



**Board of Directors Meeting  
January 22, 2026**



**Agenda**  
**Regular Meeting**  
**San Jacinto River Authority Board of Directors**  
**Thursday, January 22, 2026 - 9:00 A.M.**  
**General and Administration Building - Boardroom**  
**1577 Dam Site Road, Conroe, Texas 77304**

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*A quorum of the San Jacinto River Authority Board of Directors will be physically present in the Boardroom of the General and Administration Building located at 1577 Dam Site Road, Conroe, Texas, as it is the intent of the Board of Directors to have a quorum physically present at this location. One or more members of the Board of Directors, however, may participate in the meeting by video-conference call as permitted under Section 551.127 of the Texas Government Code.*

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***\*Note Regarding Budget Amendment(s)***

***Per House Bill 1522 of the 89<sup>th</sup> Legislative Session, and effective September 1, 2025 ("HB 1522"), any proposed budget(s) must be attached to this notice of meeting or posted on the home page of the San Jacinto River Authority's website along with a notice of taxpayer impact statement that shows the tax impact on the median-valued homestead of the (i) the proposed budget, and (ii) a tax impact statement.***

***In compliance with HB 1522, the proposed budget is located at:***

***<https://www.sjra.net/about/who-we-are/board/>***

***With regard to the tax impact statement required by HB 1522, the San Jacinto River Authority does not levy or collect property taxes.***

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- 1. Invocation given by Director Stacey Buick and Pledges of Allegiance to the U.S. and Texas Flags led by Director Ronnie Anderson**
- 2. Ceremonial Items**
  - 2.1 Receipt of Commendations, Awards, and Honoraria**
    - H-Town Showdown Awards
    - Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
- 3. Call to Order**
- 4. Public Comments (3 minutes per speaker)**
- 5. Work Session**

This item consists of updates, briefings, presentations, and discussion items that may require in-depth consideration and discussion by the Board.

  - 5.1 Update by the General Manager regarding meetings, projects, events, issues, and activities pertinent to the Authority.**

- 5.2 Update by the Director of Communications and Public Affairs regarding various division and department projects, initiatives, tours, meetings, and social media platforms.
- 5.3 Presentation of the Annual Historically Underutilized Business ("HUB") Report.
- 5.4 Presentation regarding the Entergy Powerline Replacement Project.
- 5.5 Presentation regarding Lake Conroe Gate Operations.

## **6. Consent Agenda**

This agenda consists of ministerial or "housekeeping" items required by law, such as routine bids, contracts, purchases, resolutions, and orders; items previously approved by Board action, such as adoption of items that are part of an approved budget or capital improvement projects, interlocal agreements, or action which is required by law or delegated to the General Manager; and items of a non-controversial nature. These items will be considered by a single motion unless removed and placed on the Regular Agenda for individual consideration at the request of any Director.

### **6.1 G&A - Minutes**

Approval of Minutes - Regular Meeting of December 11, 2025.

### **6.2 G&A - Unaudited Financials**

Consider approval of the unaudited financials for the month of November, 2025.

### **6.3 Highlands - Amendment to Water Supply Contract with Industrial Customer**

Consider authorizing the General Manager to execute an amendment to a water supply contract, in a form approved by the General Counsel, with an industrial customer for the Highlands Division.

### **6.4 Lake Conroe - Work Order No. 2 for Dam Relief Wells Annual Maintenance**

Consider authorizing the General Manager to execute Work Order No. 2 with Integrity Pipeline Services, Inc., for Lake Conroe Dam Relief Wells Annual Maintenance Services.

### **6.5 Raw Water Enterprise - Work Order No. 8 for Raw Water Enterprise Rate Model Support Services**

Consider authorizing the General Manager to execute Work Order No. 8 with Carollo Engineers, Inc., for Raw Water Enterprise Rate Support for the Raw Water Enterprise.

## **7. Regular Agenda**

This agenda consists of items requiring individual consideration by the Board of Directors.

### **7.1 G&A - Annual Comprehensive Financial Report**

Accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes, and the State Single Audit Report for the fiscal year ended August 31, 2025.

**7.2 GRP - Resolution - Amended Fiscal Year 2026 Operating Budget for the GRP Division\***

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.

**7.3 GRP - Order - Amended Rate Order for GRP Participants**

Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective February 1, 2026.

