



**Board of Directors Meeting
January 23, 2025**



Agenda
Regular Meeting
San Jacinto River Authority Board of Directors
Thursday, January 23, 2025 - 8:00 A.M.
General and Administration Building - Boardroom
1577 Dam Site Road, Conroe, Texas 77304

1. Call to Order

2. Ceremonial Items

2.1 Invocation

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

2.3 Receipt of Commendations, Awards, and Honoraria

2.3.1 Employee Service Awards

2.3.2 Core Values Award Winners

2.3.3 Water Environment Association of Texas ("WEAT") Southeast Section Operations Competition.

3. Public Comments (3 minutes per speaker)

4. Work Session

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

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

4.2 Update by the Director of Communications and Public Affairs regarding public communications information.

4.3 Presentation of the Annual Historically Underutilized Business ("HUB") Report.

5. 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.

5.1 G&A - Minutes

Approval of Minutes - Regular Meeting of December 12, 2024.

5.2 G&A - Unaudited Financials

Consider approval of the unaudited financials for the months of September and October, 2024.

6. Regular Agenda

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

6.1 G&A - Annual Comprehensive Financial Report

Accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes, and the Federal Single Audit Report for the fiscal year ended August 31, 2024.

6.2 GRP - Resolution - Proposed GRP Division Fiscal Year 2025 Budget Amendment

Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2025 Operating Budget for the GRP Division.

6.3 Woodlands - Resolution - Proposed Woodlands Division Fiscal Year 2025 Budget Amendment

Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2025 Budget for the Woodlands Division.

6.4 Woodlands - Work Order No. 3 for Additional Services in Support of the Wastewater Treatment Facility No. 1 Renewal/Replacement Evaluation

Consider authorizing the General Manager to execute Work Order No. 3 with Carollo Engineers, Inc., for additional services in support of the Wastewater Treatment Facility No. 1 Renewal/Replacement Evaluation for the Woodlands Division.

6.5 Highlands - Resolution - Official Intent to Reimburse Operating Fund

Consider adoption of a Resolution Expressing Official Intent to reimburse Operating Fund to preserve rights relative to payments made for the Lake Houston Pump Station Pump and Motor Replacement Project and the Garth Road Siphon Replacement Project.

6.6 Raw Water Enterprise - Professional Services Agreement and Work Order No. 1 for Structure 2 and South Canal Bypass Levee Improvements

Consider authorizing the General Manager to execute a Professional Services Agreement and Work Order No. 1 with Diaz Engineering, LLC, for engineering design of Structure 2 and South Canal Bypass Levee Improvements in Highlands.

7. 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.

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** Litigation related to Hurricane Harvey, including additional legal services to be provided;
- 7.2.2** Pending 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;
- 7.2.3** Proposed amendments to the 1944 Agreement and 2009 Water Supply Contract between the San Jacinto River Authority and the City of Houston; and
- 7.2.4** Proposal for Lake Conroe active storm management.

7.3 Pursuant to Texas Government Code, Section 551.072, Real Property:

- 7.3.1** Lake Conroe Park; and
- 7.3.2** Lease agreement with U.S. Forest Service for property associated with Lake Conroe Reservoir.

8. 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.

9. Announcements / Future Meeting

The next San Jacinto River Authority Regular Board Meeting will take place on February 27, 2025.

10. 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
5.1	Consider approval of minutes from the Board of Directors meeting of December 12, 2024.	01/23/2025

BACKGROUND INFORMATION

FUNDING SOURCE: N/A

ATTACHMENTS: Minutes

RECOMMENDED ACTION

Approve the minutes of the December 12, 2024, Board of Directors meeting.

Item No.	Agenda Item	Date
5.2	Consider approval of the unaudited financials for the months of September and October, 2024.	01/23/2025

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 will be provided under separate cover

RECOMMENDED ACTION

Approve the unaudited financial statements for the months of September and October, 2024.

Item No.	Agenda Item	Date
6.1	Accept the Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes, and the Federal Single Audit Report for the fiscal year ended August 31, 2024.	01/23/2025

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 of 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 21, 2025, to review with staff and the auditors, and recommends acceptance of the attached “San Jacinto River Authority Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes for the Fiscal Year Ended August 31, 2024” and the attached “San Jacinto River Authority Federal Single Audit Report for the Fiscal Year Ended August 31, 2024.”

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, and the Federal Single Audit Report for the fiscal year ended August 31, 2024.

