

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
AUGUST 24, 2023**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., August 24, 2023, at the San Jacinto River Authority Lake Conroe Division Conference Room. Notice of said meeting was posted as required by law. President Ronnie Anderson, Vice President Ed Boulware, Secretary Wil Faubel, Director Stacey Buick, and Director Stephanie Johnson were present. Treasurer Mark Micheletti and Secretary Pro-Tem Ricardo Mora were absent. 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; Connie Curtis, Director of Technical and Operational Services, 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 8:12 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Director Anderson.

3. PUBLIC COMMENTS

Ms. Jade Olivier spoke in regard to her new position in Commissioner Noak's office.

Mr. Dan Krueger commented on Lake Conroe and the seasonal lake lowering initiative.

4. DIVISION UPDATES

a. G & A:

Mr. Shackelford commented on various meetings and events that took place in August.

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

Ms. Curtis provided a brief update related to the SCADA I&C Department, the various Master Professional Service Agreements on the Consent agenda, and various projects taking place in The Woodlands.

e. Utility Enterprise

Mr. Meeks provided information related to the GRP and Woodlands Divisions Drought Contingency Plans.

f. Lake Conroe

Mr. Raley provided information related to the Lake Conroe Division Drought Contingency Plan.

g. Highlands

Mr. Tramm provided information related to the Highlands Division Drought Contingency Plan.

h. Flood Management

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

5. CONSENT AGENDA

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

a. Approval of Minutes - Regular Meeting of July 27, 2023.

b. Unaudited Financials

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

c. Master Professional Services Agreement - Civil Engineering Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Civil Engineering Support Services with Costello, Inc., for all SJRA Divisions.

d. Master Professional Services Agreement - Civil Engineering Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Civil Engineering Support Services with Pape-Dawson Consulting Engineers, LLC, for all SJRA Divisions.

e. Master Professional Services Agreement - Civil Engineering Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Civil Engineering Support Services with Walter P. Moore and Associates, Inc., for all SJRA Divisions.

f. Master Professional Services Agreement - Civil Engineering Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Civil Engineering Support Services with Lockwood, Andrews & Newnam, Inc., for all SJRA Divisions.

g. Master Professional Services Agreement - Hydrogeology and Groundwater Management Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Hydrogeology and Groundwater Management Services with INTERA Incorporated for all SJRA Divisions.

h. Master Professional Services Agreement - Cathodic Protection Engineering and Inspection Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Cathodic Protection Engineering and Inspection Services with V&A Consulting Engineers, Inc., for all SJRA Divisions.

i. Work Order No. 4 - Staff Augmentation for Technical Services Department

Authorize the Acting General Manager to execute Work Order No. 4 with Civitas Engineering Group, Inc., in an amount not to exceed \$100,000, for staff augmentation consulting services for the Technical Services Department.

j. Consulting Services Agreement - Professional Public Communications Consulting Services

Authorize the Acting General Manager to execute a Consulting Services Agreement with Hollaway Environmental + Communication Services, Inc., for Professional Public Communications Consulting Services for the Woodlands Division.

k. Work Order No. 2 - Southshore Sewer Renewal Project

Authorize the Acting General Manager to execute Work Order No. 2 with ARKK Engineers, LLC, in an amount not to exceed \$775,041, for final design, procurement assistance, and construction phase services for the Southshore Sewer Renewal Project in The Woodlands.

l. Master Professional Services Agreement - Water Strategy Consulting Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Water Strategy Consulting Services with Freese and Nichols, Inc., for the Raw Water Enterprise.

m. Master Professional Services Agreement - Flood Management Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Flood Management Support Services with Gauge Engineering for the Flood Management Division.

n. Master Professional Services Agreement - Flood Management Support Services

Authorize the Acting General Manager to execute a Master Professional Services Agreement for Flood Management Support Services with Half Associates, Inc., for the Flood Management Division.

6. REGULAR AGENDA

a. Resolution - Defined Contribution Plan

Ms. Steiger provided an overview of the proposed changes to the Defined Contribution Plan. She stated that a secondary 401(a) plan would be beneficial for the purpose of incentivizing certain executive level staff to perform duties above and beyond what was contemplated for their current positions and to enhance the Authority's ability to attract and retain certain executive level staff. Further, the plan amounts would be limited to those established by the Board for each eligible individual. She explained that additional individuals would not be added without Board approval and that the plan amounts would remain in effect until individual participants no longer held such positions, or until revoked by the Board of Directors. Director Faubel made a motion to adopt Resolution No. 2023-R-13, of the San Jacinto River Authority Board of Directors approving and adopting a Defined Contribution Plan. The motion was seconded by Director Boulware and carried unanimously.

It was announced that Regular Agenda items 6b, 6c, and 6d would be considered together.

Mr. Shackelford briefly explained the budgeting process and timeline. Several divisions, departments, and staff members were thanked for their efforts throughout the budgeting process. Director Faubel provided comments on behalf of the Finance Committee, stating the committee met several times throughout the year to review the proposed budget and rates. Director Faubel explained that the proposed budget was very detailed and transparent, and stated the Finance Committee recommended approval of the proposed Fiscal Year 2024 budget, the proposed Fiscal Year 2024 Woodlands Division rates, and the proposed Calendar Year 2024 Raw Water rates.

