

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JULY 24, 2025**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 9:00 a.m., July 24, 2025, 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, and Director Stacey Buick were present. Secretary ProTem Ricardo Mora and Director Stephanie Johnson 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 9:00 a.m.

2. Ceremonial Items

2.1 Invocation

The invocation was delivered by Taylor Robertson of Restoration Church Woodforest.

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

The Pledges of Allegiance were led by Director Anderson.

2.3 Receipt of Commendation, Awards, and Honoraria

There were no commendations, awards, or honoraria presented.

3. Public Comments

Mr. Mike Bleier spoke about easement encroachments. Mr. Kevin Lacy and Mr. Dan Krueger provided comments regarding agenda items 6.2 and 6.3.

4. Work Session

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

Mr. Spear commented on hurricane season stating that staff continuously monitors the weather and is prepared for weather events. Mr. Spear thanked staff for their efforts in preparing the Fiscal Year 2026 budget.

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 various updates related to community engagement events to include

Montgomery County Constable Precinct 1's "Operation Dry Water", Greater East Montgomery County Chamber's "Celebrate America" event, Watershed 101 training with Montgomery County Commissioner Matt Gray's Office, as well as and other social media content.

4.3 Presentation regarding the proposed Fiscal Year 2026 Operating Budgets.

Ms. Jamye Lewis, Controller, presented the proposed Fiscal Year 2026 Operating Budgets, which included information regarding various budget assumptions, the GRP Division's surface water production and allocation statistics, an overview of the targeted reserve funds for the GRP, Woodlands, Highlands, Lake Conroe, and General and Administrative divisions. She then provided fund summaries for each of the divisions to include Bear Branch and the Region H Water Planning Group.

4.4 Presentation regarding the proposed Calendar Year 2026 rates for raw water customers.

Ms. Lewis presented the proposed raw water rate for Calendar Year 2026, which is \$0.66 per 1,000 gallons, an 8.2% increase over the previous year's rate. She then provided an overview of past and future raw water rates.

4.5 Presentation regarding the proposed Fiscal Year 2026 rates for the Woodlands Division customers.

Ms. Lewis presented information related to the Fiscal Year 2026 proposed rates for Woodlands Division customers. She stated that the wholesale water rate and the wholesale wastewater rate would remain the same as in Fiscal Year 2025, being \$2.73 per 1,000 gallons and \$5.65 per 1,000 gallons, respectively. She went on to state however, that there will be a 1.85% decrease in the GRP blended fee, being \$2.92 per 1,000 gallons.

4.6 Presentation regarding the proposed Fiscal Year 2026 rate for GRP Participants.

Ms. Lewis presented information related to the proposed Fiscal Year 2026 rates for GRP participants. She reported a 1.87% decrease in the groundwater pumpage fee and a 1.53% decrease in the surface water fee, which equates to \$2.62 per 1,000 gallons and \$3.21 per 1,000 gallons, respectively.

5. Consent Agenda

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

5.1 G&A - Minutes

Approval of Minutes - Regular Meeting of June 26, 2025.

5.2 G&A - Unaudited Financials

Approve the unaudited financials for the month of June, 2025, and the revised unaudited financials for the months of February, March, April, and May, 2025.

5.3 GRP - Work Order No. 1 for 24-Inch SJRA GRP Water Line Relocation along SH75

Authorize the General Manager to execute Work Order No. 1 with Lockwood, Andrews & Newnam, Inc., in an amount not to exceed \$96,286, for design engineering services for 24-Inch SJRA GRP Water Line Relocation along State Highway 75 for the GRP Division.

5.4 Raw Water Enterprise - Professional Services Agreement and Work Order No. 1 for Garth Road Siphon Improvements

Authorize the General Manager to execute a Professional Services Agreement and Work Order No. 1 with Pape-Dawson Engineers, LLC, in an amount not to exceed \$238,223.06, for preliminary design of siphon improvements for the Garth Road Siphon Improvements Project for the Highlands Division.

5.5 Woodlands - Amendment No. 3 to Work Order No. 1 for Lift Station No. 1 Bypass Decommissioning

Authorize the General Manager to execute Amendment No. 3 to Work Order No. 1 with Baxter & Woodman, Inc., in an amount not to exceed \$13,658, for final design of Lift Station No. 1 Bypass and Decommissioning for the Woodlands Division.

6. Regular Agenda

6.1 G&A - Contract for Electronic Document and Records Management System

This item was not considered.

