

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JANUARY 27, 2022**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., January 27, 2022, 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 Secretary ProTem Ricardo Mora were present. Director Stacey Buick 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 Enterprise 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 8:02 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Director Faubel.

3. PUBLIC COMMENTS

Mr. Dan Krueger spoke in reference to seasonal lowering of Lake Conroe.

4. DIVISION UPDATES

a. G & A:

Mr. Houston reported that Harris County Commissioners Court named Dr. Christina Petersen as the new Executive Director for the Harris County Flood Control District.

b. G & A

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

c. G & A

Mr. Michel provided no update related to the Finance and Administration Departments.

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 no update related to the Lake Conroe Division.

g. Highlands

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

h. Flood Management

Mr. Barrett provided no update related the Flood Management Division.

5. CONSENT AGENDA

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

a. Approval of Minutes

Approve the minutes of the Special Meeting of December 9, 2021.

b. Unaudited Financials

Approve the unaudited financials for the months of November and December, 2021.

c. Resolution - Authorized Signatories

Adopt Resolution No. 2022-R-01 designating the authorized signatories for all Authority financial transactions with the authorized depository banks and any other financial institutions in order to execute necessary financial transactions to conduct the Authority's financial business.

d. Amendment No. 1 to Work Order No. 1 - Staff Augmentation Consulting Services

Authorize the General Manager to execute Amendment No. 1 to Work Order No. 1 with KIT Professionals, Inc., in an amount not to exceed \$100,000, for staff augmentation consulting services for the Technical Services department.

e. Contract Amendment - WWA Consulting Services

Authorize the General Manager to execute an Amendment to Service Agreement on behalf of the Woodlands Water Agency in the amount of \$120,000, plus reimbursement of actual expenses, for professional government relations consulting services.

f. Work Order No. 3 - Water Strategy Consulting Services

Authorize the General Manager to execute Work Order No. 3 with Freese and Nichols, Inc., in an amount not to exceed \$50,000, for water strategy consulting services for the Raw Water Enterprise.

6. REGULAR AGENDA

a. Annual Comprehensive Financial Report

San Jacinto River Authority Controller Pam Steiger and Knox Cox and Company, LLP, Auditor Jennifer Weineke presented the Annual Comprehensive Financial Report – Audited Financial Statement and Related Notes as well as the Federal Single Audit Report for the fiscal year ended August 31, 2021. Ms. Weineke reported an unmodified (“clean”) opinion on SJRA’s financial statements and no circumstances of noncompliance relative to the Federal Single Audit. Director Micheletti congratulated staff for the work performed on the audit and made a motion to accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes, and the Federal Single Audit Report for the fiscal year ended August 31, 2021. The motion was seconded by Director Faubel and carried unanimously.

b. Pension Plan Floor Buyout and Transfer

Ms. Steiger provided a brief explanation of the two pension plan administrators currently used by the SJRA. She stated that the Hyas Group, the Authority’s retirement investment advisors, conducted an Asset Allocation Study in August, 2021, and concluded that the Authority could be relieved of the liability for the ten retirees remaining in the plan at Lincoln Financial Group (“LFG”). Ms. Steiger explained that as of December, 2021, the Authority had over \$1.8 million at LFG and now has the opportunity to “buy out” of the LFG contract for the remaining ten retirees at a total cost of \$918,621. She explained that this action would relieve the Authority of the liability of the ten retirees at LFG and that the retirees would see no change to their pension payments or benefits. She stated that the remaining retirement funds held at LFG would be transferred to the Authority’s Standard account for investment. Finally, Ms. Steiger explained that the Finance Committee reviewed this item on January 7, 2021, and recommended moving forward with the floor buyout and subsequent transfer. Director Faubel made a motion to authorize the General Manager to initiate a pension plan floor buyout with the Lincoln Financial Group and transfer the remaining funds to The Standard. The motion was seconded by Director Mora and carried unanimously.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 8:42 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.

8. RECONVENE IN OPEN SESSION

The meeting was called into open session at 9:30 a.m. A quorum of the Board being present, no action was taken regarding the items discussed in executive session.

9. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the San Jacinto River Authority's next Regular Board Meeting will be held on February 24, 2022.

10. ADJOURN

Without objection, the meeting was adjourned at 9:31 a.m.



Wil Faubel
Secretary, Board of Directors

