



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

June 20, 2022

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., June 20, 2022, at the SJRA G&A Building – Boardroom 1577 Dam Site Rd, Conroe, Texas 77304. The meeting was also available for viewing only via a livestream on www.sjra.net/grp/meetings. 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>
Mike Mooney	Chair	Woodlands Water
Duke Coon		City of Conroe
Jackie Chance	Vice Chair	MUDs West of I-45
Rick Moffatt		MUDs East of I-45
Mike Stoecker		Investor-Owned Utilities

<u>Absent:</u>	<u>GRP Review Committee:</u>	<u>Representing:</u>
<i>Vacant</i>		Cities other than City of Conroe

Also present:

<u>Name:</u>	<u>Title:</u>
Chris Meeks	SJRA Utility Enterprise Manager
Ed Shackelford, P.E.	SJRA Director of Utility Operations
Mitchell Page	Schwartz, Page & Harding, L.L.P., SJRA General Counsel
Summer Hvasta	SJRA Customer Service Manager
Joy Homewood	SJRA Administrative Assistant II
Kelli Stormer	SJRA Senior Accountant
Jamye Lewis	SJRA Accounting Manager
Daniel Hilderbrandt, P.E.	SJRA Engineering Manager
Anita Davis	City Secretary, City of Splendora
Kirstin Hein, G.I.T.	Lone Star Groundwater Conservation District (LSGCD), Permitting Director
David Smith	Private Citizen
Harry Hardman	City of Conroe Council Member - Elect

1. CALL TO ORDER

Mr. Mooney called the meeting to order at 11:30 am.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Mr. Moffatt moved to approve the minutes from May 16, 2022, as drafted. Mr. Chance seconded the motion, which carried unanimously.

4. GRP DIVISION UPDATES

Mrs. Hvasta provided updates on GRP Customer Service Engagement and May 2022 Community Events. Mr. Mooney asked about the potential for tour requests from new board members, and Mrs. Hvasta confirmed that we can schedule them anytime, hopefully once temperatures are more amenable.

Mr. Meeks relayed general information on GRP operations and maintenance.

5. APPROVAL OF FISCAL YEAR 2023 (FY23) BUDGET AND RATE ORDER

Mr. Meeks briefly reviewed the FY23 ongoing budget schedule, and then recapped the proposed GRP Division's FY23 Operating Budget and Rate Order options, as covered in the previous Review Committee meetings on May 16, 2022, and April 25, 2022. Mr. Mooney reviewed the presented information, various options, and discussion from the May 16 meeting that occurred between the members.

Mr. Stoecker asked if the SJRA Board of Directors (BOD) had any specific recommendations regarding the failed budget motions from the Review Committee's May meeting. Mr. Meeks confirmed the SJRA BOD did not have any recommendations for the Review Committee, as the item was not presented to them on their Agenda. Upon request for clarification from Mr. Coon, Mr. Meeks deferred to Mr. Page for additional information. Mr. Page advised that the General Manager and the Long-Range Planning Committee elected to withdraw this item from the BOD May Agenda. This was done in order to allow the Review Committee members an opportunity to discuss the item with full attendance. Mr. Coon acknowledged Mr. Page's explanation of the decision made the General Manager and the Long-Range Planning Committee.

Mr. Coon then moved to send this item to committee for discussion, Mr. Stoecker seconded it. The motion failed, with a vote of two in favor and three opposed. Mr. Mooney made a motion to recommend Option 2, an \$0.11 increase, which Mr. Moffatt seconded. During discussion, Mr. Stoecker questioned the need for the Option 1 rate increase, since to his understanding the GRP is operating and all operational costs are being met. Mr. Meeks advised that in fact, there are budgeted items the GRP has been unable to fund. This includes the GRP's 3-month operating reserve, the emergency transfer fund, and the R&R reserve fund, as the budgeted amounts for all three items have been deferred due to low cash availability. Line insurance is another item that has been purchased due to the lack of available reserves.

Mr. Coon added a comment regarding today being his last meeting due to the term limits for the City of Conroe City Council, and there will be a new appointee incoming from them shortly. He expressed his thanks and appreciation to the Chair and to all the other members for their time and hard work, and that it has been an honor to work with them.

With no further discussion, the motion to recommend the Option 2 rate increase of \$0.11 passed, with three in favor and two opposed.

6. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT

Kirstin Hein confirmed they anticipate receiving an update from TWDB by the end of the month regarding GMA 14's report. District Desired Future Conditions (DFC) and Technical Committee is currently working on finalizing the scope of work for Phrase III of the ongoing subsidence study, looking at the cost and installation of the Continuously Operating Reference Stations (CORs) monitoring sites. During the LSGCD's June 8th Board meeting, minor amendments to Rules 3.2 and 3.4 of the LSGCD Groundwater Management Plan were approved. The version of the rules as approved on June 8th is available on the district's website.

Mr. Moffatt asked a question on when LSGCD anticipates an update on the DFC report and the deadline for it. Ms. Hein stated they would hopefully have a response by the end of the month and would double check that the deadline shows as end of 2022. Mr. Chance asked if LSGCD monitors groundwater quality or maintains record on specific groundwater wells, due to an issue he is experiencing with the #4 Jasper well. Ms. Hein received information from Harry Hardman; LSGCD does NOT monitor groundwater quality, and their deadline overall is end of the year.

7. GROUNDWATER MANAGEMENT AREA (GMA) 14 UPDATE

No updates on GMA-14 presented.

8. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS

- a. **Amended Rate Order – GRP Participants:** Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective September 1, 2022

There was no discussion on this item. Mr. Meeks confirmed the GRP Review Committee recommendation will be presented to the SJRA BOD Thursday, June 23, 2022.

9. ATTORNEY'S UPDATE

Mr. Page provided no update on GRP related legal matters.

10. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS

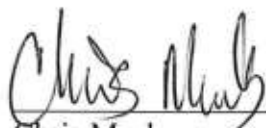
No items recommended for July's meeting.

11. FUTURE MEETING SCHEDULE

- a. Monday, July 25, 2022

12. ADJOURN

Mr. Mooney adjourned the meeting at 11:51 am.



Chris Meeks

SJRA Utility Enterprise Manager / GRP Administrator