

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JUNE 23, 2022**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., June 23, 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 A. Houston, General Manager; Tom Michel, Director of Financial and Administrative Services; Heather Ramsey, 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 Anderson.

3. PUBLIC COMMENTS

Mr. Dan Krueger provided comments related to water conservation.

4. DIVISION UPDATES

a. G & A:

Mr. Houston provided a brief drought summary with statistics from the U.S. Drought Monitor; he commented on drought contingency plans; and reported on the new Municipal Utility District ("MUD") director orientation in The Woodlands.

b. G & A

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

c. G & A

Mr. Michel introduced Administrative Services Facilities Technician, David Higginbotham.

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

No update was provided related to the Highlands Division.

g. Flood Management

Mr. Barrett provided no update related to 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 Regular Meeting Minutes of May 26, 2022.

b. Unaudited Financials

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

c. Quarterly Investment Report

Approve the Quarterly Investment Report for the Quarter Ended May 31, 2022.

d. Professional Services Agreement - G&A HVAC System Replacement

Authorize the General Manager to execute a professional services agreement with Johnston, LLC, for services including but not limited to preliminary and final design, procurement, and construction phase services related to the HVAC system replacement at the San Jacinto River Authority General and Administration Building.

e. Sale of Surplus Property

Declare to be surplus and authorize the disposal by sale of a 2014 Freightliner vacuum truck located in the Woodlands Division and authorize the General Manager to execute all necessary documents to complete the transaction.

f. Construction Contract - Bear Branch Dam Concrete Repairs

Authorize the General Manager to execute a construction contract with Kean Construction, LLC, in the amount of \$107,690, for Bear Branch Dam Concrete Repairs in The Woodlands.

6. REGULAR AGENDA

a. Amended Rate Order - GRP Participants

Ms. Jamye Lewis, Accounting Manager, and Mr. Chris Meeks, Utility Enterprise Division Manager, provided an overview of the two Fiscal Year 2023 GRP Participant rate options previously presented. Ms. Lewis reported that even with the proposed increase, the Authority's rates are still lower than similar wholesale water providers in the region. It was reported that on Monday, June 20, 2022, the GRP Review Committee met and recommended Option 2 for approval by the Board of Directors, which provided for groundwater pumpage at a rate of \$2.99 per 1,000

gallons and surface water delivery at a rate of \$3.41 per 1,000 gallons, an approximate 4% increase. Discussion ensued. Mr. Mitchell Page, General Counsel, recommended that the Board convene in Executive Session to further discuss under Texas Government Code, Section 551.074, Consultation with Attorney.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 8:27 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 9:13 a.m. A quorum of the Board was present.

6a. Amended Rate Order - GRP Participants

Director Faubel made a motion to adopt an amended Rate Order for GRP Participants, effective September 1, 2022 (Groundwater pumpage \$2.99 per 1,000 gallons and Surface Water Delivery \$3.41 per 1,000 gallons). The motion was seconded by Director Micheletti and carried with four ayes (Directors Anderson, Boulware, Micheletti, and Faubel) and one abstention (Director Buick).

9. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the San Jacinto River Authority's next Regular Board Meeting will be held on July 28, 2022.

10. ADJOURN

Without objection, the meeting was adjourned at 9:15 a.m.



Wil Faubel
Secretary, Board of Directors

