



**Board of Directors Meeting  
December 9, 2021**



## **AGENDA**

**SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS  
THURSDAY, DECEMBER 9, 2021 - 8:00 A.M.  
GENERAL AND ADMINISTRATION BUILDING - BOARDROOM  
1577 DAM SITE ROAD, CONROE, TEXAS 77304**

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- 1. CALL TO ORDER**
- 2. PLEDGES OF ALLEGIANCE**
- 3. PUBLIC COMMENTS** (3 minutes per speaker)
- 4. DIVISION UPDATES** - Receive updates from Operational Divisions and General & Administration Division related to ongoing projects, staff reports, or items on the consent agenda.
  - a. G & A:** Jace Houston, General Manager
  - b. G & A:** Heather Ramsey Cook, Director of Communications and Public Affairs
  - c. G & A:** Tom Michel, Director of Finance and Administration
  - d. Woodlands:** Chris Meeks, Utility Enterprise O&M Manager
  - e. GRP:** Chris Meeks, Utility Enterprise O&M Manager
  - f. Lake Conroe:** Bret Raley, Lake Conroe Division Manager
  - g. Highlands:** Jay Smith, Highlands Division Manager
  - h. Flood Management:** Matt Barrett, Flood Management Division Manager
- 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.

### **G&A**

- a. Approval of Minutes** - Regular Meeting of October 28, 2021.
- b. Unaudited Financials**

Consider approval of the unaudited financials for the month of October, 2021.

- c. Quarterly Investment Report**

Consider approval of the Quarterly Investment Report for the Quarter Ended November 30, 2021.

**d. Revised Retirement Plan Investment Committee Charter**

Consider adoption of a revised Retirement Plan Investment Committee Charter dated December 9, 2021.

**e. Resolution - Amended Pension Plan Investment Policy Statement**

Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Pension Plan Investment Policy Statement dated December 9, 2021.

**WOODLANDS**

**f. Professional Services Agreement and Work Order No. 1 - Wastewater Treatment Facility No. 2 Headworks Rehabilitation**

Consider authorizing the General Manager to execute a professional services agreement and Work Order No. 1 for Preliminary Engineering Design Services for Wastewater Treatment Facility No. 2 Headworks Rehabilitation in The Woodlands.

- 6. REGULAR AGENDA** - This agenda consists of items requiring individual consideration by the Board of Directors.

**G&A**

**a. Resolution - Amended Fiscal Year 2022 Budgets**

Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2022 Operating Budget for the Highlands Division and Repair and Replacement Fund Budgets for the Woodlands and Lake Conroe Divisions.

**RAW WATER ENTERPRISE**

**b. Proposal on Seasonal Lowering of Lake Conroe**

Consideration of a compromise proposal on seasonal lowering of Lake Conroe, possible action to approve a recommendation to be presented to the City of Houston, and authorization for the General Manager to coordinate with the City of Houston for implementation of same.

**7. BRIEFINGS AND PRESENTATIONS**

- a.** Presentation of Annual Historically Underutilized Business (HUBs) Report for the period September 1, 2020, through August 31, 2021.

- 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.

- 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; and
  - 3. Pending litigation styled *Lake Conroe Assn., et. al. v. City of Houston and San Jacinto River Authority*, Cause No. 21-03-04382, in the 284th District Court, Montgomery County, Texas.
- c. Discussion regarding personnel matters pursuant to Texas Government Code, Section 551.074.

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 - January 27, 2022.

## 11. ADJOURN

Board meetings after September 1, 2021, will be held in person, to include the public comment portion of the agenda. The meeting may be viewed via live stream through the San Jacinto River Authority's Board of Directors webpage:

<https://www.sjra.net/about/board/>

*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
5a	Consider approval of minutes from the Board of Directors meeting of October 28, 2021.	12/09/2021

**BACKGROUND INFORMATION**

**STRATEGIC GOAL:** Goal 1: Engaged Board of Directors

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Minutes

**RECOMMENDED ACTION**

Approve the minutes of the October 28, 2021, Board of Directors meeting.

Item No.	Agenda Item	Date
5b	Consider approval of the unaudited financials for the month of October, 2021.	12/09/2021

**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.

**STRATEGIC GOAL:** Goal 1: Engaged Board of Directors

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Unaudited Financials will be provided under separate cover

**RECOMMENDED ACTION**

Approve the unaudited financial statements for the month of October, 2021.

Item No.	Agenda Item	Date
5c	Consider approval of the Quarterly Investment Report for the Quarter Ended November 30, 2021.	12/09/2021

**BACKGROUND INFORMATION**

The Quarterly Investment Report presents the investment balances and activity for San Jacinto River Authority funds, including investment strategy for each fund, in compliance with the provisions of the San Jacinto River Authority Investment Policy and the Public Funds Investment Act (Chapter 2256, Government Code).