**7.4 Highlands - Change Order No. 2 for Siphon 39 and Levee Improvements Project**

Consider authorizing the General Manager to execute Change Order No. 2 with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.

**7.5 Highlands - Change Order No. 3 for Siphon 39 and Levee Improvements Project**

Consider authorizing the General Manager to execute Change Order No. 3 with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.

**8. Executive Session**

If necessary, the Board of Directors will adjourn to Closed Session at this point in the meeting to consider the following items; however, the Board of Directors reserves the right to adjourn to Closed Session at any time during the course of this meeting as allowed by law.

**8.1 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.**

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

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

**8.2.2** Litigation involving City of Magnolia, Quadvest, L.P., Woodland Oaks Utility, L.P., Titter-Bell and CDF Textiles, LTD, related to GRP, and other potential litigation related to GRP.

**8.3 Pursuant to Texas Government Code, Section 551.074, Personnel Matters:**

**8.3.1** 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.

**9. Reconvene In Open Session**

The Board of Directors will reconvene in Open Session at this point in the meeting and, if necessary, take action on any agenda item discussed in Closed Session and/or identified below.

## **10. Announcements / Future Agenda**

Next San Jacinto River Authority Regular Board Meeting - February 26, 2026.

## **11. Adjourn**

*Persons with disabilities who plan to participate in the meeting and would like to request auxiliary aids or services are requested to contact Cynthia Bowman at (936) 588-3111 at least three business days prior to the meeting so that appropriate arrangements can be made.*

Item No.	Agenda Item	Date
6.1	Consider approval of minutes from the Board of Directors meeting of December 11, 2025.	01/22/2026

**BACKGROUND INFORMATION**

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Minutes

**RECOMMENDED ACTION**

Approve the minutes of the December 11, 2025, Board of Directors meeting.

Item No.	Agenda Item	Date
6.2	Consider approval of the unaudited financials for the month of November, 2025.	01/22/2026

**BACKGROUND INFORMATION**

The monthly unaudited financial statements are intended to keep the Board of Directors apprised of the ongoing financial condition of the Authority.

The monthly statements include Financial Highlights, Schedules of Revenues and Expenses (Actual and Budget), Unaudited Balance Sheet, Unaudited Statement of Revenues and Expenses (Summary), and Schedule of Investments.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Unaudited Financials

**RECOMMENDED ACTION**

Approve the unaudited financial statements for the month of November, 2025.

Item No.	Agenda Item	Date
6.3	Consider authorizing the General Manager to execute an amendment to a water supply contract, in a form approved by the General Counsel, with an industrial customer for the Highlands Division.	01/22/2026

**BACKGROUND INFORMATION**

This amendment extends the adjustment period for the industrial customer's reservation of water to July 31, 2026.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** N/A

**RECOMMENDED ACTION**

Consider authorizing the General Manager to execute an amendment to a water supply contract, in a form approved by the General Counsel, with an industrial customer for the Highlands Division.



Item No.	Agenda Item	Date
6.4	Consider authorizing the General Manager to execute Work Order No. 2 with Integrity Pipeline Services, Inc., for Lake Conroe Dam Relief Wells Annual Maintenance Services.	01/22/2026
<b>BACKGROUND INFORMATION</b>		
<p>Firm Name: Integrity Pipeline Services, Inc.</p> <p>Project: Lake Conroe Dam Relief Wells Annual Maintenance Services</p> <p>Type of Agreement: Stand-by Services Agreement (Contract No. 25-0023)</p> <p>Project Description/Justification:</p> <p>The Lake Conroe Dam includes 20 artesian relief wells located along the southwestern toe of the dam. These wells provide hydrostatic pressure relief for water movement beneath the dam. The wells were installed during original dam construction in 1974. In 2018, SJRA completed a project to clean/inspect and rehabilitate all 20 wells to improve well performance. Going forward, SJRA's Dam Safety Engineer recommended SJRA complete rehabilitation on the wells every 5 years.</p> <p>SJRA established a stand-by services agreement with a contractor in 2025 for annual maintenance services for all 20 wells over the next 3 to 4 years through the issuance of work orders each fiscal year. Work Order No. 1 for rehabilitation of the first 4 wells was completed in Fiscal Year 2025. Work Order No. 2 for Fiscal Year 2026 will include rehabilitation of the next 4 wells and includes pre-inspection, mechanical cleaning and waste disposal, post inspection, and site restoration.</p> <p>Budget Amount for FY 2026: \$90,000.00</p> <p>Amount for Work Order No. 2: \$82,702.00</p>		
<b>FUNDING SOURCE:</b> O&M		
<b>ATTACHMENTS:</b> Map, Work Order No. 2, Proposal Form		
<b>RECOMMENDED ACTION</b>		
<p>Authorize the General Manager to execute Work Order No. 2 in the amount of \$82,702.00 with Integrity Pipeline Services, Inc., for Lake Conroe Dam Relief Wells Annual Maintenance Services and contract modifications up to the amount approved per the Purchasing Policy.</p>		

