



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

July 24, 2023

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., July 24, 2023, 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:

<u>Present:</u>	<u>GRP Review Committee:</u>	<u>Representing:</u>
Rick Moffatt	Chair	MUDs East of I-45
Mike Mooney	Vice Chair	Woodlands Water Agency
Jackie Chance		MUDs West of I-45
James Corn		Cities other than City of Conroe
Mike Stoecker		Investor-Owned Utilities
Harry Hardman		City of Conroe

Also present:

<u>Name:</u>	<u>Title:</u>
Ed Shackelford, P.E.	SJRA Director of Operations
Mitchell Page	Schwartz, Page & Harding, L.L.P., SJRA General Counsel
Chris Meeks	SJRA Utility Enterprise Manager
Summer Hvasta	SJRA UE Customer Service Manager
Renee Johnson	SJRA UE Administrative Manager
Jacob Everett	SJRA UE Maintenance Manager
Jason Williams	SJRA UE Operations Manager
Kelli Stormer	SJRA Senior Accountant
Pam Steiger	SJRA Chief Financial Officer
Joy Homewood	SJRA Administrative Assistant III
Daniel Hilderbrandt, P.E.	SJRA Technical Services Manager
Aaron Schindewolf	SJRA Technical Services Project Manager
Connie Curtis	SJRA Director of Technical and Operational Services
Heather Cook	SJRA Director of Communications and Public Affairs
Tom Michel	SJRA Director of Financial and Administrative Services
Jim Spigener	Lone Star Groundwater Conservation District (“LSGCD”), President
Justin Saenz	LSGCD, Education and Conservation Outreach Coordinator
Kirstin Hein, P.G.	LSGCD, Permitting Director
Greg Henry, P.E.	Lockwood, Andrews & Newnam, Inc.

San Jacinto River Authority – GRP Division

July 24, 2023 Minutes

Mike Mathena, P.E.	LightPoint Engineering, LLC on behalf of City of Willis
Erich Peterson	Woodlands Water Agency
Mike Ives	City of Willis
Brad Houk	Citizen
David Smith	Citizen
Jerry Rueschhoff	MUD 94
Roger Olsen	MUD 94

1. CALL TO ORDER

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

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Mr. Hardman moved to approve the minutes from June 19, 2023. Mr. Mooney seconded the motion and it was carried unanimously.

4. GRP DIVISION UPDATES

Mr. Meeks shared an update with the remaining surface water allocation numbers for the seven surface water recipients through the rest of the 2023 Fiscal Year (FY), as of June 30, 2023. As a reminder to the group, annual budgeted production for the plant is around 13 MGD. Mr. Williams confirmed we are currently averaging 21.5 MGD daily production for this month.

Mrs. Hvasta provided an update regarding SJRA staff attendance and presentations during the Texas Water Conservation Association summer conference. We also held various plant tours with the City of Conroe, Bleyl Engineering, and interns from both CobbFendley and Freese and Nichols.

Mr. Meeks included a second update related to the current construction project for the Process Water Recovery Basins. He reviewed the overall summary of the project, its purpose, timeline for completion, construction amount, expected asset life, and the project update included in the Monthly Operations Report (MOR). In response to a question from Mr. Mooney, Mr. Meeks stated Kean Construction is the contractor for this project.

5. CITY OF WILLIS REQUEST

Mr. Meeks explained that the City of Willis had recently contacted the GRP Division requesting a waiver of groundwater pumpage fees specifically related to the rehabilitation of wells that are currently offline.

Mr. Mathena introduced himself and Mr. Ives from the City of Willis and explained the current state of two specific wells built in 1984, Well No. 4, and 1995-96, Well No. 5. Both were taken offline several years ago, primarily due to maintenance costs. As the City of Willis has continued to grow, they are seeking to rehabilitate both wells and bring them back online. In order to facilitate this, they need to pump groundwater through both wells for two to three days, possibly longer, and are looking for a variance or waiver related to pumpage fees on the planned groundwater flushing for this specific purpose.

There was discussion around the timeline of testing, potential overall cost of groundwater fees, worst case scenarios, and expected revenue from both wells once they are back online and water is safe to sell to their customers. In response to a question from Mr. Mooney, it was confirmed both wells pull from the Jasper aquifer. Mr. Stoecker asked whether there are any stipulations in their current contract accounting for this type of situation. Mr. Page answered there is no provisions in the GRP Contract that would authorize a waiver of pumpage fees and, further, that the contract between SJRA and the City of Willis related to the development of Catahoula supplies authorizes a waiver of pumpage fees in limited circumstances related to a failure of a Catahoula well that are not applicable.