**STRATEGIC GOAL:** Goal 1: Engaged Board of Directors

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Quarterly Investment Report will be provided under separate cover

**RECOMMENDED ACTION**

Approve the quarterly investment report for the quarter ended November 30, 2021.

Item No.	Agenda Item	Date
5d	Consider adoption of a revised Retirement Plan Investment Committee Charter dated December 9, 2021.	12/09/2021

**BACKGROUND INFORMATION**

The SJRA Board of Directors originally chartered the Retirement Plan Investment Committee (RPIC) in 2012 with the following mission statement, as copied from the attached RPIC Charter document:

**“Mission Statement**

The Retirement Plans Investment Committee (“RPI Committee”) will assist the Plan Administrators (internal employees responsible for the administration of the plans) in fulfilling their oversight responsibility for the retirement investment assets of the Authority. The RPI Committee is responsible for formulating the overall investment policies of the retirement plans, subject to approval by the Plan Administrators and the Board of Directors, and establishing investment guidelines in furtherance of those policies. The RPI Committee monitors the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.”

With two senior management departures in 2021, it is necessary to replace those positions on the RPI Committee to ensure appropriate employee representation across all SJRA divisions. The RPI Committee met on September 23, 2021, and voted to recommend Mr. Ed Shackelford, Director of Utility Operations and Mr. Wayne Owen, Director of Raw Water Operations to serve on the RPI Committee.

**STRATEGIC GOAL:** Goal 6: High Performance Administration

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Revised Retirement Plan Investment Committee Charter

**RECOMMENDED ACTION:**

Adopt the proposed Retirement Plan Investment Committee Charter.



Item No.	Agenda Item	Date
5e	Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Pension Plan Investment Policy Statement dated December 9, 2021.	12/09/2021

**BACKGROUND INFORMATION**

The SJRA Board of Directors last modified the Pension Plan Investment Policy Statement in July 2017. The Policy guides investment strategies and targeted allocations within SJRA's employee pension plan by the Retirement Plan Investment Committee (RPIC) and its investment advisors. The pension plan was originally created in 1970 and ended participation to new employees hired after August 1, 2016. After a thorough review of proposals and qualifications this past year, the Hyas Group was selected to be the investment advisors. The Hyas Group reviewed the Policy and have recommended the changes included in the attached Resolution and Pension Plan Investment Policy Statement.

There are two proposed changes to highlight:

- Eligible funds are generally expected to be within the 50<sup>th</sup> percentile for the prior three years and/or five years as compared to their peer group indices; (Note: previous language required funds to be within the 50<sup>th</sup> percentile, which left no flexibility to allow a fund to recover)
- The following language is proposed to replace the detailed table of targeted investment allocations:  
*"The portfolio will normally observe a target allocation of 65% equity investments and 35% fixed income investments. The underlying equity investments may include asset classes such as US Large Cap, US Mid Cap, International, Real Estate Investment Trusts, and others at weightings determined, and periodically adjusted as needed, by the RPI Committee. The underlying fixed income investments may include asset classes such as Short-term Bonds, Total Return Bonds, Treasury Inflation-Protected Securities (TIPS), High Yield Bonds, Global Bonds, and others at weightings determined, and periodically adjusted as needed, by the RPI Committee. The Investment Advisor will provide measurement standards for each asset class and will periodically report on the performance of each asset class and its component funds to the RPI Committee."*

The RPI Committee met on September 23, 2021, and a sub-committee was appointed and met on November 5, 2021, to finalize the proposed changes to the Policy. The attached document highlights the recommended changes to the Pension Plan Investment Policy Statement by the RPI Committee.

**STRATEGIC GOAL:** Goal 6: High Performance Administration

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Proposed Resolution adopting an amended Pension Plan Investment Policy Statement and Pension Plan Investment Policy Statement dated December 9, 2021.

**RECOMMENDED ACTION:**

Adopt a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Pension Plan Investment Policy Statement dated December 9, 2021.

