



GRP REVIEW COMMITTEE MINUTES OF REGULAR MEETING

November 30, 2020

The San Jacinto River Authority (SJRA) GRP Review Committee meeting was held at 11:30 a.m., November 30, 2020 at the San Jacinto River Authority GRP Division Operations Building located at 11998 Pine Valley Drive, Conroe, Texas 77304 and via telephone conference call/webinar. Notice of said meeting was duly posted per GRP Contract requirements.

The following Review Committee Members participated:

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

Absent:
All members were present.

Also participated:

<u>Name:</u>	<u>Title:</u>
Matt Corley	SJRA GRP Administrator
Ron Kelling, P.E.	SJRA Deputy General Manager
Chris Meeks	SJRA Utility Enterprise Operations & Maintenance Manager
Amanda Mury (webinar)	SJRA Utility Enterprise Administrative Manager
Mitchell Page (webinar)	Schwartz, Page & Harding, L.L.P., SJRA General Counsel
Pam Steiger	SJRA Controller

1. CALL TO ORDER

The Chair called the meeting to order at 11:34 a.m.

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 September 21, 2020, were before the Committee for consideration. Motion was made by Mr. Masson and seconded by Mr. Sherwin to approve the minutes as drafted. The motion passed unanimously.

4. GRP REVIEW COMMITTEE ELECTION RESULTS FOR MUDS EAST OF I-45

Matt Corley stated that earlier this year nominations were solicited from Participants for the GRP Review Committee position representing MUDs east of I-45. Three nominations were received. Benjamin Slotnick was nominated by Montgomery County MUD 89, Charles Saxe nominated by Rayford Road MUD, and Rick Moffatt was nominated by Southern Montgomery County MUD. Of the twenty Participants included in this category a total of six votes were received: 15% for Benjamin Slotnick, 0% for Charles Saxe, and 44.3% for Rick Moffatt. Mr. Moffatt will be seated at the January 25th meeting as the new representative for MUDs east of I-45. After confirming that there were no questions the meeting advanced to Item 5.

5. APPOINTMENT OF A NEW MEMBER REPRESENTING PRIVATE WELL OWNERS TO THE GRP REVIEW COMMITTEE BY THE LONE STAR GROUNDWATER CONSERVATION DISTRICT

Matt Corley shared that Lone Star Groundwater Conservation District passed a resolution on October 20, 2020 making Mike Stoecker their new representative. Mr. Stoecker will begin his term at the January 25, 2021 meeting. Mr. Mooney inquired of Mr. Corley as to the background of Mr. Stoecker. Mr. Corley responded that Mr. Stoecker is an owner of Woodland Oaks Utility and has been a longtime resident in the county. Mr. Corley also stated that Lone Star provided a brief bio on Mr. Stoecker that was included on page two of the Resolution. He pointed out that Woodland Oaks Utility is one of a group of Participants involved in litigation with SJRA. Mr. Corley informed the committee that Mr. Page has reviewed the GRP Contract and advised that this does not disqualify Mr. Stoecker from being appointed to the committee by Lone Star Groundwater Conservation District.

6. RECOGNITION AND APPRECIATION OF MELANIE WHITE AND KERRY MASSON'S CONTRIBUTIONS TO THE GRP REVIEW COMMITTEE

Mr. Mooney presented Resolutions to Ms. White and Mr. Masson. He read that the GRP Review Committee hereby expresses its best wishes for continued success in their future endeavors and profound appreciation for dedicated years of service and many valuable contributions. Ms. White and Mr. Masson expressed their appreciation which was met with an applause. Mr. Corley continued to voice volumes of appreciation for their time and efforts. Mr. Ron Kelling echoed Mr. Corley's sentiments.

Mr. Chance motioned to approve and it was seconded by Mr. Sherwin. The motion passed unanimously.

7. GRP DIVISION UPDATES 2020

Operating Reserve Fund of \$3million. Pam responded that the Operating Reserve Fund is full, as displayed on the chart in the GRP Monthly Operations Report. Ms. Steiger stated that the \$3million is above the pool right now, but declines in the winter months.

Matt Corley shared a presentation on 2020 Woodlands Static Well Level measurements. The presentation contained information from SJRA – Woodlands Division, USGS and Harris-Galveston Subsidence District. The information presented reflected aquifer levels in the Upper Jasper and Evangeline aquifers for various time periods between 1990 and 2020.

Mr. Matt Corley also shared that SJRA recently partnered with The Woodlands Water Agency, Harris Galveston Subsidence District, Lone Star Groundwater Conservation District and other partners to install a Continually Operating Reference Station (CORS). The CORS is located at Lift Station 27, at 144 South Tranquil Path in the Woodlands, just north of Spring Creek, almost at the Harris County line. The site was installed October 2020, with data from the station being available relatively soon. Mr. Corley gave a special thanks to Mr. John Yoars, a MUD 6 Director, who was instrumental in getting this project underway. A map showing Lift Station Number 27 location was displayed.

Mr. Jackie Chance inquired if SJRA's Woodlands Division monitors specific capacity on the wells and if any loss has been noticed. Mr. Chris Meeks responded that over time the more water supplied from the well, the less specific capacity it has. About every 10 years, rehabilitation of the well is needed in order to regain capacity.