Item No.	Agenda Item	Date
6.5	Consider authorizing the General Manager to execute Work Order No. 8 with Carollo Engineers, Inc., for Raw Water Enterprise Rate Support for the Raw Water Enterprise.	01/22/2026

### BACKGROUND INFORMATION

Firm Name: Carollo Engineers, Inc.

Project: Raw Water Enterprise Rate Support

Type of Agreement: Master Professional Services Agreement  
(Contract No. 23-0008-A)

Project Description/Justification:

From time to time, SJRA requires rate studies to be performed to determine rates required to support the operations, maintenance, repair, rehabilitation, and capital improvements of its Raw Water Enterprise, GRP Division, and Woodlands Division. Conducting rate studies for the Raw Water Enterprise and GRP Division also ensures compliance with contractual obligations. In January 2023, SJRA executed a Master Professional Services Agreement (MPSA) with Carollo Engineers, Inc., to perform professional services related to rate studies. Carollo has performed a variety of services under this MPSA, including the development of rate studies and rate models.

Work Order Scope:

Work Order No. 8 provides for rate model support, adjustments, and/or troubleshooting, rate/budget analysis, and other rate-related services for SJRA's Raw Water Enterprise as directed by SJRA. These services may support budgeting, rate-setting, and other efforts as required by SJRA.

Key Deliverable(s):	Due Date(s):
As directed by SJRA.	As directed by SJRA.

Type of Compensation/Amount: Cost Plus Multiplier with Not-to-Exceed/\$10,000.00

Total Amount: \$10,000.00

Construction Cost: N/A (Est.)

Anticipated Completion Date: August 31, 2026

\*See attached Exhibit 1 for additional information on prior work orders and amendments.

**FUNDING SOURCE:** Cash

**ATTACHMENTS:** Exhibit 1, Work Order No. 8, Scope

### RECOMMENDED ACTION

Authorize the General Manager to execute Work Order No. 8 in an amount not to exceed \$10,000.00 with Carollo Engineers, Inc., for Raw Water Enterprise Rate Support for the Raw Water Enterprise.

Item No.	Agenda Item	Date
7.1	Accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes for the Fiscal Year ended August 31, 2025, the State Single Audit Report for the Fiscal Year ended August 31, 2025.	01/22/2026

**BACKGROUND INFORMATION**

The Authority is required by law to prepare an annual comprehensive financial report and have its financial records and procedures audited on an annual basis by an independent certified accounting firm.

The Authority engaged the firm Knox Cox and Company, LLP, to perform the audit.

The Finance Committee of the Board of Directors was provided copies of the draft reports, met on January 13, 2026, to review with staff and the auditors, and recommends acceptance of the San Jacinto River Authority Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes for the Fiscal Year ended August 31, 2025, and the San Jacinto River Authority State Single Audit Report for the Fiscal Year ended August 31, 2025.

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** To be provided under separate cover.

**RECOMMENDED ACTION**

Accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes for the Fiscal Year ended August 31, 2025, and the San Jacinto River Authority State Single Audit Report for the Fiscal Year ended August 31, 2025.

Item No.	Agenda Item	Date
7.2	Consider adoption of a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.	01/22/2026

**BACKGROUND INFORMATION**

On September 25, 2025, the Board of Directors approved a GRP Division budget amendment to increase production capacity at the surface water treatment facility from 16.5 million gallons per day (“MGD”) to 20.0 MGD. This change resulted in a \$0.10 reduction in rates (groundwater rate: from \$2.62/1,000 gallons to \$2.52 per 1,000 gallons; surface water rate: from \$3.21/1,000 gallons to \$3.11/1,000 gallons) to be effective February 1, 2026.

