



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

July 25, 2022

The San Jacinto River Authority ("SJRA") GRP Review Committee Meeting was held at 11:30 a.m., July 25, 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:

Present:

Mike Mooney
Jackie Chance
Rick Moffatt
Mike Stoecker

GRP Review Committee:

Chair
Vice Chair

Representing:

Woodlands Water
MUDs West of I-45
MUDs East of I-45
Investor-Owned Utilities

Absent:

Vacant
Vacant

GRP Review Committee:

Representing:

Cities other than City of Conroe
City of Conroe

Also present:

Name:

Chris Meeks
Ed Shackelford, P.E.
Mitchell Page
Jason Williams
Summer Hvasta
Joy Homewood
Kelli Stormer
Jamy Lewis
Daniel Hilderbrandt, P.E.
Kitt Crabb, P.E.

Title:

SJRA Utility Enterprise Manager
SJRA Director of Utility Operations
Schwartz, Page & Harding, L.L.P., SJRA General Counsel
SJRA UE Operation and Maintenance Manager
SJRA Customer Service Manager
SJRA Administrative Assistant II
SJRA Senior Accountant
SJRA Accounting Manager
SJRA Engineering Manager
SJRA Engineering Project Manager I

1. CALL TO ORDER

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

2. GRP REVIEW COMMITTEE MEMBERS

Mr. Meeks reported that GRP staff had not received written confirmation of Mr. Harry Hardman's appointment prior to the meeting date, and Mr. Hardman was not in attendance. As Mr. Coon's resignation was received July 21, 2022, the Review Committee seat for a representative appointed by the City of Conroe was considered vacant at this time.

3. PUBLIC COMMENTS

There were no public comments.

4. APPROVAL OF MINUTES

Mr. Chance moved to approve the minutes from June 20, 2022, as drafted. Mr. Stoecker seconded the motion, which carried unanimously.

5. GRP DIVISION UPDATES

Mr. Meeks provided updates on the Elections and Appointments for Woodlands Water Agency, MUDs West of I-45, and Small Cities exclusive of the City of Conroe. Mr. Stoecker asked about the two nominations for the Small Cities. Mr. Meeks confirmed their names and titles at their respective cities.

Mr. Meeks then gave an update on current GRP surface water production, and the drought impact on remaining allocation amounts for surface water recipients in July and August of 2022. He requested a recommendation from the GRP Review Committee, considering the potential budget impact if the plant continues to deliver the requested surface water to the respective entities. The other option is to reduce plant production of surface water to 12 MGD to 9 MGD for the remainder of Fiscal Year 2022 (FY22) in an effort to minimize budget exceedance but still produce surface water. Mr. Chance asked about the potential effect on the budget if the number of surface water gallons delivered to participants in FY22 is above the initially projected allocation. Mr. Meeks and Mr. Williams confirmed costs may be anywhere from \$100,000 – \$200,000 above budget, and if the scheduled granular activated carbon (GAC) change for September needs to be moved into August to meet demand the total could reach \$1,000,000 above budget. Mr. Moffatt asked whether the expected revenue from the increased surface water demands would offset those additional costs, and Mr. Meeks elaborated that while the additional revenue might cover over budget costs, it also might not, due to discrepancies between invoice amounts and received payments. He also highlighted the other contingencies revolving around funding the debt service reserve, operating reserve, the emergency reserves, and the R&R reserve. Mr. Stoecker requested confirmation that reducing plant production would result in increased usage of groundwater, which Mr. Meeks confirmed. Mr. Stoecker also asked whether anyone has expressed concern that an increase in groundwater usage would cause a crisis point. Mr. Meeks confirmed that no one has expressed such concerns directly to us at this time, and that only one participant has currently requested additional surface water 2-3x per week due to their well conditions.

Mr. Stoecker asked about drought contingency plans. Mr. Meeks confirmed that exceeding the budget has not typically been a trigger, which are typically based on either the lake or a major equipment failure; however, there is a clause allowing for drought contingencies at the General Manager's discretion. Mr. Meeks added that staff recommendation is to maintain production close to 12 MGD and continue providing

water to participants but keep production at a level low enough to avoid a GAC change out in the current fiscal year. The Review Committee members had no objections to the proposal.

