

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF SPECIAL MEETING
DECEMBER 9, 2021**

A special meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., December 9, 2021, at the San Jacinto River Authority General and Administration Building. A notice of said meeting was posted as required by law. President Ronnie Anderson, Vice President Ed Boulware, Treasurer Mark Micheletti, Secretary Wil Faubel, and Director Stacey Buick were present. Secretary ProTem Ricardo Mora was absent. Also in attendance were Jace Houston, General Manager; Tom Michel, Director of Financial and Administrative Services; Heather Ramsey-Cook, Director of Communications and Public Affairs; Ed Shackelford, Director of Utility Operations; Wayne Owen, Director of Raw Water Operations; Cynthia Bowman, Administrative Services Manager; and Mitchell Page, General Counsel.

1. CALL TO ORDER

The meeting was called to order at 8:04 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Director Anderson.

3. PUBLIC COMMENTS

Ms. Susanne Allen, Mr. Kevin Lacy, and Mr. Dan Krueger provided comments related to agenda item 6b.

4. DIVISION UPDATES

a. G & A:

Mr. Houston reported on a recent site visit with the Texas Water Development Board's Chairwoman and key staff members to various water projects in the greater Houston region, including SJRA's water plant.

b. G & A

Ms. Cook provided updates related to various division and department projects and initiatives.

c. G & A

Mr. Michel provided information related to agenda items 5d and 5e.

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 an operational update relative to the DCP Southern Hills Pipeline, LLC's repair of their natural gas pipeline by installing caissons around the pipeline at three locations under the waters of Lake Conroe.

g. Highlands

Mr. Smith provided a brief update related to the Spring Meadows structure repair.

h. Flood Management

Mr. Barrett provided an update related to sand trap development.

5. CONSENT AGENDA

Director Micheletti made a motion to approve the Consent Agenda, as recommended. The motion was seconded by Director Buick and carried unanimously.

G&A

a. Approval of Minutes

Approve the minutes of the Regular Meetings of October 28, 2021.

b. Unaudited Financials

Approve the unaudited financials for the month of October, 2021.

c. Quarterly Investment Report

Approve the Quarterly Investment Report for the Quarter Ended November 30, 2021.

d. Revised Retirement Plan Investment Committee Charter

Adopt a revised Retirement Plan Investment Committee Charter dated December 9, 2021.

e. Resolution - Amended Pension Plan Investment Policy Statement

Adopt Resolution No. 2021-R-21 of the Board of Directors of the San Jacinto River Authority adopting an amended Pension Plan Investment Policy Statement dated December 9, 2021.

f. Professional Services Agreement and Work Order No. 1 - Wastewater Treatment Facility No. 2 Headworks Rehabilitation

Authorize the General Manager to execute a professional services agreement and Work Order No. 1 with Jones and Carter, Inc., in an amount not to exceed \$108,992, for Preliminary Engineering Design Services for Wastewater Treatment Facility No. 2 Headworks Rehabilitation in The Woodlands.

6. REGULAR AGENDA

a. Resolution - Amended Fiscal Year 2022 Budgets

Mr. Michel provided a brief overview of the process for amending previously approved budgets. Ms. Jamye Lewis, Accounting Manager, explained the need to amend the Highlands Division budget in the amount of \$61,920 due to a monthly recurring lease and maintenance costs for the Highlands SCADA system. Further, Ms. Lewis detailed the need to implement a Digital Water System in the amount of \$375,000 that will utilize data from various software to form a comprehensive review of asset performance and risk in the Woodlands Division. Finally, she explained the Lake Conroe Division contracted with the U.S. Geological Survey to add four streamflow stations at East Sandy Creek, West Caney Creek, Little Lake Creek, and West Sandy Creek, resulting in an additional \$128,000. Director Boulware made a motion to adopt Resolution No. 2021-R-22 of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2022 Operating Budget for the Highlands Division and Repair and Replacement Fund Budgets for the Woodlands and Lake Conroe Divisions. The motion was seconded by Director Faubel and carried unanimously.

b. Proposal on Seasonal Lowering of Lake Conroe

Mr. Houston explained the process by which various stakeholders collaborated on a proposed compromise related to the seasonal lowering of Lake Conroe. He stated that the stakeholder meetings were very positive and there was general consensus that meaningful flood mitigation would require large projects with widespread, regional support. The stakeholder group ultimately agreed to a set of proposed changes to the seasonal lowering protocol, which Mr. Houston presented to the board. Discussion ensued. Director Boulware made a motion to recommend the proposed protocols to the City of Houston and to authorize the General Manager to coordinate with the City of Houston for implementation of same. The motion was seconded by Director Micheletti and carried unanimously. (Recommendation attached as Exhibit "A")

7. BRIEFINGS AND PRESENTATIONS

a. Presentation of Annual Historically Underutilized Business (HUBs) Report for the Period September 1, 2020, through August 31, 2021.