Item No.	Agenda Item	Date
6.2	Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2025 Operating Budget for the GRP Division.	01/23/2025

BACKGROUND INFORMATION

During Fiscal Year 2024, the GRP hired an external firm, Carollo Engineers, Inc., to produce a Water Rate Model for the GRP. Reserve targets set within the model increased the Operating and Rate Stabilization Reserve from a three-month reserve to a six-month reserve over the next three fiscal years. The GRP Division has met the three-month operating reserve target and is requesting approval to amend the FY2025 budget to utilize the General Fund cash to increase the operating reserve to the six-month balance in Fiscal Year 2025.

General Fund:

	Current FY2025 Budget	Proposed Amendment	Proposed Amended FY2025 Budget
Other Sources (Uses):			
Cash Sources (Uses)	\$ 0	(\$6,360,537)	(\$6,360,537)
Operating Reserve	\$ 0	\$6,360,537	\$6,360,537

FUNDING SOURCE: GRP General Fund

ATTACHMENTS: Resolution and Exhibit "A"

RECOMMENDED ACTION

Approve a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2025 Operating Budget for the GRP Division.

Item No.	Agenda Item	Date
6.3	Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2025 Budget for the Woodlands Division.	01/23/2025

BACKGROUND INFORMATION

The Woodlands Division of the San Jacinto River Authority (SJRA) is planning a project to ultimately renew or replace the existing Wastewater Treatment Facility (WWTF) No. 1. SJRA previously completed a feasibility study and master plan for a new Water Reclamation Facility (WRF) to replace the existing WWTF No. 1. SJRA is currently working on an additional feasibility study to address pending questions from the Woodlands MUDs to advance the project to the next phase, which is engineering design.

Carollo is currently working on this study under the Wastewater Owner’s Advisor contract with SJRA. As part of this ongoing effort, SJRA has identified a need to complete additional condition assessment of concrete structures at WWTF No. 1. In addition, the MUDs have requested additional stakeholder interim updates/presentations from Carollo than originally scoped.

The proposed budget amendment in the amount of \$200,000 addresses Work Order No. 3 with Carollo to provide additional services in support of the Wastewater Treatment Facility No. 1 Renewal/Replacement Evaluation Project for the Woodlands Division.

Below are the details of the proposed budget amendment for the Woodlands Division.

R&R Fund:

	Current FY2025 Budget	Proposed Amendment	Proposed Amended FY2025 Budget
Capital Improvements:			
Sewage Treatment Plant & Facilities (WWF1LA)	\$ 4,000,000	(\$200,000)	\$3,800,000
Sewage Treatment Plant & Facilities (WWF1NP)	\$ 400,000	\$200,000	\$600,000

FUNDING SOURCE: Woodlands Repair and Replacement Fund

ATTACHMENTS: Resolution and Exhibit “A”

RECOMMENDED ACTION

Approve a resolution of the Board of Directors of the San Jacinto River adopting an amended Fiscal Year 2025 Budget for the Woodlands Division.

Item No.	Agenda Item	Date
6.4	Consider authorizing the General Manager to execute Work Order No. 3 with Carollo Engineers, Inc., for additional services in support of the Wastewater Treatment Facility No. 1 Renewal/Replacement Evaluation for the Woodlands Division.	01/23/2025

BACKGROUND INFORMATION

Firm Name: Carollo Engineers, Inc.
 Project: Wastewater Owner’s Advisor
 Type of Agreement: Professional Services Agreement
 (Contract No. 24-0008-A)

Project Description/Justification:

The Woodlands Division of the San Jacinto River Authority (SJRA) is planning a project to ultimately renew or replace the existing Wastewater Treatment Facility (WWTF) No. 1. SJRA previously completed a feasibility study and master plan for a new Water Reclamation Facility (WRF) to replace the existing WWTF No. 1. SJRA is currently working on an additional feasibility study to address pending questions from the Woodlands MUDs in order to advance the project to the next phase, engineering design. Carollo is currently working on this study under the Wastewater Owner’s Advisor contract with SJRA. As part of this ongoing effort, SJRA has identified a need to complete additional condition assessment of concrete structures at WWTF No. 1. In addition, the MUDs have requested additional stakeholder interim updates/presentations from Carollo than originally scoped.

Work Order Scope:

Work Order No. 3 includes condition assessment of the existing concrete structures at WWTF No. 1, including visual observations, mechanical impact sounding, rebar spacing and cover depth, and corrosion testing. In addition, up to eight (8) stakeholder presentations have been added to the scope. The recommendations resulting from this work order will be presented to the Stakeholders at completion of the study for approval to move forward with renewal/replacement.

Key Deliverable(s):	Due Date(s):
Condition Assessment of Concrete Structures Memorandum	April 4, 2025
Stakeholder Meeting Attendance/Support	July 31, 2025

Type of Compensation/Amount: Lump Sum/\$181,689.00

Total Amount: \$181,689.00

Construction Cost: NA (Est.)