Additionally, on December 11, 2025, the Board of Directors authorized the redemption and defeasance of certain outstanding bonds (Special Project Revenue Bonds (GRP Project), Series 2012A, 2013, and 2016), utilizing settlement funds received from the City of Conroe.

These actions necessitate a budget amendment. Staff has outlined two options for consideration.

**Option 1 (No additional fund transferred to the R&R Fund resulting in an additional \$0.03 rate decrease)**

- Operating Revenues (additional \$0.03 rate reduction) – decrease \$311,126
- Interest Expense – decrease \$566,066
- Bond Principal – increase \$18,410,000
- General Fund use – increase \$19,457,227
- Debt Service Reserve – increase \$1,302,167

**Option 2 (Includes \$500,000 fund transfer to the R&R Fund resulting in an additional \$0.01 rate decrease)**

- Operating Revenues (additional \$0.01 rate reduction) – decrease \$9,517
- Interest Expense – decrease \$566,066
- Bond Principal – increase \$18,410,000
- General Fund use – increase \$19,655,618
- Debt Service Reserve – increase \$1,302,167
- R&R Transfer – increase \$500,000

The GRP Review Committee will review these proposals on January 20, 2026, and make a recommendation to the Board of Directors for consideration at the January 22, 2026, meeting.

**FUNDING SOURCE:** GRP General Fund

**ATTACHMENTS:** Resolution and Exhibit "A"

**RECOMMENDED ACTION**

Approve a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2026 Operating Budget for the GRP Division.

Item No.	Agenda Item	Date
7.3	Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for GRP Participants, effective February 1, 2026.	01/22/2026
<b>BACKGROUND INFORMATION</b>		
<p>At the January 20, 2026, GRP Review Committee meeting, two proposed Rate Order options will be presented and discussed regarding utilizing the City of Conroe settlement funds for GRP Bond defeasance.</p> <p>Two options are being presented for an amended Fiscal Year 2026 GRP Operating Budget and Fiscal Year 2026 Rate Order.</p> <p><b>Proposed Budget Amendment – Option 1</b> (No additional fund transferred to the R&amp;R Fund resulting in an additional \$0.03 rate decrease)</p> <ul style="list-style-type: none"> <li>○ Operating Revenues (additional \$0.03 rate reduction) – decrease \$311,126</li> <li>○ Interest Expense – decrease \$566,066</li> <li>○ Bond Principal – increase \$18,410,000</li> <li>○ General Fund use – increase \$19,457,227</li> <li>○ Debt Service Reserve – increase \$1,302,167</li> </ul> <p><b>Rate Reduction – Option 1</b></p> <ul style="list-style-type: none"> <li>○ \$0.10 for September 25, 2025 budget amendment for increased demand</li> <li>○ \$0.03 for debt defeasance</li> <li>○ GRP groundwater rate \$2.49 (decrease from \$2.62)</li> <li>○ GRP surface water rate \$3.08 (decrease from \$3.21)</li> </ul> <p><b>Proposed Budget Amendment – Option 2</b> (Includes \$500,000 fund transfer to the R&amp;R Fund resulting in an additional \$0.01 rate decrease)</p> <ul style="list-style-type: none"> <li>○ Operating Revenues (additional \$0.01 rate reduction) – decrease \$9,517</li> <li>○ Interest Expense – decrease \$566,066</li> <li>○ Bond Principal – increase \$18,410,000</li> <li>○ General Fund use – increase \$19,655,618</li> <li>○ Debt Service Reserve – increase \$1,302,167</li> <li>○ R&amp;R Transfer – increase \$500,000</li> </ul> <p><b>Rate Reduction – Option 2</b></p> <ul style="list-style-type: none"> <li>○ \$0.10 for September budget amendment for increased demand</li> <li>○ \$0.01 for proposed debt defeasance &amp; R&amp;R contribution \$500,000</li> <li>○ GRP groundwater rate \$2.51 (decrease from \$2.62)</li> <li>○ GRP surface water rate \$3.10 (decrease from \$3.21)</li> </ul> <p>The option that the GRP Review Committee recommends to the SJRA Board will be discussed at the January 22, 2026, SJRA Board Meeting. Should the Board approve the GRP Review Committee’s recommendation, the new fees will go into effect on February 1, 2026.</p> <p>Both recommended fee options provide adequate revenue to support efficient operations consistent with best practices for utility management provided the anticipated water demands meet projections.</p>		
<b>FUNDING SOURCE:</b> N/A		
<b>ATTACHMENTS:</b> Redline Rate Order (GRP Participants); Non-Redline Rate Order (GRP Participants)		
<b>RECOMMENDED ACTION</b>		
Adopt an amended Rate Order for GRP Participants, effective February 1, 2026.		

