

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JANUARY 26, 2023**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., January 26, 2023, 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, Secretary Wil Faubel, Secretary Pro Tem Ricardo Mora, and Director Stacey Buick were present. Treasurer Mark Micheletti and Director Stephanie Johnson were 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 Operations; Connie Curtis, Director of Technical and Operational Services; Cynthia Bowman, Administrative Services Manager; and Mitchell Page, General Counsel.

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 and Director Anderson reported on their attendance at Partnership Lake Houston's event honoring Director Mark Micheletti as Citizen of the Year. Mr. Houston reported on the process of the Texas Sunset Commission's unmodified opinion of staff's report.

b. G & A

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

c. G & A

Mr. Michel introduced Mr. Brian Buster, Risk Manager, Risk Management Department.

d. G&A

Ms. Curtis provided no update related to Technical and Operational Services.

e. Utility Enterprise

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

f. Lake Conroe

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

g. Highlands

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

h. Flood Management

Mr. Barrett provided an update related to the recent Lake Conroe seasonal lake lowering stakeholder meeting.

5. CONSENT AGENDA

Director Boulware 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 Regular Meeting minutes of December 8, 2022.

b. Unaudited Financials

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

c. Work Order No. 3 - Social Media Communications Consulting Services

Consider authorizing the General Manager to execute Work Order No. 3 with Pink Cilantro in an amount not to exceed \$100,000, for Professional Social Media Communications Consulting Services.

d. Master Professional Services Agreement - Automation Reliability Assessments

Consider authorizing the General Manager to execute a Master Professional Services Agreement with Concentric Integration, LLC, for Automation Reliability Assessments for all SJRA Divisions.

e. Master Professional Services Agreement - Water Quality Consulting (KIT)

Consider authorizing the General Manager to execute a Master Professional Services Agreement with KIT Professionals, Inc., for water quality consulting services for all SJRA Divisions.

f. Master Professional Services Agreement - Water Quality Consulting (Plummer)

Consider authorizing the General Manager to execute a Master Professional Services Agreement with Plummer Associates, Inc., for water quality consulting services for all SJRA Divisions.

6. REGULAR AGENDA - This agenda consists of items requiring individual consideration by the Board of Directors.

a. Annual Comprehensive Financial Report

Ms. Pam Steiger, Controller reported on the processes involved in the compilation of the Annual Comprehensive Financial Report. Ms. Jennifer Weineke, Auditor at Knox Cox and Company, 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, 2022. Ms. Weineke reported an unmodified (“clean”) opinion on SJRA’s financial statements and no circumstances of noncompliance relative to the Federal Single Audit. Director Faubel congratulated staff for the work performed on the audit as well as attaining the Certificate of Achievement of Excellence and Financial Reporting. Director Faubel 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, 2022. The motion was seconded by Director Mora and carried unanimously.

It was announced that items 6b and 6c would be considered together.

Mr. Matt Barrett, Director of Flood Management and Water Resources provided information relative to compliance and contractual requirements establishing the necessity for rate studies. He stated that the rate studies will determine the level of future revenue (rates) needed for the provision of water-related services as well as amounts needed to support operations and maintenance, repair, rehabilitation, and capital improvements. Director Faubel made a motion to approve items 6b and 6c, as presented. The motion was seconded by Director Buick and carried unanimously.

b. Master Professional Services Agreement - Rate Studies

Consider authorizing the General Manager to execute a Master Professional Services Agreement with Carollo Engineers, Inc., for Rate Studies for all SJRA Divisions.

c. Work Order No. 1 - Raw Water Enterprise Rate Study and Model Update

Consider authorizing the General Manager to execute Work Order No. 1 with Carollo Engineers, Inc., in an amount not to exceed \$168,142, for the Raw Water Rate Study and Model Update for the Raw Water Enterprise.

It was announced that items 6d, 6e, and 6f would be considered together.

Mr. Daniel Hilderbrandt, Engineering Manager, provided an overview of the proposed construction of the Lake Houston Pump Station Remote Operations Center in the Highlands. He stated that the current facility is over seventy years old and in need of replacement. He stated that the proposed remote center would double as a reliable operations building during inclement weather and would have improved site security. Director Buick inquired about the price of the contract in comparison to the engineer’s estimate. Discussion ensued. Director Faubel made a motion to approve items 6d, 6e, and 6f as presented. Director Anderson asked to defer items 6d, 6e, and 6f, for consideration until further information from staff could be presented for clarification.

d. Construction Contract – Lake Houston Pump Station Remote Operations Center

e. Work Order No. 4 – Lake Houston Pump Station Remote Operations Center

f. Work Order No. 1 – Lake Houston Pump Station Remote Operations Center

Ms. Briana Gallagher, Project Manager provided an overview of the erosion repairs for siphons 16, 17, and 18 as well as the erosion repair for Middle Crossing and North Reservoir. Director Buick made a motion to approved items 6g and 6h, as presented. The motion was seconded by Director Boulware and carried unanimously.

g. Work Order No. 2 - Erosion Repair for Siphons 16, 17, and 18

Consider authorizing the General Manager to execute Work Order No. 2 with K Friese & Associates, Inc., in an amount not to exceed \$194,542, for engineering services related to erosion repairs for Siphons 16, 17, and 18 in Highlands.

h. Work Order No. 2 - Erosion Repair for Middle Crossing and North Reservoir

Consider authorizing the General Manager to execute Work Order No. 2 with Cobb, Fendley & Associates, Inc., in an amount not to exceed \$76,750, for engineering services related to erosion repairs for Middle Crossing and North Reservoir in Highlands.

It was announced that item 6i would be considered following Executive Session.

i. Professional Legal Services

8. EXECUTIVE SESSION

The meeting was convened in executive session at 9:23 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.

9. RECONVENE IN OPEN SESSION

The meeting was called into open session at 10:24 a.m. A quorum of the Board being present, no action was taken regarding the items discussed in executive session.

Ms. Connie Curtis, Director of Technical and Operational Services provided a breakdown of costs relative to the engineer's estimate for construction costs. She noted costs for the building, earth work, and the transition from a residential transformer to a commercial transformer. Director Anderson stated that the motion for approval of items 6d, 6e, and 6f as presented was still on the table from Director Faubel. The motion was seconded by Dr. Mora and carried unanimously.

d. Construction Contract - Lake Houston Pump Station Remote Operations Center

Consider authorizing the General Manager to execute a construction contract with Noble Building and Development, LLC, in the amount of \$2,948,800, for Lake Houston Pump Station Remote Operations Center in Highlands.

e. Work Order No. 4 - Lake Houston Pump Station Remote Operations Center

Consider authorizing the General Manager to execute Work Order No. 4 with Halff Associates, Inc., in an amount not to exceed \$165,261.70, for construction phase services for the Lake Houston Pump Station Remote Operations Center in Highlands.

f. Work Order No. 1 - Lake Houston Pump Station Remote Operations Center

Consider authorizing the General Manager to execute Work Order No. 1 with KIT Professionals, Inc., in an amount not to exceed \$273,510.63, for construction management and inspection services for the Lake Houston Pump Station Remote Operations Center in Highlands.

i. Professional Legal Services

Director Faubel made a motion to authorize the General Manager to authorize additional expenditures in an amount not to exceed \$300,000 for professional legal services related to certain water rights matters. The motion was seconded by Director Boulware and carried unanimously.

10. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the next San Jacinto River Authority Regular Board Meeting will be February 23, 2023

11. ADJOURN

Without objection, the meeting was adjourned at 10:30 a.m.



Wil Faubel
Secretary, Board of Directors

