSERVATION DISTRICT DRAFT RULES:

Mr. Kelling provided a summary of the LSGCD rules; the presentation covered the following key issues:

- Lone Star will reissue all Historic Use and Operating Permits
- Property Rights & Fair Share
- Management Plan & Desired Future Conditions
- Aggregation of Wells
- Spacing and Location of Wells
- Annual Production Limitations
- Management Zones
- Proportional Adjustments

Mr. Kelling outlined LSGCD's process for adopting new rules:

- Lone Star issued Draft Rules Friday, July 24, 2020
- Lone Star conducted workshop Tuesday, August 4, 2020
- Lone Star conducted Public Hearing and Board Meeting Tuesday, August 11, 2020

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- Lone Star issued revised Draft Rules Friday, August 14, 2020

Mr. Kelling urged the GRP Review Committee to:

- Review the Draft Rules
- Watch the video of the Draft Rules Workshop and Public Hearing
- Develop your own conclusions
- Actively engage in the Draft Rules discussion/process
- Prepare for process to reissue permits

Mr. Kelling stated the next LSGCD Board meeting and Public Hearing on the revised draft rules would be held on Tuesday, September 8, 2020.

Mr. Kelling presented several slides covering GMA 14 DFCs under consideration, specifically data points for Montgomery County. Mr. Kelling presented two scenarios over additional subsidence and the data behind the graphics. The next GMA 14 meeting will be held on September 16, 2020 at 10:00 am.

6. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON JULY 23, 2020:

- a. Update regarding the transfer of investment earnings in the Debt Service Reserve Fund account for the Groundwater Reduction Program (GRP) Division to the Debt Service Fund account.

No Action needed from GRP Review Committee Meeting

7. DISCUSSION REGARDING FUTURE AGENDA ITEMS:

- a. Mr. Kelling stated that at the February 24, 2020 GRP Review Committee Meeting, the City of Conroe did not have anyone seated on the GRP Review Committee board to hear discussions regarding the City of Houston reservation fee. Now that Mr. Coon has filled that position, SJRA would like to discuss the reservation fee again at the September or October meeting.
- b. In honor of Mark Smith's retirement, SJRA would like to acknowledge his accomplishments within the GRP at the September 2020 meeting.

8. MEETING SCHEDULE:

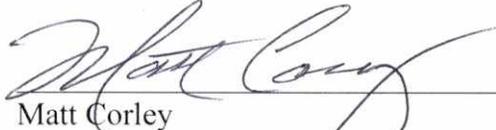
- September 21, 2020
- October 19, 2020
- November 30, 2020 (please note that this meeting is a week earlier than usual)
- January 25, 2021

9. ADJOURN

Without objection, the meeting was adjourned at 12:45p.m.



Chris Meeks
Utility Enterprise O&M Manager



Matt Corley
GRP Administrator & Compliance Manager