



**GRP REVIEW COMMITTEE  
MINUTES OF REGULAR MEETING**

**April 24, 2023**

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., April 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](http://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
Mike Stoecker		Investor-Owned Utilities
Harry Hardman		City of Conroe
James Corn		Cities other than 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
Jason Williams	SJRA UE Operations Manager
Renee Johnson	SJRA UE Administrative Manager
Jacob Everett	SJRA Chief Maintenance Technician
Pam Steiger	SJRA Controller
Kelli Stormer	SJRA Senior Accountant
Daniel Hilderbrandt	SJRA Engineering Manager
Tom Michel	SJRA Director of Financial and Administrative Services
Kirsten Hein	Lone Star Groundwater Conservation District (LSGCD)
Erich Peterson	Woodlands Water Agency
David Smith	Citizen
Jason Miller	City of Conroe

**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. Chance moved to approve the minutes from March 20, 2023. Mr. Hardman seconded the motion and it was carried unanimously.

**4. GRP DIVISION UPDATES**

Per Mr. Meeks, there are no specific division updates for this month.

**5. CONSIDER AND ACT ON RECOMMENDATION FOR PROCESS WATER RECOVERY BASINS LINING IMPROVEMENTS**

Mr. Meeks reviewed the current status of the project overall, including the original budget amount, the approved budget amendment from earlier in the year, the presented timeline on the slide, and the evaluation procedure used for the received proposals. He stated the recommendation from staff, as shown on the slide as well, to be Kean Construction, LLC. There was a brief discussion among the committee members around the project scope and purpose and the estimated useful life on the new asset.

Mr. Chance made a motion to approve the staff recommendation to move forward with the project using Kean Construction, LLC. Mr. Mooney seconded the motion and it was carried unanimously.

**6. DISCUSS A REQUEST FOR SURFACE WATER FROM MONTGOMERY COUNTY MUD 88, MONTGOMERY COUNTY MUD 89, AND SPRING CREEK UTILITY DISTRICT**

Mr. Shackelford presented a surface water request from Montgomery County MUD 88, Montgomery County MUD 89, and Spring Creek Utility District, totaling approximately an additional 1 million gallons per day (MGD). As stated by Mr. Shackelford, while we do have the capacity to add non-mandatory surface water participants, there is no regulatory mandate in place at this time. Any additional amount of plant production above the current level of 13 MGD would incur another GAC changeout during the fiscal year, which would not be offset by the additional revenue. This would increase incremental costs for all current GRP participants, regardless of any additional non-mandatory surface water recipients covering all associated costs of transmission itself. The committee requested further detail around the potential thresholds for each GAC change out and the expense vs. revenue turning point. Mr. Shackelford communicated that while the additional revenue would not balance out the additional expense unless production was similar to phase 1 and around 25 – 27 MGD, one additional change out above the current schedule should accommodate an additional 1 – 3 MGD increase in plant production. This would still increase costs but may be more feasible. There was discussion among staff, committee members, and legal counsel regarding the entities themselves covering costs of construction, the potential for current surface water recipients to lower their own usage to allow excess to be transferred, and other options for potential surface water recipients covering enough incremental production costs that other participants are not financially impacted. In regard to costs related to a higher separate incremental rate for new surface water participants, Mr. Shackelford asked if the members

would be willing to approve paying for a rate study for figuring out that potential rate; he estimated the study cost would not exceed \$25k. Mr. Hardman asked about completing that work in house; Mr. Shackelford stated we would have to involve the rate consultant. Mr. Moffatt advised including multiple scenarios in the hypothetical study, to accommodate potential questions from other possible participants. Committee members agreed to place the item on next month's agenda for action, and requested staff reach out to Montgomery County MUD 88, Montgomery County MUD 89, and Spring Creek Utility District to see if representatives may be able to attend as well for questions.

**7. PRESENTATION OF GRP DIVISION'S FISCAL YEAR 2024 BUDGET**

Mrs. Steiger presented the proposed SJRA Budget and Rate Order for Fiscal Year 2024 (FY24). The presentation included the proposed flat rate order with no increase over the rates for FY23, the overall budget assumptions, the various inflationary increases, and the removal of pipeline insurance costs since the emergency reserves were fully funded earlier in the year. She reviewed individual breakdowns for the O&M Expenses, Capital Items, Debt Service, and Reserve Funds, and displayed the last two fiscal years against the proposed FY24 amounts. In conclusion, it was emphasized that this item is for discussion only, as members will approve any recommendation regarding this item at the next Review Committee meeting, currently scheduled for May 22, 2023.

**8. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT**

There were several updates from Kirstin Hein. The GMA 14 planning group met on March 7<sup>th</sup> to discuss the release of the Gulf 2023 Model. The LSGCD Board appointed Gary Dent to fill the vacant spot representing the Woodlands Township, and Mr. Dent was sworn in prior to the Board meeting on April 11. During their meeting on April 11, the Board approved releasing the proposed changes to the LSGCD management plan; any public comments must be received by May 5, 2023, by 5 PM. The plan is available on the district's website. The Board has also opened the district's rules for public comment, although there are no proposed rule changes at this time. Comments should also be submitted by the May 5, 2023, deadline.

**9. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS**

No items for the SJRA BOD at this time.

**10. ATTORNEY'S UPDATE**

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

**11. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS**

Mr. Stoecker stated his plan to provide SJRA staff and the committee members with a commissioned study on subsidence before the next meeting for inclusion on the agenda or meeting packet, related to the chronological timeline and individual results from the various subsidence studies conducted in the area.

**12. FUTURE MEETING SCHEDULE**

a. Monday, May 22, 2023.

**13. ADJOURN**

Mr. Moffatt adjourned the meeting at 12:10 PM.



Chris Meeks  
SJRA Utility Enterprise Manager / GRP Administrator