



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

May 22, 2023

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., May 22, 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. Notice of said meeting was duly posted per GRP Contract requirements.

The following Review Committee Members participated:

Present:

Rick Moffatt
Mike Mooney
Jackie Chance
James Corn

GRP Review Committee:

Chair
Vice Chair

Representing:

MUDs East of I-45
Woodlands Water Agency
MUDs West of I-45
Cities other than City of Conroe

Absent:

Mike Stoecker
Harry Hardman

Representing:

Investor-Owned Utilities
City of Conroe

Also present:

Name:

Ed Shackelford, P.E.
Mitchell Page
Chris Meeks
Summer Hvasta
Jason Williams
Jacob Everett
Pam Steiger
Kelli Stormer
Tom Michel
Erich Peterson
Claude Humbert
Diego Burgos
Justin Abshire
Jerry Rueschhoff
Roger Olson
Ben Slotnick
Jason Miller

Title:

SJRA Director of Operations
Schwartz, Page & Harding, L.L.P., SJRA General Counsel
SJRA Utility Enterprise Manager
SJRA UE Customer Service Manager
SJRA UE Operations Manager
SJRA Chief Maintenance Technician
SJRA Chief Financial Officer
SJRA Senior Accountant
SJRA Director of Financial and Administrative Services
Woodlands Water Agency
Spring Creek Utility District (“SCUD”)
Quiddity Engineering LLC on behalf of MUD 88/89/SCUD
Quiddity Engineering LLC on behalf of MUD 88/89/SCUD
MUD 94
MUD 94
MUD 89
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. Mooney moved to approve the minutes from April 24, 2023. Mr. Chance seconded the motion and it was carried unanimously.

4. GRP DIVISION UPDATES

Mr. Meeks introduced the new UE Maintenance Manager, Jacob Everett, and provided a brief rundown of his purview and responsibilities.

5. CONSIDER AND ACT ON GRP DIVISION'S FISCAL YEAR 2024 BUDGET

Mr. Meeks reviewed the budget schedule as presented previously. Mrs. Steiger reviewed the FY 2024 Budget information and presentation, as presented at the April 24, 2023, Review Committee meeting. She confirmed there were no changes since April, and no questions had been received from any Review Committee members in the interim. Mr. Corn made a motion to recommend to the SJRA Board of Directors that the FY 2024 Budget be approved and adopted as presented. Mr. Chance seconded the motion and it was carried unanimously.

6. CONSIDER AND ACT ON GRP DIVISION'S FISCAL YEAR 2024 RATE ORDER

Mr. Meeks confirmed there is no action needed to amend SJRA's Rate Order for FY 2024 at this time.

7. RECEIVE SUBSIDENCE STUDY INFORMATION FROM A GRP REVIEW COMMITTEE MEMBER

The Chair announced that consideration of this item would be postponed, as the Review Committee member that requested the agenda item was absent.

8. DISCUSS AND ACT ON REQUEST FOR SURFACE WATER FROM MONTGOMERY COUNTY MUD 88, MONTGOMERY COUNTY MUD 89, AND SPRING CREEK UTILITY DISTRICT

Mr. Shackelford summarized the request for surface water presented during the April 24, 2023, meeting. He then introduced two Engineers from Quiddity Engineering, representing the listed utilities. Mr. Abshire gave a brief background around the utilities' joint water system and the locations of the current three wells. Within the last several months, they experienced both a decrease in submergence levels and a well failure that required rework before recently being brought back online. The three utilities conducted a study to identify options to improve long-term redundancy, while also extending the life of the current wells. One of the options involved connecting their utilities to a potential surface water transmission line from the SJRA's GRP Division. They collected some rough costs on their end and wanted to gauge interest levels from the SJRA before proceeding any further. There was discussion between the utility representatives and the Review

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Committee members around possible connection points, overall interconnectivity between the three utilities, hypothetical surface water demand, and anticipated timeline. Mr. Moffatt asked about the special rate study costs requested at the last meeting. Mr. Shackelford stated a budgetary estimate for a rate study to identify the purchasing of surface water beyond the budgeted surface water plant demand would be around \$50,000, and Mr. Meeks confirmed there is available money in the FY 2023 budget if the committee approves it. There was discussion between the committee members and staff regarding the applicability of the study to any entity requesting treated surface water above contractual allocations, and what contractual differences, if any, would exist between current and future GRP participants. Mr. Page stressed that the GRP Division is obliged per contractual provisions to avoid imposing unnecessary costs on current participants. He noted that the LSGCD has no current groundwater reduction mandates and, therefore, the costs of providing surface water to additional delivery points, including constructing and maintaining associated infrastructure and operating the surface water treatment plant to produce additional supplies, must be recovered from those that request surface water. In response to a question, Mr. Meeks acknowledged that while a few entities have made inquiries around surface water previously, SJRA staff deferred any commitment pending action from committee members, due to the financial impact and contract obligations.

Mr. Mooney motioned to approve the rate study from Carollo as discussed. Mr. Chance seconded the motion and it was carried unanimously. In response to a question on the timeline, Mr. Shackelford advised that six months would be a reasonable estimate with appropriate margin. In conclusion, Mr. Slotnick with MUD 89 emphasized that their request is made with long-term sustainability in mind for their systems as a whole.

9. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT

While no representatives were in attendance, LSGCD emailed a written report to SJRA staff prior to the meeting. Printed copies of the email were provided to the Review Committee members.

10. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS

Mr. Corn made a motion to send their recommendation to approve the FY 2024 Budget to the SJRA Board at their August 27, 2023, meeting. Mr. Chance seconded the motion and it was carried unanimously.

11. ATTORNEY'S UPDATE

Mr. Page advised that he had no update for the month on GRP-related legal matters.

12. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS

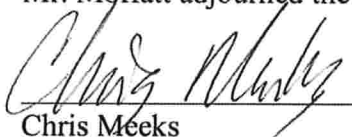
No new items were added at this time.

13. FUTURE MEETING SCHEDULE

- a. Monday, June 19, 2023.

14. ADJOURN

Mr. Moffatt adjourned the meeting at 11:53 PM.


Chris Meeks

SJRA Utility Enterprise Manager / GRP Administrator