

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
MARCH 27, 2025**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., March 27, 2025, at the San Jacinto River Authority General and Administration Building. Notice of said meeting was posted as required by law. President ProTem Mark Micheletti, Secretary Wil Faubel, Director Stacey Buick, and Director Stephanie Johnson were present. President Ronnie Anderson, Vice President Ed Boulware, and Secretary ProTem Ricardo Mora were absent. Also in attendance were Aubrey A. Spear, General Manager; Heather Ramsey, Director of Communications and Public Affairs; Ed Shackelford, Director of Operations; Connie Curtis, Director of Technical and Operational Services; Pam Steiger, Chief Financial Officer; Cynthia Bowman, Chief of Staff; Amy Sims, General Counsel, and Mitchell Page, Outside General Counsel.

1. Call to Order

The meeting was called to order at 8:00 a.m.

2. Ceremonial Items

2.1 Invocation

The invocation was delivered by Director Micheletti.

2.2 Pledges of Allegiance to the U.S. and Texas Flags

The Pledges of Allegiance were led by Director Micheletti.

2.3 Receipt of Commendation, Awards, and Honoraria

2.3.1 Recognize Walter Mosley for 45 Years with SJRA

Mr. Spear recognized Mr. Walter Mosley for 45 years with the San Jacinto River Authority and presented him with a proclamation and a plaque in honor of his service.

2.3.2 Recognize the Procurement Department during National Procurement Month

Ms. Steiger introduced the Procurement Department in recognition of National Procurement Month.

2.3.3 Texas Water Ops Challenge

Mr. Shackelford, Mr. Chris Meeks, Mr. Jason Williams, and Mr. Jacob Everett introduced the Utility Enterprise staff members, Jeff Meyer, James Turner, Jeff Petrovich, Matt Parks, Brandon Dorow, and Alex Wigginton, who participated in the 2025 Texas Water Operations Challenge. The team placed first in the DIV II Exhibition Events, the Seepex Exhibition Event, and the Grundfos Exhibition Event. Further, the team received second place in the Victaulic Exhibition Event, third place in the Freese and Nichols process Control Event, and third place in Best Tasting Water.

2.3.4 Watermark Awards

Ms. Ramsey stated that the Communications team received Watermark Awards for Communications Excellence in the category of Digital Content and Community Outreach

and Education.

3. Public Comments

Mr. Dan Krueger spoke regarding the progress of the watershed's flood mitigation efforts. Mr. Kevin Lacy spoke about Active Storm Management.

4. Work Session

4.1 Update by the General Manager regarding meetings and events attended by staff.

Mr. Spear provided information related to ongoing preparations by staff for storm events and hurricane season. He also spoke in reference to Active Storm Management and the 89th Texas Legislative Session relative to water projects, water supply, infrastructure, and funding for same.

4.2 Update by the Director of Communications and Public Affairs regarding updates related to various division and departmental projects, initiatives, tours, meetings, and social media platforms.

Ms. Ramsey provided updates related to various division and departmental projects, initiatives, tours, meetings, conferences, and social media.

5. Consent Agenda

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

5.1 G&A - Minutes

Approval of Minutes - Regular Meeting of February 27, 2025.

5.2 G&A - Unaudited Financials

Approve the unaudited financials for the months of January and February, 2025.

5.3 G&A - Quarterly Investment Report

Approve the Quarterly Investment Report for the Quarter Ended February 28, 2025.

5.4 G&A - Retirement Plan Investment Committee Charter Amendment

Approve and adopt the revised Retirement Plan Investment Committee Charter dated March 27, 2025.

5.5 G&A - Consulting Services Agreement for Retirement Investment Analysis and Management Services

Authorize the General Manager to execute a Consulting Services Agreement with Hyas Group, LLC, for Retirement Investment Analysis and Management Services.

5.6 G&A - Service Agreement for Human Capital, Payroll, and Time Keeping Management System

Authorize the General Manager to execute a service agreement with PayCom Software, Inc., in the approximate amount of \$420,000, for a Human Capital, Payroll, and Time Keeping Management System.