Director Boulware made a motion to approve and adopt Regular Agenda items 6b, 6c, and 6d, as recommended. The motion was seconded by Director Faubel and carried unanimously.

b. Resolution - Fiscal Year 2024 Operating Budgets

Adopt Resolution No. 2023-R-14, of the San Jacinto River Authority Board of Directors approving and adopting a budget for the fiscal year beginning on September 1, 2023, and ending August 31, 2024, inclusive.

c. Amended Rate Order - Woodlands Division Customers

Adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order No. 2023-O-01, for Woodlands Division Customers, effective September 1, 2023.

d. Amended Rate Order - Raw Water Customers

Adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order No. 2023-O-02, for Raw Water Customers, effective January 1, 2024.

e. Order - Revised Code of Ethics, Rules, Regulations, and Policies

Mr. Mitchell Page, General Counsel, explained that House Bill 2815, approved by the 88th Legislative Session, was an "omnibus clean-up bill" which made numerous updates to statutes affecting water districts to improve their efficiency and efficacy. He explained that one notable change allows the board of directors of a water district to increase director per diems to an amount up to the amount of the legislative per diem, which is currently \$221. He stated that the proposed

Code of Ethics, Rules, Regulations, and Policies amends Article II, “Fees and Expense Policy”, Section 2.02, to reflect the change in legislation. Finally, Mr. Page explained that the proposed language would automatically follow the changes related to legislative per diems set by the Texas Ethics Commission, until such time that the Board of Directors modifies or alters the language. Director Johnson made a motion to adopt Order No. 2023-O-03, of the San Jacinto River Authority Board of Directors adopting a revised Code of Ethics, Rules, Regulations, and Policies. The motion was seconded by Director Faubel and carried unanimously.

f. Construction Contract - Pressure Regulating Valve on Grogan's Mill Road

Mr. Dan Hilderbrandt, Technical Services Manager, discussed the pressure regulating valve project on Grogan’s Mill Road. Director Buick made a motion to authorize the Acting General Manager to execute a construction contract with Mallard Underground Utilities in the amount of \$131,002, for Pressure Regulating Valve on Grogan's Mill Road in The Woodlands, and contract modifications up to the amount approved by the Purchasing Policy. The motion was seconded by Director Boulware and carried unanimously.

g. Work Order No. 3 - GRP Rate Study and Model Update

Ms. Summer Hvasta, Utility Enterprise Customer Service Manager, explained that the Groundwater Reduction Plan Division (“GRP Division”) is proposing to conduct a very comprehensive rate study and rate model update to determine the level of required future annual revenue needed to support the operations, maintenance, repair, rehabilitation, replacement, and capital improvements of the surface water treatment facility and delivery system. Director Faubel moved for approval authorizing the Acting General Manager to execute Work Order No. 3 with Carollo Engineers, Inc., in an amount not to exceed \$204,922, for the GRP Division Rate Study and Model Update. The motion was seconded by Director Johnson and carried unanimously.

h. Joint Funding Agreement - Water Resource Investigations

Mr. Raley explained the reasoning behind the annual joint funding agreement between the San Jacinto River Authority (“SJRA”) and the United States Geological Survey (“USGS”), whereby USGS provides certain water quantity and quality data collection activities that are beneficial to the SJRA. He explained that the total cost of the program is shared between the SJRA and USGS, with a total project cost of \$238,400, of which the SJRA’s share is \$196,450, while the USGS’s share is \$41,950. Director Buick made a motion to authorize the Acting General Manager to execute a joint funding agreement with USGS for data collection and analysis activities for the period October 1, 2023, through September 30, 2024, in the amount of \$196,450, which is the SJRA’s portion. The motion was seconded by Director Faubel and carried unanimously.

i. Construction Contract - Highlands Reservoir Access and Structure 5 Improvements

Ms. Kitt Crabb, Project Manager, provided an overview of the Highlands Reservoir Access and Structure 5 Improvements Project. She stated that Structure 5 is considered the starting point of SJRA’s East Canal and is an integral point of the system. Further, she explained that the structure was built in the early 2000’s and has three control gates which allow the division to regulate flow from the Main Canal and Reservoir into the East Canal to serve downstream customers. The structure is currently accessed by a non-passable wooden bridge. She continued by explaining that there is also significant erosion around the Structure 5 headwalls, as well as in the channel downstream of Fig Orchard Road. She stated that other improvements include the installation of a concrete box culvert to replace the wooden bridge, a gravel access road, a sheet pile retaining wall, riprap for erosion protection, and SCADA instrumentation for remote operation capabilities. Ms.

Crabb further stated that all of the proposed improvements will provide staff with better access to the structure, as well as remote operation capabilities. Mr. Faubel inquired about the cost breakdown of each of the services being provided. Discussion ensued. Ms. Curtis requested time to retrieve additional information to further explain the cost breakdown of the project. Director Faubel suggested the Board convene to Executive Session to give Ms. Curtis time to obtain additional information.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 9:33 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.

8. RECONVENE IN OPEN SESSION

With a quorum of the Board present, the meeting was called into open session at 10:44 a.m.

6i. Construction Contract - Highlands Reservoir Access and Structure 5 Improvements

Following Executive Session, Ms. Curtis provided the Board with requested information related to the Highlands Reservoir Access and Structure 5 Improvements Project. Discussion ensued. Director Buick made a motion to authorize the Acting General Manager to execute a construction contract with Jerdon Enterprise, L.P., in the amount of \$846,150.25, for Highlands Reservoir Access and Structure 5 Improvements for the Highlands Division, and contract modifications up to the amount approved per the Purchasing Policy. The motion was seconded by Director Johnson and carried unanimously.

9. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the next San Jacinto River Authority Regular Board Meeting will take place on September 28, 2023.

10. ADJOURN

Without objection, the meeting was adjourned at 10:53 a.m.



Wil Faubel
Secretary, Board of Directors