

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
APRIL 28, 2022**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., April 28, 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 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; Ed Shackelford, Director of Utility Enterprise Operations; Wayne Owen, Director of Raw Water Operations; Cynthia Bowman, Administrative Services Manager; Mitchell Page, General Counsel; and Jan Bartholomew, Financial Advisor.

1. CALL TO ORDER

The meeting was called to order at 8:00 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Director Anderson.

3. PUBLIC COMMENTS

There were no public comments.

4. DIVISION UPDATES

a. G & A:

Mr. Houston commented on the various meetings that took place in the month of April.

b. G & A

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

c. G & A

Mr. Michel introduced and recognized members of the Purchasing Department.

d. Utility Enterprise

Mr. Meeks provided no update related to the Utility Enterprise.

e. Lake Conroe

Mr. Raley provided no update related to the Lake Conroe Division.

f. Highlands

Mr. Smith provided no update related to the Highlands Division.

g. Flood Management

Mr. Barrett provided an update of the San Jacinto Regional Watershed Master Drainage Plan as well as the recent public meeting related to the Spring Creek Watershed.

5. CONSENT AGENDA

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

a. Approval of Minutes

Approve the minutes of Regular meeting of March 24, 2022.

b. Unaudited Financials

Approve the unaudited financials for the month of March, 2022.

c. Sale of Real Property

Declare to be surplus and authorize the disposal by sale of a 0.067 acre tract of real property located in the John Corner Survey, A-36, near Montgomery, Texas, at a price of \$20,599.15, and authorize the General Manager to execute all necessary documents to complete the transaction.

6. REGULAR AGENDA

a. Work Order No. 2 - Raw Water Supply Master Plan Update – Matt Barrett

Mr. Barrett provided an overview of the 2018 Raw Water Supply Master Plan (“RWSMP”). He stated that the plan presented a wide range of projects and portfolios as potential water supply options to meet projected 50-year water supply demands for industrial, municipal, and irrigation purposes for the Montgomery County and Highlands service areas. Further, he stated that due to the dynamic nature of water supply planning, the RWSMP recommends that staff revisit the recommendations of the plan periodically to review schedule and suitability of the strategies and assumptions presented. Director Boulware made a motion to authorize the General Manager to execute Work Order No. 2 for an update to the SJRA Raw Water Supply Master Plan for the Raw Water Enterprise. The motion was seconded by Director Micheletti and carried unanimously.

b. Professional Services Agreement and Work Order No. 1 - Upper San Jacinto River Basin Regional Sedimentation Study

Ms. Briana Gallagher, Project Manager, stated that the Texas Water Development Board awarded a Flood Infrastructure Fund (FIF) grant to the San Jacinto River Authority to perform a regional sedimentation study of the Upper San Jacinto River Basin. Further, she stated that the Upper San Jacinto River Basin Regional Sedimentation Study will identify the sub-watersheds in the basin that produce and store the most sediment. She explained that with this information, sub-watersheds and individual locations can be prioritized for improvements and conceptual solutions. Ms. Gallagher explained that the goal of these efforts is to reduce sediment inputs and/or enhance sediment storage to mitigate the loss of floodway conveyance. She explained that the project is

anticipated to be funded 50% by the Texas Water Development Board grant funds and 50% by a combination of funding partner contributions and SJRA in-kind services. Director Buick made a motion to authorize the General Manager to negotiate and execute a professional services agreement and Work Order No. 1 with KIT Professionals, Inc., in an amount not to exceed \$750,000 for engineering services for the Upper San Jacinto River Basin Regional Sedimentation Study. The motion was seconded by Director Boulware and carried unanimously.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation Regarding the Proposed GRP Fiscal Year 2023 Budget and Rate Order Amendment

Mr. Meeks provided an overview of the GRP Division budget development for Fiscal Year 2023. He noted the variances between the minimum target balances and current balances (as of March 31, 2022) for the Operating and Rate Stabilization Fund, the Emergency Fund, and the Repair and Replacement Fund. He stated that past due accounts receivable are \$18,439,416 as of March 23, 2022. Additionally, he provided two scenarios relative to rate increases to fund the GRP Division's Operations and Maintenance expenses, Debt Service, and Capital Items. Mr. Meeks explained that the GRP Review Committee met on Monday, April 25, 2022, and requested more time to review the budget and rate information.

b. Presentation of the General and Administration 10-Year Project Plan

Ms. Kitt Crabb, Project Manager, provided an overview of the General and Administration 10-Year Project Plan. She discussed various projects taking place in Fiscal Year 2023 and beyond. Ms. Crabb provided total projected costs and funding sources for same.

c. Presentation of the Flood Management 10-Year Project Plan

Mr. Barrett provided an overview of the Flood Management 10-Year Project Plan. He stated that the key focus areas of the project plan are flood mitigation leadership and solutions, building partnerships with stakeholders, and furthering recommendations of the San Jacinto River Master Drainage Plan. Mr. Barrett discussed various projects taking place in Fiscal Year 2023 and beyond and provided total projected costs and funding sources for same.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 9:30 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, including proposed settlement agreement with the City of Conroe.

8. RECONVENE IN OPEN SESSION

The meeting was called into open session at 10:32 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 May 26, 2022.

10. ADJOURN

Without objection, the meeting was adjourned at 10:33 a.m.



Wil Faubel
Secretary, Board of Directors