6. Regular Agenda

Ms. Curtis explained that the Woodlands Division completed design to replace two sand tertiary filters at Wastewater Treatment Facility No. 2 ("WWTF No. 2). She stated that additional funds above the original amount budgeted for the project were required for Work Order No. 2, construction phase services, therefore requesting a budget amendment to move funds in the amount of \$100,000 from the AC Waterline Condition Assessment Project to the WWTF No. 2 Tertiary Filter Improvement Project. Mr. Nabeel Khan provided information regarding the Construction Contract and Work Order No. 2 related to the Wastewater Treatment Facility No. 2 Tertiary Filter Improvements Project.

6.1 Woodlands - Resolution - Amended Fiscal Year 2025 Operating Budget - Tertiary Filter Improvements

Director Faubel made a motion to adopt Resolution No. 2025-R-07, of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2025 Budget for the Woodlands Division. The motion was seconded by Director Johnson and carried unanimously.

It was announced that items 6.2 and 6.3 would be considered together.

Director Buick made a motion to approve items 6.2 and 6.3 as presented. The motion was seconded by Director Johnson and carried unanimously.

6.2 Woodlands - Construction Contract for Wastewater Treatment Facility No. 2 Tertiary Filter Improvements

Authorize the General Manager to execute a construction contract with Industrial TX Corporation in the amount of \$5,366,000, for Wastewater Treatment Facility No. 2 Tertiary Filter Improvements for the Woodlands Division, and contract modifications up to the amount approved per the Procurement Policy.

6.3 Woodlands - Work Order No. 2 Wastewater Treatment Facility No. 2 Tertiary Filter Improvements

Authorize the General Manager to execute Work Order No. 2 with Freese and Nichols, Inc., in an amount not to exceed \$138,114, for construction phase services for Wastewater Treatment Facility No. 2 Tertiary Filter Improvements for the Woodlands Division.

6.4 Woodlands - Resolution - Amended Fiscal Year 2025 Operating Budget - Excess Funds

Ms. Steiger explained that excess funds in the amount of \$5,126,308.77 existed in the Woodlands Division budget from Fiscal Year 2024, based on the results of the annual independent audit report (Annual Comprehensive Financial Report) approved by the Board of Directors on January 23, 2025. Ms. Steiger explained that in order for excess funds to be eligible for refund or use by the San Jacinto River Authority, revenue for the Woodlands Division must be above 90% of the budgeted amount after six months into the current fiscal year. Ms. Steiger confirmed that Fiscal

Year 2025 revenues for September 1, 2024, through February 28, 2025, were adequate to satisfy the requirement. Following review of the excess funds by The Woodlands Trustees, Ms. Steiger explained that the Trustees approved that the Fiscal Year 2024 excess funds be refunded to the Municipal Utility Districts. Director Buick made a motion to adopt Resolution No. 2025-R-08, of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2025 Operating Budget for the Woodlands Division. The motion was seconded by Director Faubel and carried unanimously.

