

**BOARD OF DIRECTORS  
SAN JACINTO RIVER AUTHORITY  
MINUTES OF REGULAR MEETING  
FEBRUARY 23, 2023**

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A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., February 23, 2023, at the San Jacinto River Authority General and Administration Building. A notice of said meeting was posted as required by law. President Ronnie Anderson, Vice President Ed Boulware, Treasurer Mark Micheletti, Secretary Wil Faubel, Director Stacey Buick, and Director Stephanie Johnson were present. Secretary Pro Tem Ricardo Mora was absent. Also in attendance were Jace A. Houston, General Manager; Tom Michel, Director of Financial and Administrative Services; Heather Ramsey, Director of Communications and Public Affairs; Connie Curtis, Director of Technical and Operational Services; Cynthia Bowman, Administrative Services Manager; and Mitchell Page, General Counsel.

**1. CALL TO ORDER**

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

**2. PLEDGES OF ALLEGIANCE**

The Pledges of Allegiance were led by Director Anderson.

**3. PUBLIC COMMENTS**

Mr. Kevin Lacy spoke in regard to the Lake Conroe Seasonal Lake Lowering Compromise.

**4. DIVISION UPDATES**

**a. G & A:**

Mr. Houston provided a legislative update.

**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 no update related to Technical and Operational Services.

**e. Utility Enterprise**

Mr. Meeks provided no update related to the Utility Enterprise.

**f. Lake Conroe**

Mr. Raley provided no update related to the Lake Conroe Division.

**g. Highlands**

Mr. Tramm provided no update related to the Highlands Division.

**h. Flood Management**

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

**5. CONSENT AGENDA**

Director Buick 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 January 26, 2023.**

**b. Unaudited Financials**

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

**c. Resolution - List of Qualified Brokers**

Adopt Resolution No. 2023-R-01, of the Board of Directors of the San Jacinto River Authority adopting list of qualified brokers authorized to engage in investment transactions with the Authority.

Item 5d was removed from the Consent Agenda for discussion in Executive Session pursuant to Texas Government Code, 551.072, Real Property.

**d. Sale of Real Property**

**6. REGULAR AGENDA**

**a. Master Services Agreement and Subscription License Agreement - Enterprise Resource Planning (ERP) Software System**

Mr. Michel provided a brief introduction of the Enterprise Resource Planning (“ERP”) software system. Business Analyst Tracie Moore presented the overall process and necessity for the software. Discussion ensued. Director Faubel made a motion to authorize the General Manager to execute a Master Services Agreement and Subscription License Agreement with Crowe, LLP, in an amount not to exceed \$2,085,000, and to negotiate and execute a Microsoft License Agreement in the total amount of \$113,282, for implementation of an Enterprise Resource Planning software system for the San Jacinto River Authority. The motion was seconded by Director Johnson and carried unanimously.

**b. Resolution - Amended Fiscal Year 2023 Operating Budget**

Controller Pam Steiger and Woodlands Division Manager Chris Meeks provided an overview of the proposed amendment to the Fiscal Year 2023 GRP Division budget and stated that due to

drought conditions and surpassing of budgeted groundwater sales during Fiscal Year 2022, the GRP Division began Fiscal Year 2023 with \$11,848,884 in the GRP General Fund. Further, the division met the three-month operating reserve target and requested approval to amend the Fiscal Year 2023 budget to utilize the General Fund cash to fund the Repair and Replacement Fund (“R&R fund”) and the Emergency Reserve Fund, which have remained unfunded for many years. Mr. Meeks stated that the proposed amendment was reviewed and recommended for approval by the GRP Review Committee on February 21, 2023, by a vote of five ayes, zero nays, and one abstention. Director Micheletti made a motion to adopt Resolution No. 2023-R-02, of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2023 Operating Budget for the GRP Division. The motion was seconded by Director Faubel and carried unanimously.

**c. Updated Proposal on Seasonal Lowering of Lake Conroe**

Mr. Houston provided an overview of the proposed update relative to the seasonal lowering of Lake Conroe. Director Boulware made a motion to authorize the General Manager to present the updated compromise proposal on seasonal lowering of Lake Conroe to the City of Houston and allow the General Manager flexibility in coordinating language with the City of Houston to capture the Board’s intended recommendation. The motion was seconded by Director Micheletti and carried unanimously.

It was announced that the meeting would be taken out of order with the Board of Directors convening in Executive Session.

**8. EXECUTIVE SESSION**

The meeting was convened in executive session at 8:45 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.** Expedited Declaratory Judgement Act litigation and other litigation related to GRP.

**9. RECONVENE IN OPEN SESSION**

The meeting was called into open session at 9:42 a.m. A quorum of the Board being present, no action was taken regarding the items discussed in executive session.

**5d. Sale of Real Property**

This item was not considered.

It was announced that items 6d and 6e would be considered together.

Flood Management and Water Resources Division Manager Matt Barrett presented information related to the Feasibility Study for the South Canal Transfer Pump Station Capacity Improvements Project.

Director Buick made a motion to approve items 6d and 6e as presented. The motion was seconded by

Director Micheletti and carried with five ayes (Directors Boulware, Micheletti, Faubel, Buick, and Johnson), zero nays, and one abstention (Director Anderson).

**6d. Supplement to Water Supply Contract**

Authorize the General Manager to execute a supplement to a water supply contract with an industrial customer related to South Canal Transfer Pump Station Capacity Improvements.

**6e. Professional Services Agreement and Work Order No. 1 - Feasibility Study for South Canal Transfer Pump Station Capacity Improvements**

Authorize the General Manager to execute a professional services agreement and Work Order No. 1 with Freese and Nichols, Inc., in an amount not to exceed \$314,228, for the Feasibility Study for South Canal Transfer Pump Station Capacity Improvements in Highlands.

**7. BRIEFINGS AND PRESENTATIONS**

- a. Mr. Houston presented the Annual Energy Report for the period September 1, 2021, through August 31, 2022.

**10. ANNOUNCEMENTS / FUTURE AGENDA**

It was announced that the next San Jacinto River Authority Regular Board Meeting will take place on March 23, 2023.

**11. ADJOURN**

Without objection, the meeting was adjourned at 9:50 a.m.



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Wil Faubel  
Secretary, Board of Directors