On the next slide, Mr. Meeks reviewed the GRP line break that occurred in March of 2022, along with the current GRP policy of only paying for property damage if caused by SJRA negligence or machine-driven equipment failure. He asked the committee members if they would like the situation handled differently or had any objections to following the policy. No objections were voiced, and Mr. Mooney indicated that any property damage should be handled by the property owner's own insurance policies.

Mr. Moffatt had a further question on the drought contingency plans, and as we reduce the supply of treated surface water, whether it might trigger any individual MUD drought contingency plans. Mr. Meeks confirmed that as another option, where based on the weather forecast for the next seven days the GRP could use that designation to initiate a drought contingency plan across the board. Mr. Shackelford added that yes, we are obligated to provide water based on allocations. However, the participants are also obligated to manage their own resources; IE, if one well goes down, they might have to initiate drought contingencies.

6. DISCUSSION AND RECOMMENDATION FOR 2023 PROJECT PRIORITIES

Mr. Meeks reviewed previous information regarding the Panther Branch Fault Study, and the budget amounts set for Fiscal Year 2023 (FY23). There was discussion between Mr. Meeks and the Review Committee members around the various line items that showed cost increases, why, and how it relates to the project plan over the course of the next few fiscal years and the respective fund allocations. Mr. Stoecker questioned if other entities that could potentially benefit from the same study had been canvassed for financial contributions to offset the budget increases. Mr. Meeks did state there had been discussion with the Woodlands MUDs and the Woodlands Trustees earlier in the year, however those agencies did not express any interest at the time. Mr. Chance moved to proceed with the Panther Branch Fault Study. Mr. Mooney seconded the motion, which carried unanimously.

The next slide covers Process Water Recovery Basin Lining Improvements identified going forward as Process Water. Mr. Meeks reviewed that this project is in FY22 budget, utilizing funds left over from construction bonds which carries over from year to year. The original construction cost estimate of \$600,000 does not reflect current inflation. Mr. Meeks covered the various reasons for the projected overage, aside from inflation, and the engineering concerns around the proposed solutions. There was discussion between the Review Committee members, Mr. Meeks, and Ms. Crabb from the Engineering team around the current basin lifespans, the feasibility around various liners, materials, and construction options. The Review Committee members gave their consensus to seek the most effective, long-term option for utilizing both the current set up and the available funds before moving forward if possible. Mr. Meeks stated staff preference for a feasible long-term option that impacts both basins simultaneously and incorporates any regulatory mandates in the eventual solution. Staff will go back to the design team and consultants and check with other engineers for various options that fit this particular situation and provide any updates to the Review Committee as needed.

7. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT

There were no representatives in attendance.

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

No items for the SJRA BOD at this time.

9. ATTORNEY’S UPDATE

Mr. Page provided an update on GRP related legal matters.

10. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS

No items recommended for August’s meeting.

Mr. Stoecker had questions for the other members regarding any independent studies conducted regarding their own water resources. Mr. Chance confirmed he utilizes their annual well readings and loss of static levels. Mr. Mooney confirmed experiencing a similar situation in the Woodlands before the GRP surface water plant was online. Mr. Meeks mentioned an upcoming Woodlands project regarding a 25-year study with Intera for all the Woodlands wells, so they can accurately project the long-term situation once GMA 14 vote has been finalized. Mr. Chance brought up the HARC subsidence study. Information regarding well replacement and rehabilitation in the Woodlands was covered by Mr. Meeks, including some of the long-term plans for both the Jasper and Evangeline wells. Mr. Stoecker had further questions regarding the Purple Pipe project mentioned in a previous meeting by Mr. Moffatt, who confirmed the overall effectiveness with their users, along with a positive reception due to increased resource availability and lower rates than groundwater usage. In response to questions from Mr. Shackelford, Mr. Moffatt elaborated that the entity had general funds available for use and bonds were not utilized; they did employ a 20-year planning horizon when the project started around 2014.

11. FUTURE MEETING SCHEDULE

- a. Monday, August 22, 2022

12. ADJOURN

Mr. Mooney adjourned the meeting at 12:19 PM.



Chris Meeks
SJRA Utility Enterprise Manager / GRP Administrator