Anticipated Completion Date: July 31, 2025

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

FUNDING SOURCE: Repair and Replacement Fund (“R&R”)

ATTACHMENTS: Exhibit 1, Map, Work Order No. 3, Scope, Level of Effort, Schedule

RECOMMENDED ACTION

Authorize the General Manager to execute Work Order No. 3 in the amount of \$181,689.00 with Carollo Engineers, Inc., for additional services in support of the Wastewater Treatment Facility No. 1 Renewal/Replacement Evaluation for the Woodlands Division.

Item No.	Agenda Item	Date
6.5	Consider adoption of a Resolution Expressing Official Intent to Reimburse Operating Fund to preserve rights relative to payments made for the Lake Houston Pump Station Pump and Motor Replacement Project and the Garth Road Siphon Replacement Project.	01/23/2025

BACKGROUND INFORMATION

In general terms, federal tax law prohibits the Authority from utilizing bond proceeds to reimburse itself for construction expenditures (in excess of \$100,000) previously paid with general revenues unless the Board of Directors timely adopts a resolution reserving such right. The proposed resolution will reserve the Authority's rights to utilize future bond proceeds to reimburse its general fund for payment of costs related to the Lake Houston Pump Station Pump and Motor Replacement Project and the Garth Road Siphon Replacement Project.

- Adoption of the proposed Resolution will not obligate the Authority to issue bonds; it is simply a reservation of rights.
- If the Authority has remaining bond proceeds from an issue (e.g., an issue for Highlands), it may be beneficial to use those funds for reimbursement for the Lake Houston Pump Station Pump and Motor Replacement Project and the Garth Road Siphon Replacement Project.

FUNDING SOURCE: Highlands Repair & Replacement Funds from General Revenues

ATTACHMENTS: Resolution

RECOMMENDED ACTION

Pass and adopt the Resolution Expressing Official Intent to Reimburse Operating Fund to preserve rights relative to payments made for the Lake Houston Pump Station Pump and Motor Replacement Project and the Garth Road Siphon Replacement Project.

Item No.	Agenda Item	Date
6.6	Consider authorizing the General Manager to execute a Professional Services Agreement and Work Order No. 1 with Diaz Engineering, LLC, for engineering design of Structure 2 and South Canal Bypass Levee Improvements in Highlands.	01/23/2025

BACKGROUND INFORMATION

Firm Name: Diaz Engineering, LLC

Project: Structure 2 and South Canal Bypass Levee Improvements

Type of Agreement: Professional Services Agreement
(Contract No. 24-0039-A)

Project Description/Justification:
Improvements to Structure 2 and the South Canal Bypass between Structure 3 and Siphon 24 along the South Canal Bypass have been identified and are needed to improve infrastructure and access to perform maintenance and continue reliable conveyance of raw water to customers. Structure 2 is a critical piece of infrastructure that serves as the primary control structure for the transfer of water from the Main Canal into the Reservoir. The culverts are currently undersized and the slide gates on this structure do not adequately seal, making it difficult to control flow to the Reservoir. The design of the new structure will follow our standard control structure design and include larger pipes than currently exist. The South Canal Bypass is severely eroded along its entire length and has limited access for maintenance along the levees.

Work Order Scope:
Work Order No. 1 will consist of preliminary and final structural design with levee improvements, surveying, geotechnical investigation, hydraulic modeling, and an environmental assessment as needed for both Structure 2 and the South Canal Bypass. The technical memorandum will evaluate the extent of improvements necessary for this project and will outline the deliverables in final design. These submittal packages will consist of plans, specifications, and estimates for the recommended improvements to both Structure 2 and the South Canal Bypass.

Key Deliverable(s):	Due Date(s):
Technical Memorandum and Exhibits	June 30, 2025
60% Submittal Package	August 15, 2025
90% Submittal Package	October 16, 2025
Final Submittal Package	November 30, 2025

Type of Compensation/Amount: Lump Sum/\$194,680.00
Cost-Plus Multiplier/\$288,820.00

Total Amount: \$483,500.00

Construction Cost: \$4,507,000.00 (Est.)

Anticipated Completion Date: December 31, 2025

FUNDING SOURCE: Repair and Replacement Fund (“R&R”)

ATTACHMENTS: Map, Professional Services Agreement and Work Order No. 1, Scope, Level of Effort, Schedule

RECOMMENDED ACTION

Authorize the General Manager to execute a Professional Services Agreement and Work Order No. 1 in an amount not to exceed \$483,500.00 with Diaz Engineering, LLC, for engineering design for Structure 2 and South Canal Bypass Levee Improvements in Highlands.