The HUB report for the period September 1, 2020, through August 31, 2021, was provided to the Board of Directors.

8. EXECUTIVE SESSION

The meeting was convened in executive session at 9:41 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, including additional legal services to be provided by Hunton Andrews Kurth, LLP; and
 2. Expedited Declaratory Judgement Act litigation and other litigation related to GRP; and
 3. Pending litigation styled *Lake Conroe Assn., et. al. v. City of Houston and San Jacinto River Authority*, Cause No. 21-03-04382, in the 284th District Court, Montgomery County, Texas.

c. Discussion regarding personnel matters pursuant to Texas Government Code, Section 551.074.

9. RECONVENE IN OPEN SESSION

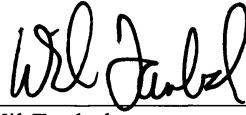
The meeting was called into open session at 10:35 a.m. A quorum of the Board being present, no action was taken regarding the items discussed in executive session.

10. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the San Jacinto River Authority's next Regular Board Meeting will be held on January 27, 2022.

11. ADJOURN

Without objection, the meeting was adjourned at 10:36 a.m.



Wil Faubel
Secretary, Board of Directors



EXHIBIT "A"

Proposed Compromise on Flood Mitigation Protocols for Lake Conroe and Lake Houston

Recommended Protocol – Lake Conroe

Spring

- Beginning April 1, initiate diversions to lower Lake Conroe to create six inches of storage capacity for storm inflows (to 200.5' msl).
- Resume normal recapturing June 1.
- In the event a major rainfall is forecasted to impact our region, the City of Houston may use active storm management protocols and initiate a diversion to create up to an additional six inches of storage capacity for storm inflows (to 200.0' msl). It is acknowledged that under extraordinary weather circumstances, the City of Houston may find it necessary to create capacity below 200.0' msl.

Fall

- Beginning August 1, initiate diversions to lower Lake Conroe to create six inches of storage capacity for storm inflows (to 200.5' msl).
- After Labor Day, increase storage capacity an additional six inches (to 200.0' msl).
- Resume normal recapturing October 1.
- If a named storm is predicted to impact our region, the City of Houston may use active storm management protocols and initiate a diversion to create up to an additional six inches of storage capacity for storm inflows (to 199.5' msl). It is acknowledged that under extraordinary weather circumstances, the City of Houston may find it necessary to create capacity below 199.5' msl.

Recommended Protocol – Lake Houston

Year Round

- City of Houston will initiate releases to lower Lake Houston prior to major rainfall events
- Conservation Pool Elevation is 42.5' msl
- Lake Houston level reduced to 41.5' msl if 24-hour rainfall forecast of 3 inches or more

Duration

- The Recommended Protocol above will extend to the end of 2023 but will be reviewed annually by the stakeholders in October/November of 2022 and 2023. During the annual review, the stakeholders will discuss strategies that extend beyond 2023.

Advocacy and Education

- All stakeholders will work to support flood mitigation projects and efforts across the upper watershed, including improvement of land use regulations to reduce runoff from new development in counties that contribute flow to Lake Houston.
- Because public education regarding completed and ongoing downstream mitigation efforts is critical to generating upstream support for continued seasonal lowering of Lake Conroe, all stakeholders agree to educate their constituents regarding: active storm management protocols being implemented at Lake Houston, completed and ongoing sediment removal projects in the San Jacinto River basin and Lake Houston, and continued progress on the Lake Houston spillway modifications.
- Because of its impact on effective active storm management, all stakeholders will support City of Houston and SJRA efforts to amend the Certificate of Adjudication for Lake Conroe to increase the maximum daily diversion rate.
- All stakeholders agree to support efforts to limit further construction of habitable structures around Lake Conroe below elevation 207' msl.

Important Notes

- All water released from Lake Conroe as part of seasonal lake lowering is being accounted for from the City of Houston's 2/3 share and reported to TCEQ by the City of Houston. Therefore, all final decisions on diversions are ultimately the City's and must be communicated to the SJRA in writing. This includes defining active storm management protocols.