8. UPDATE ON LONE STAR GROUNDWATER CONSERVATION DISTRICT'S RECENTLY ADOPTED DISTRICT RULES:

a. Invited Guest Speaker – Samantha Reiter, General Manager, LSGCD

This is a standing item on the Agenda, it gives Lone Star Groundwater Conservation District the opportunity to make any update. LSGCD was not in attendance.

9. GROUNDWATER MANAGEMENT AREA (GMA) 14 UPDATE

Mr. Ron Kelling began the conversation by stating that on Nov 18th there was a three and a half hour long GMA 14 meeting, regarding private property rights. The speakers were Debroah Trejo, Marty Jones, Greg Ellis, Stacy Reese and Jason Hill. They provided several different perspectives of property rights. Mr. Kelling considered one of Stacey Reese's points to be noteworthy, "Balance: not all current and future demands can be met exclusively by groundwater, but all owners must be provided an opportunity for fair share." The fair share is a part of Chapter 36 Water Code and there will be a lot of discussion defining fair share over the next two years. Mr. Kelling found the three and a half hour discussion to be very interesting and he will be sharing a link to the video recording.

The last two years they have been looking through all different factors at the GMA 14 meeting. They have gone through Factor 7, Private Property, Factor 8 and 9 will be discussed on January 20th. Those are Factor 8: What is the Feasibility of Achieving the DFCs and Factor 9: Other Relevant Information. Between January 20th and before May 1st of 2021, the five members of GMA 14 will have to decide which DFC they are going to use. The five voting members will have to approve by 2/3 votes or four members. Then each district, including Lone Star, will have a 90 day public comment period on the DFC. Each Groundwater Conservation District (GCD) prepares a summary of comments plus recommended revisions. GMA 14 will consider the recommended revisions providing a final approval of DFCs (2/3 vote) on January 5, 2022. Once the DFCs are approved by GMA-14, the GCDs will bring the DFCs back to their District for adoption and subsequently develop a Groundwater Management Plan and rules of how each District will meet that DFC. That process will probably consume most of, if not all of calendar year 2022. Reference Texas Water Code, Chapter 36, Section 36.108

Mr. Jackie Chance mentioned that because 2/3 vote gives 60% they actually need 80% because 2/3 of five is 3.33 repeating.

Mr. Mooney asked about Fair Share and commented if large agriculture land owners are aware of how much SJRA is charging for raw water, they may want to sell their water rights. Mr. Kelling expects a lot of interesting conversations regarding fair share. Mr. Mooney questioned if developers may come in and take small pieces of land and put high density usage on it. He compared City of Houston getting the rights to Lake Conroe by building a damn to buying pieces of land only to acquire the ownership of water beneath the property.

Mr. Kelling said that one of the items on next month's agenda will be a review of the GRP's FY21 budget considerations. A key item for discussion will be the inclusion of the reservation fee paid for by GRP related to the 2/3 of City of Houston's Lake Conroe water rights.

10. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON DECEMBER 3, 2020:

a. Resolution – FY2021 Budget Amendment

Ms. Pam Steiger addressed the Review Committee to give an update regarding a proposed Resolution to be presented to the San Jacinto River Authority Board of Directors, approving and adopting an amendment to the FY2021 budget for the GRP Division. Ms. Steiger explained that the FY21 budget preparation process for GRP started in January 2020, as Ron had stated. At that time SJRA and Entergy were in contract negotiations for an additional 7 million gallons a day of water from Lake Conroe. The contract was executed in FY20 but did not have time to make an adjustment to the FY21 GRP budget. With the Entergy contract, the water provided and reserved will be from City of Houston's 2/3 share of Lake Conroe. The net effect is about a \$65,000 adjustment to four items on the GRP budget, benefiting GRP.

Ms. Steiger then introduced the second GRP budget amendment item for discussion by saying it is purely for transparency purposes. This item is to add account codes to the GRP budget to make the financial statements more useful to internal management. There are some maintenance agreements on several pieces of equipment with costs allocated monthly but paid for up front. She shared a spreadsheet displaying the costs itemized on separate lines. Doing so is a net zero effect to the budget and purely for transparency.

Mr. Masson asked if the original 2021 budget for the industrial supply fee and City of Houston supply fee were at zero. Ms. Steiger answered yes, because SJRA didn't plan on selling any of their water, SJRA was purely reserving it. Entergy notified SJRA in September [2020] that they plan to use 3 million gallons per day (MGD) and reserve the remaining 4 (MGD). Ms. Steiger reiterated her prior explanation.

Mr. Sherwin motioned to approve and it was seconded by Ms. Melanie White. The motion passed unanimously.

11. DISCUSSION REGARDING FUTURE AGENDA ITEMS

The placeholder for LSGCD will remain. Mr. Kelling mentioned that SJRA will need to add budget discussion to the future Agenda.

12. FUTURE MEETING SCHEDULE:

- ~~December 2020 (note: no meeting in December)~~
- January 25, 2021
- February 22, 2021

Without objection, the meeting was adjourned at 12:21 p.m.



Chris Meeks
Utility Enterprise O&M Manager



Matt Corley
GRP Administrator