Mr. Chance made a motion that SJRA staff work with the City of Willis on a payment plan with the fees specific to rehabilitation of those wells, not to exceed a time period of 12 months. Mr. Hardman seconded the motion and it was carried unanimously.

6. PANTHER BRANCH FAULT STUDY

Mr. Meeks introduced Mr. Henry from LAN, Inc., who then briefly covered the Agenda for his presentation on the suspected Panther Branch Fault Study. Points included The Woodlands Subsidence Faults, GRP water transmission line projects for Water Lines 1 and 2, the preliminary fault study, potential concerns around the steel pipe, and their findings and conclusions.

Mr. Henry reminded the group the scope of work was not to delineate a fault; the primary purpose was to evaluate the risk to the W2A 42-inch Water Line due to ground movement at Cat's Cradle Drive and recommend options to minimize any risk to the line itself. He provided summaries of the types of studies done, various data points gathered, worst case scenarios and options, feasible boring locations in the area, and bore log data. Their conclusions from the overall data were stated as no evidence of subsurface faulting in the vicinity of the line, small surface movements found on north side of Research Forest, and overall low risk to 42-inch water line itself.

After presenting their results, Mr. Henry reviewed options that could help minimize any risk, primarily continuing ongoing operations and repairs as necessary, maintaining periodic visual inspections internally within the pipeline, and handling damage as any arises. Mr. Meeks confirmed that while the current frequency for land surface monitoring of the benchmarks is twice per year, per recommendation from LAN and based on their findings, it will be reduced to once per year. He also reminded the group the report is not finalized at this point, but once completed it will be disseminated to the Review Committee members.

The Review Committee members expressed their thanks to Mr. Henry for his time, and appreciation for the teams' efforts. Mr. Stoecker asked if there are any items to consider for future GRP budgets at this time based on the new information. Mr. Meeks responded that they will be taking the recommendations from LAN, and continuing operations as usual. Mr. Shackelford added that this helps significantly with the financial planning aspect. In response to a question from Mr. Moffatt around the recommended visual inspection every ten years, Mr. Meeks confirmed that due to the length of time before that would occur, there would be no new items recommended for budget inclusion relative to this topic at this time.

7. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT

Ms. Hein first shared that their new General Manager Sarah Kouba is scheduled to start with the LSGCD on August 14, 2023. She thanked SJRA and consultants for the productive meeting held regarding coring options for the Phase 3 Subsidence Study and are currently evaluating all options. The LSGCD will be reviewing stakeholders' comments submitted on the current set of rules during the open comment period, and she anticipates an update on next steps during the LSGCD Board of Directors meeting in August.

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

Mr. Meeks reported that there were no GRP items to be considered at the SJRA Board of Directors meeting scheduled for July 27, 2023.

9. ATTORNEY'S UPDATE

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

10. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS

- a. Discuss recommendation from Review Committee member to engage an operational efficiency consultant.

Mr. Stoecker requested this item be added to the Review Committee Agenda. There was discussion among the members around the scope of Mr. Stoecker's purpose in requesting this item be reviewed by the GRP Review Committee members, how the SJRA budget is structured among the Authority as a whole, and rising costs among the industry overall.

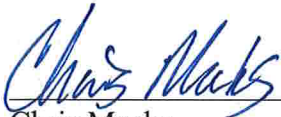
Mr. Shackelford took an opportunity to remind the Committee of the rate consultants employed by the GRP Division, and of the considerable audits that occurred during the Sunset Review period. He also reviewed the timeline for the budget cycles and how it impacts this item being included. As a note, Mr. Shackelford added that a new General Manager could start before or after this is approved and reminded the group that there have been several GRP optimization projects that have been postponed due to a lack of funds. Mr. Meeks confirmed he can prepare a list of postponed projects for the members to review during their next discussion, and requested the members promptly send SJRA staff any further questions in order to allow enough time for preparation of relevant information.

11. FUTURE MEETING SCHEDULE

- a. Monday, August 21, 2023.

12. ADJOURN

Mr. Moffatt adjourned the meeting at 12:30 PM.



Chris Meeks

SJRA Utility Enterprise Manager / GRP Administrator