

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JULY 27, 2023**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., July 27, 2023, at the San Jacinto River Authority General and Administration Building. Notice of said meeting was posted as required by law. President Ronnie Anderson, Vice President Ed Boulware, Treasurer Mark Micheletti, Secretary Wil Faubel, Secretary Pro-Tem Ricardo Mora, Director Stacey Buick, and Director Stephanie Johnson were present. Also in attendance were Ed Shackelford, Acting General Manager and Director of Operations; Tom Michel, Director of Financial and Administrative Services; Heather Ramsey, Director of Communications and Public Affairs; Pam Steiger, Chief Financial Officer; Cynthia Bowman, Chief of Staff/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

There were no public comments.

4. DIVISION UPDATES

a. G & A:

Mr. Shackelford commended the Accounting Department for their efforts in preparing the Fiscal Year 2024 budget.

b. G & A

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

c. G & A

Mr. Michel provided no update related to the Finance and Administration departments.

d. G&A

Mr. Daniel Hilderbrandt, Technical Services Manager, introduced new employees to the Technical Services Department: Ms. Chunling Liu, GIS Manager; Mr. Nabeel Khan, Project Manager; and Mr. Jared Marek, Graduate Engineer.

e. Utility Enterprise

Mr. Meeks explained that public water system operators in Texas who perform process control duties in production or distribution of drinking water must be licensed with the Texas Commission on Environmental Quality. He announced that Mr. Michael Coyne, Woodlands Utility Operator, received a Class A license for water system operators, the highest level of operator license in Texas.

f. Lake Conroe

Mr. Raley provided updates on the various tours of Lake Conroe by Congressman Morgan Luttrell's staff as well as Conroe Independent School District's 2023 Student Leadership Academy. He provided an overview of the Emergency Action Plan Tabletop Exercise conducted at the Lake Conroe Division, which included members from the Texas Department of Emergency Management, the Montgomery County Office of Homeland Security and Emergency Management, the Harris County Flood Control District, the Conroe Fire Department, the Coastal Water Authority, the Texas Department of Transportation, and the Harris County Office of Homeland Security and Emergency Management. Finally, Mr. Raley provided an update related to Blue Heron Bay on Lake Conroe.

g. Highlands

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

h. Flood Management

Mr. Barrett provided no updates related to the Flood Management Division.

5. CONSENT AGENDA

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

a. Approval of Minutes - Regular Meeting of June 22, 2023.

b. Unaudited Financials

Approve the unaudited financials for the month of June, 2023.

c. Resolution - Administrative Services Provider for Deferred Compensation Plan

Adopt Resolution No. 2023-R-11, of the Board of Directors of the San Jacinto River Authority selecting an administrative services provider for the Authority's Deferred Compensation Plan, effective July 27, 2023.

d. Master Professional Services Agreement - Dam Safety Engineering

Authorize the General Manager to execute a Master Professional Services Agreement with Freese and Nichols, Inc., for Dam Safety Engineering for all SJRA Divisions.

e. Master Professional Services Agreement - Dam Safety Engineering

Authorize the General Manager to execute a Master Professional Services Agreement with HDR

Engineering, Inc., for Dam Safety Engineering for all SJRA Divisions.

f. Master Professional Services Agreement - Dam Safety Engineering

Authorize the General Manager to execute a Master Professional Services Agreement with Black & Veatch Corporation, for Dam Safety Engineering for all SJRA Divisions.

g. Master Professional Services Agreement - Construction Materials Testing

Authorize the General Manager to execute a Master Professional Services Agreement with Aviles Engineering Corporation, for Construction Materials Testing for all SJRA Divisions.

h. Master Professional Services Agreement - Construction Materials Testing

Authorize the General Manager to execute a Master Professional Services Agreement with Geoscience Engineering & Testing, Inc., for Construction Materials Testing for all SJRA Divisions.

i. Master Professional Services Agreement - Construction Materials Testing

Authorize the General Manager to execute a Master Professional Services Agreement with Geotest Engineering, Inc., for Construction Materials Testing for all SJRA Divisions.

j. Master Professional Services Agreement - Construction Materials Testing

Authorize the General Manager to execute a Master Professional Services Agreement Raba Kistner, Inc., for Construction Materials Testing for all SJRA Divisions.

k. Master Professional Services Agreement - Industrial Pretreatment Services

Authorize the General Manager to execute a Master Professional Services Agreement with Plummer Associates, Inc., for Industrial Pretreatment Services for all SJRA Divisions.

6. REGULAR AGENDA

a. Financial Advisory Agreement

Ms. Steiger explained that Robert W. Baird & Co., Inc., (“Baird”) has been the Authority’s financial advisor since 2015. She went on to explain that the Authority issued a Request for Qualifications (“RFQ”) in March, 2023, and received two responses. Ms. Steiger stated that the RFQs are based on qualifications, not price, and explained that following review of both responses, the evaluation team selected Baird. Director Johnson made a motion to approve the Financial Advisory Agreement with Robert W. Baird & Co., Inc. The motion was seconded by Director Micheletti and carried unanimously.

b. Resolution - Revised Water Conservation Plans

Mr. Barrett explained that an application was submitted to the Texas Commission on Environmental Quality (“TCEQ”) for a Regional Return Flows Feasibility Study and Permitting project. He stated that the TCEQ requires updated water conservation plans for SJRA's Lake Conroe Division and Highlands Division to be submitted as part of the application process. Director Micheletti made a motion to adopt Resolution No. 2023-R-12, of the San Jacinto River Authority Board of Directors adopting revised Water Conservation Plans for the Lake Conroe

Division and Highlands Division; authorizing the General Manager to implement such revised Plans; repealing and rescinding prior Plans for the Lake Conroe Division and Highlands Division; and containing other provisions related thereto. The motion was seconded by Director Mora and carried unanimously.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation of the proposed Fiscal Year 2024 Operating Budgets

Ms. Jamye Lewis, Accounting Manager, presented the proposed Fiscal Year 2024 Operating Budget, including various budget assumptions, division fund summaries, and proposed water rates for the Woodlands Division customers as well as the raw water customers. Director Micheletti, Chair of the Finance Committee, commended staff for their efforts in producing a highly detailed budget document.

b. Presentation of the proposed Fiscal Year 2024 rates for the Woodlands Division customers

Ms. Lewis presented information related to the budget process for the Woodlands Division customers. She discussed the expectations relative to the various levels of service. Ms. Lewis stated that the proposed water and wastewater rates will be \$2.78/1,000 gallons and \$5.65/1,000 gallons, a 1.8% and a 2.2% increase, respectively.

c. Presentation of the proposed Calendar Year 2024 rates for the Raw Water customers

Ms. Lewis presented the proposed raw water rate for Calendar Year 2024, which is \$0.58/1,000 gallons, a 6.4% increase. She explained that according to the raw water rate model, the proposed rate falls just below the prior projection for 2024.

8. EXECUTIVE SESSION

The meeting was convened in executive session at 8:49 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.** Litigation related to GRP.
- c.** Discussion regarding General Manager search pursuant to Texas Government Code Section 551.074, Personnel Matters.

9. RECONVENE IN OPEN SESSION

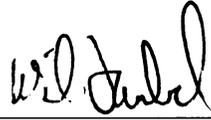
With a quorum of the Board present, the meeting was called into open session at 10:28 a.m.

10. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the next San Jacinto River Authority Regular Board Meeting will take place on August 24, 2023.

11. ADJOURN

Without objection, the meeting was adjourned at 10:29 a.m.



Wil Faubel
Secretary, Board of Directors