Item No.	Agenda Item	Date
7.4	Consider authorizing the General Manager to execute Change Order No. 2 with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.	01/22/2026
<b>BACKGROUND INFORMATION</b>		
<p>Firm Name: LASS Engineering and Construction, Inc.</p> <p>Project: Siphon 39 and Levee Improvements</p> <p>Type of Agreement: Major Construction Services Agreement (Contract No. 23-0063-A)</p> <p>Project Description/Justification:</p> <p>Siphon 39 is located near the end of the Highlands Division South Canal. Improvements to Siphon 39 and canal levees along approximately 8,500 linear feet of the South Canal are necessary due to age, structural integrity, and capacity restrictions. These improvements will primarily include the demolition and replacement of Siphon 39 with a new siphon structure and dual 72" pipes, and levee raising and regrading to provide additional canal capacity and required freeboard. As a result, future raw water demands from the Industrial Customer will be met in addition to increased reliability for the Highlands Division.</p> <p>Change Order Scope:</p> <p>Item 1 provides funds to slip-line the existing 42" siphon pipes as part of the required care of water system. Item 2 removes funds for unused levee raising quantities.</p> <p>Engineer: Texas Water Engineering, LLC</p> <p>Original Contract Amount: \$8,897,000.00</p> <p>Previously Approved CO No. 1: -\$389,500.00</p> <p><u>Proposed CO No. 2:</u> \$149,752.14</p> <p>Total Revised Contract Amount: \$8,657,252.14</p> <p>Original Contract Days: 300                      Calendar Days</p> <p>Previously Approved None                      119                      Calendar Days</p> <p><u>Proposed CO No. 2:</u>                      14                      Calendar Days</p> <p>Total Revised Contract Days: 433                      Calendar Days</p> <p>*See attached Exhibit 1 for previously approved change order</p>		
<b>FUNDING SOURCE:</b> R&R		
<b>ATTACHMENTS:</b> Map, Exhibit 1, Change Order No. 2		
<b>RECOMMENDED ACTION</b>		
<p>Authorize the General Manager to execute Change Order No. 2 in the amount of \$149,752.14 and 14 Calendar Days with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.</p>		

Item No.	Agenda Item	Date
7.5	Consider authorizing the General Manager to execute Change Order No. 3 with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.	01/22/2026

**BACKGROUND INFORMATION**

Firm Name: LASS Engineering and Construction, Inc.

Project: Siphon 39 and Levee Improvements

Type of Agreement: Major Construction Services Agreement  
(Contract No. 23-0063-A)

Project Description/Justification:

Siphon 39 is located near the end of the Highlands Division South Canal. Improvements to Siphon 39 and canal levees along approximately 8,500 linear feet of the South Canal are necessary due to age, structural integrity, and capacity restrictions. These improvements will primarily include the demolition and replacement of Siphon 39 with a new siphon structure and dual 72" pipes, and levee raising and regrading to provide additional canal capacity and required freeboard. As a result, future raw water demands from the Industrial Customer will be met in addition to increased reliability for the Highlands Division.

Change Order Scope:

Provide funds to remove an unforeseen buried railway system that prevents replacement of the existing damaged 30" culverts.

Engineer: Texas Water Engineering, LLC

Original Contract Amount: \$8,897,000.00

Previously Approved CO No. 2: -\$239,747.86

Proposed CO No. 3: \$186,858.00

Total Revised Contract Amount: \$8,844,110.14

Original Contract Days: 300 Calendar Days

Previously Approved 2 133 Calendar Days

Proposed CO No. 3: 21 Calendar Days

Total Revised Contract Days: 454 Calendar Days

\*See attached Exhibit 1 for previously approved change orders

**FUNDING SOURCE:** R&R

**ATTACHMENTS:** Map, Exhibit 1, Change Order No. 3

**RECOMMENDED ACTION**

Authorize the General Manager to execute Change Order No. 3 in the amount of \$186,858.00 and 21 Calendar Days with LASS Engineering and Construction, Inc., for the Siphon 39 and Levee Improvements Project for the Highlands Division.