6.5 Woodlands - Seventh Supplemental Agreement with Municipal Utility District No. 39

Mr. Shackelford explained that the San Jacinto River Authority (SJRA”) and Municipal Utility District No. 39 (“MUD No. 39”) entered into a contract in 1999 that provided the procedure for obtaining water supply and waste disposal facilities by SJRA to serve the needs of MUD No. 39, by the acquisition, construction, improvement, enlargement, extension or repair of the water supply and waste disposal system. Further, he explained that a series of supplemental agreements and supplemental financing agreements to the original contract were entered into for the purpose of supplementing and implementing the original contract to make specific provisions for the reservation, acknowledgement, or arrangement for payments for capacities in and to the water supply and waste disposal system to serve the needs of MUD No. 39. Mr. Shackelford stated that the Seventh Supplemental Agreement makes specific provisions for the purchase and provision of additional capacities by MUD No. 39, in and to the water supply and waste disposal systems. Further, he explained that pursuant to the Fifth Supplemental Agreement, the rate for such existing capacities is the rate specified in the Sixth and Final Accounting; and pursuant to the Sixth and Final Accounting, the rate for water supply capacity is \$1,827.57 per single family residential equivalent connection, and the rate for wastewater treatment, collection and transportation capacity is \$1,569.46 per single family residential equivalent connection. Mr. Shackelford stated that for the additional 415 connections, MUD No. 39 will make a lump sum, cash payment to SJRA in the amount of \$1,409,767.45 (consisting of \$758,441.55 for water supply capacity and \$651,325.90 for wastewater treatment, collection, and transportation capacity) for the purchase of the additional capacities not later than March 31, 2025. Director Faubel made a motion to authorize the General Manager to execute the Seventh Supplemental Agreement by and between the SJRA and MUD No. 39, of Montgomery County, Texas. The motion was seconded by Director Johnson and carried unanimously.

6.6 Woodlands - Resolution - Amended Fiscal Year 2025 Repair and Replacement Budget

Ms. Steiger explained that pursuant to the Seventh Supplemental Agreement, the Woodlands Division would receive an unbudgeted capital contribution from MUD No. 39 in the amount of \$1,409,767.45, necessitating a Fiscal Year 2025 budget amendment for the Woodlands Division. She stated that the \$1,409,767.45 would be deposited into the Repair and Replacement fund. Director Johnson made a motion to adopt Resolution No. 2025-R-09, of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2025 Repair and Replacement Budget for the Woodlands Division. The motion was seconded by Director Faubel and carried unanimously.

Director Johnson presented information relative to the Lake Conroe Park lease agreement. She stated that the Lake Conroe Park Committee met throughout the process and recommend execution of the lease agreement with Lake Conroe Beach Park for the operation of Lake Conroe Park. Director Johnson then introduced Leroy, Joan, and Soraya Herbert of Lake Conroe Beach Park. The Herberts presented their philosophy and concepts for Lake Conroe Park.

6.7 Raw Water Enterprise - Lake Conroe Park Lease Agreement

Director Johnson made a motion to authorize the General Manager to execute a lease agreement with Lake Conroe Beach Park for the operation of Lake Conroe Park. The motion was seconded by Director Buick and carried unanimously.

7. Executive Session

The meeting was convened in executive session at 9:06 a.m., under the following provisions:

7.1 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.

7.2 Pursuant to Texas Government Code, Section 551.071, Consultation with Attorney:

7.2.1 Discuss litigation related to Hurricane Harvey, including additional legal services to be provided by Hunton Andrews Kurth, LLP;

7.2.2 Litigation involving City of Conroe, City of Magnolia, Quadvest, L.P., Woodland Oaks Utility, L.P., related to GRP, and other potential litigation related to GRP;

7.2.3 Proposed amendments to the 1944 Agreement and 2009 Water Supply Contract between the San Jacinto River Authority and the City of Houston; and

7.2.4 Discussion regarding adjacent property encroachments onto SJRA owned property.

7.3 Pursuant to Texas Government Code, Section 551.072, Real Property:

7.3.1 Discussion regarding the Woodlands Wastewater Treatment Facility No. 1 Project.

7.4 Pursuant to Texas Government Code, Section 551.074, Personnel Matters:

7.4.1 Discussion regarding General Manager, Director of Operations, Director of Technical and Operational Services, Director of Communications, Chief Financial Officer, General Counsel, and Chief of Staff.

8. Reconvene in Open Session

With a quorum of the Board present, the meeting was called into open session at 10:53 a.m.

9. Announcements / Future Meeting

It was announced that the next San Jacinto River Authority Regular Board Meeting will take place on April 24, 2025.

10. Adjourn

Without objection, the meeting was adjourned at 10:54 a.m.




 Wil Faubel
 Secretary, Board of Directors