6.2 Flood Management - Resolution - Amendment to Flood Infrastructure Fund Grant Funding for the Lake Conroe-Lake Houston Joint Reservoir Operations Study

Mr. Justin Sandt, Project Manager, and Mr. Matt Barrett, Water Resource and Flood Management Division Manager, provided an overview of the San Jacinto River Basin watershed by describing the attributes of the upper and lower regions of same. Mr. Barrett provided information related to the Lake Houston dam, stating that the City of Houston and the Coastal Water Authority ("CWA") are wrapping up the design phase to add floodgates to the Lake Houston dam. He continued by stating that benefits of the proposed additional gates will provide CWA the ability to lower Lake Houston more rapidly in advance of storm events and provide the City of Houston, CWA, and SJRA the opportunity to coordinate on joint reservoir operations plans for Lake Conroe and Lake Houston. Mr. Sandt provided information related to the Texas Water Development Board's ("TWDB") Flood Infrastructure Fund ("FIF") grant funding for the Lake Conroe-Lake Houston Joint Reservoir Operations Study which was awarded on July 27, 2021. He stated that the study has been on hold pending the results of the City of Houston's preliminary design on the project to add new gates or uncontrolled additional spillway capacity at Lake Houston dam. It was stated that the City of Houston's efforts have progressed to the extent that this study can be performed in parallel with the remainder of the City's project. Mr. Sandt stated that an amendment to the FIF grant is necessary to align the agreement with the final scope, budget amounts per the level of effort, and to update TWDB's terms and conditions. Discussion ensued. Director Micheletti made a motion to adopt Resolution No. 2025-R-18 of the San Jacinto River Authority Board of Directors authorizing the General Manager to negotiate and execute certain amendments to an agreement with the Texas Water Development Board for grant funding from the Flood Infrastructure Fund for the Lake Conroe-Lake Houston Joint Reservoir Operations Study. The motion was seconded by Director Faubel and carried unanimously.

6.3 Flood Management - Professional Services Agreement and Work Order No. 1 for Lake Conroe-Lake Houston Joint Reservoir Operations Study

Mr. Sandt provided an overview of the scope of work for the Lake Conroe-Lake Houston Joint Reservoir Operations Study, which is to determine the most efficient and safe operation of Lake Conroe and Lake Houston reservoirs, in series, once additional release capacity is installed at the Lake Houston dam. Director Boulware made a motion to authorize the General Manager to negotiate and execute a Professional Services Agreement and Work Order No. 1 with Black & Veatch Corporation in an amount not to exceed \$1,000,000, for the Lake Conroe-Lake Houston Joint Reservoir Operations Study for the Flood Management Division. The motion was seconded by Director Micheletti and carried unanimously.

6.4 GRP - Third Supplemental Agreement for Surface Water Delivery

Mr. Shackelford provided information relative to a request by MSEC Enterprises, Inc. (“MSEC”) for surface water from the GRP surface water treatment plant. He explained that MSEC had been a participant in the GRP since 2010, but recently relinquished their allocation due a fire at their surface water receiving facility. Further, Mr. Shackelford explained that on June 13, 2025, MSEC formally requested surface water at a minimum of 1,000,000 gallons per day with a maximum request of 2,000,000 gallons per day, equating to an annual allocation of 547,500,000 gallons. Additionally, Mr. Shackelford explained that the increased demand is expected to generate additional revenue that will help offset expenses associated with surface production, which will result in a reduction of both the GRP groundwater pumpage fee and the GRP surface water delivery fee by \$0.01 per 1,000 gallons. Director Buick made a motion to authorize the General Manager to execute a Third Supplemental Agreement with MSEC Enterprises, Inc., relating to surface water delivery from GRP. The motion was seconded by Mr. Boulware and carried with all present voting aye.

6.5 Lake Conroe - Water Line Easement

Mr. Shackelford explained that Concert Walden Conroe, LLC, requested permission to install a water line across SJRA property beneath Lake Conroe for the purpose of installing a 6-inch golf course irrigation line inside of a 10-inch casing running parallel to an existing bridge from shoreline to shoreline, including a minimum of five feet of cover. He stated that request was for a 10-foot-wide water line easement for installation purposes. Director Buick made a motion to authorize the General Manager to execute a Water Line Easement with Concert Walden Conroe, LLC, on a 0.065-acre tract, located in the William Atkins Survey, A-3, near Montgomery, Texas. The motion was seconded by Director Faubel and carried unanimously.

6.6 Lake Conroe - Resolution - Amended Encroachment Policy

Mr. Spear provided clarification and simplification regarding the easement encroachment policy that was adopted in May 2025. He provided an overview regarding encroachments on SJRA property around the lake and stated that SJRA purchased various public easements to protect Lake Conroe and the adjacent property owners. He explained that Lake Conroe is a public asset of the State of Texas and that the land and shoreline adjacent to the lake, in which the Authority owns, is a public asset. Further, he stated that the Texas Constitution does not allow public entities to give away state public resources without financial consideration. Mr. Spear stated that the goal of the policy is to create a process for property owners to “clear” or “uncloud” property titles for existing encroachments or permission to build within the easement. He explained that the solution is for a property owner to request that the Authority consider executing an easement encroachment agreement which will be filed at the courthouse and serve to clear the property title

to release or sell in the future. He stated that this process will satisfy the responsibility to the State of Texas regarding the protection of public easements. Mr. Spear provided clarity regarding the reimbursement strategy to be utilized for revocable and irrevocable easement encroachments. He stated that the proposed flat reimbursement amount was calculated based on estimated staff resources needed to research, process, prepare, and file the easement encroachment agreement in the Official Records at the courthouse. Further, he explained that the remaining reimbursement amount is the financial consideration for the private use of the public easement. Mr. Spear provided the legal definitions of a revocable easement encroachment and an irrevocable easement encroachment, along with the total revocable and irrevocable easement encroachment reimbursement amounts of \$2,015 and \$2,970, respectively. Mr. Spear reiterated that the Authority's goal is to provide a mechanism for property owners wanting to utilize the Authority's easement or to assist in clearing a property owner's title. Directors Buick, Micheletti, Faubel, and Anderson provided comments about the proposed process. Director Faubel made a motion to adopt Resolution No. 2025-R-19, of the San Jacinto River Authority Board of Directors amending the policy of the San Jacinto River Authority regarding consents to encroachments on easements in and around Lake Conroe. The motion was seconded by Director Micheletti and carried unanimously.

6.7 Raw Water Enterprise - Resolution - Amending Certain Reserve Fund Balances

Ms. Lewis explained the necessity for increasing emergency reserve fund balances from the previous targeted balances due to inflationary increases. She stated that the proposed balance for the Highlands Division would increase from the current target balance of \$3,000,000 to \$5,000,000 over a five-year period; the Lake Conroe Division would increase from the current target balance of \$2,500,000 to \$5,000,000 over a five-year period; and the General and Administrative Division would increase from the current target balance of \$500,000 to \$1,000,000 over a two-year period. Ms. Lewis also explained the necessity to provide a full or partial source of funds for the Flood Management and Raw Water Supply Divisions for the purpose of executing projects that typically span multiple fiscal years and require careful planning or management. Director Buick made a motion to adopt Resolution No. 2025-R-20, of the San Jacinto River Authority Board of Directors amending the Lake Conroe Division, the Highlands Division, and the General and Administration Division Emergency Reserve Targeted Fund Balance and establish a Project Fund for the Raw Water Supply and Flood Management Divisions. The motion was seconded by Director Faubel and carried unanimously.

It was announced that Regular Agenda items 6.8 through 6.13 would be considered by the Board of Directors following Executive Session.

7. Executive Session

The meeting was convened in executive session at 10:41 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; and
 - 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.

8. Reconvene in Open Session

With a quorum of the Board present, the meeting was called into open session at 11:42 a.m.

The Board of Directors then considered Regular Agenda items 6.8 through 6.13.

Mr. Dan Hilderbrandt, Technical Services Manager, provided an overview of the Siphon 39 and Levee Improvements Project necessitating each of the items below.

6.8 Highlands - Amendment to a Supplemental Agreement to a Water Supply Contract with an Industrial Customer

Director Buick made a motion to authorize the General Manager to negotiate and execute an amendment to a supplemental agreement to a water supply contract, in a form approved by the General Counsel, with an industrial customer related to Siphon 39 and Levee Improvements for the Highlands Division. The motion was seconded by Director Faubel and carried unanimously.

6.9 Highlands - Funding Agreement for Siphon 39 and Levee Improvements

Director Boulware made a motion to authorize the General Manager to negotiate and execute a funding agreement, in a form approved by the General Counsel, with an industrial customer related to Siphon 39 and Levee Improvements for the Highlands Division. The motion was seconded by Director Buick with all present voting aye.

6.10 Highlands - Resolution - Fiscal Year 2025 Budget Amendment

Director Buick made a motion to adopt Resolution No. 2025-R-21, of the San Jacinto River Authority Board of Directors adopting an amended budget for the Highlands Division related to the Siphon 39 and Levee Improvements Project. The motion was seconded by Director Faubel and carried unanimously.

It was announced that Regular Agenda items 6.11 through 6.13 would be considered together.

Director Buick made a motion to approve Regular Agenda items 6.11, 6.12, and 6.13, as presented. The motion was seconded by Director Micheletti and carried unanimously.

6.11 Highlands - Construction Contract for Siphon 39 and Levee Improvements

Authorize the General Manager to execute a construction contract with ECON Development, Inc., in the amount of \$8,897,000, for Siphon 39 and Levee Improvements for the Highlands Division.

6.12 Highlands - Work Order No. 3 (Construction Phase Services) for Siphon 39 and Levee Improvements

Authorize the General Manager to execute Work Order No. 3 with Texas Water Engineering, PLLC, in an amount not to exceed \$246,961.84, for construction phase services for Siphon 39 and Levee Improvements for the Highlands Division.

6.13 Highlands - Work Order No. 4 (Construction Materials Testing) for Siphon 39 and Levee Improvements

Consider authorizing the General Manager to execute Work Order No. 4 with Aviles Engineering Corporation in an amount not to exceed \$132,538.75, for construction materials testing and inspection services for Siphon 39 and Levee Improvements for the Highlands Division.

9. Announcements / Future Meeting

It was announced that the next San Jacinto River Authority Regular Board Meeting will take place on August 28, 2025.

10. Adjourn

Without objection, the meeting was adjourned at 11:52 a.m.

A handwritten signature in black ink, appearing to read "Wil Faubel for".

Wil Faubel
Secretary, Board of Directors