Item No.	Agenda Item	Date
5f	Consider authorizing the General Manager to execute a professional services agreement and Work Order No. 1 for Preliminary Engineering Design Services for Wastewater Treatment Facility No. 2 Headworks Rehabilitation in The Woodlands.	12/09/2021

**BACKGROUND INFORMATION**

Firm Name:	Jones Carter, Inc.
Project:	Wastewater Treatment Facility No. 2 Headworks Rehabilitation
Type of Services:	Professional Engineering Services (Qualifications-based selection, Ref: RFQ 21-0071)
Type of Agreement:	Professional Services Work Order Agreement (Contract No. 21-0071)

**Project Description:**

The headworks structure at Wastewater Facility No. 2 is the first step of the wastewater treatment process, where large, solid materials and grit are removed from the water. The grit system includes a concrete grit chamber, grit pumps, grit classifier, and associated piping constructed in 1996. A comprehensive inspection was performed in 2020, at which time extensive concrete degradation was found. The grit classifier and grit piping are undersized and need to be replaced due to constant grit pipe clogging. Improved access between the adjacent structure and the headworks structure is also included. A temporary bypass pumping operation is needed during the construction of the project.

Work Order No. 1 will include preliminary engineering that includes analysis of the degradation to the concrete structure, repair options to prolong the life of the concrete structure, analysis to properly size the grit classifier, structural analysis for the proposed overhead stairs and walkway, and options for the diversion pumping. Work Order No. 1 provides for all labor and materials required to perform the preliminary engineering services.

Key Deliverable(s):	Due Date(s):
Bypass Pumping Conceptual Design	May 18, 2022
Draft Technical Memoranda	May 18, 2022
Final Technical Memo and Executive Summary	June 17, 2022
Type of Compensation/Amount.:	Lump sum /\$108,992.00
Total Amount:	<u>\$108,992.00</u>
Anticipated Completion Date:	June 17, 2022

**STRATEGIC PLAN:** Goal 2: Operational Excellence

**FUNDING SOURCE:** R&R Fund

**ATTACHMENTS:** Map, PSA, Work Order No. 1, Scope, Sub Proposals, 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 \$108,992.00 with Jones|Carter, Inc., for Preliminary Engineering Design Services for Wastewater Treatment Facility No. 2 Headworks Rehabilitation in The Woodlands.

Item No.	Agenda Item	Date																																				
6a	Consider adoption of a resolution of the Board of Directors of the San Jacinto River Authority adopting an amended Fiscal Year 2022 Operating Budget for the Highlands Division and Repair and Replacement Fund Budgets for the Woodlands and Lake Conroe Divisions.	12/09/2021																																				
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<p>As approved by the Board of Directors on 10/22/2020, construction was completed to install fiber lines for the Highlands Division SCADA system. Per the approved agreement, a monthly recurring lease and maintenance cost of \$5,160 commenced upon completion of construction. The approved FY2022 budget did not include the monthly recurring lease and maintenances cost.</p> <p>Highlands Operating:</p> <table><thead><tr><th></th><th>Current FY2022 Budget</th><th>Proposed Resolution</th><th>Proposed Amended FY2022 Budget</th></tr></thead><tbody><tr><td>Rentals:</td><td></td><td></td><td></td></tr><tr><td>Fiber Rental</td><td>\$0</td><td>+\$61,920</td><td>\$61,920</td></tr></tbody></table> <p>The Woodlands Division identified the need to implement a Digital Water System in the amount of \$375,000 that will utilize the data from various software to form a comprehensive review of asset performance and risk. The Woodlands Water Agency MUDs have approved the addition of this project.</p> <p>Woodlands Repair and Replacement:</p> <table><thead><tr><th></th><th>Current FY2022 Budget</th><th>Proposed Resolution</th><th>Proposed Amended FY2022 Budget</th></tr></thead><tbody><tr><td>Capital Improvements:</td><td></td><td></td><td></td></tr><tr><td>Software</td><td>\$0</td><td>+\$375,000</td><td>\$375,000</td></tr></tbody></table> <p>As approved by the Board of Directors on 9/23/2021, the Lake Conroe Division has contracted with the U.S. Geological Survey (USGS) to add four streamflow stations at East Sandy Creek, West Caney Creek, Little Lake Creek, and West Sandy Creek.</p> <p>Lake Conroe Repair and Replacement:</p> <table><thead><tr><th></th><th>Current FY2022 Budget</th><th>Proposed Resolution</th><th>Proposed Amended FY2022 Budget</th></tr></thead><tbody><tr><td>Purchased &amp; Contracted Services:</td><td></td><td></td><td></td></tr><tr><td>Stream Gauging &amp; Water Quality USGS</td><td>\$0</td><td>+\$128,000</td><td>\$128,000</td></tr></tbody></table>				Current FY2022 Budget	Proposed Resolution	Proposed Amended FY2022 Budget	Rentals:				Fiber Rental	\$0	+\$61,920	\$61,920		Current FY2022 Budget	Proposed Resolution	Proposed Amended FY2022 Budget	Capital Improvements:				Software	\$0	+\$375,000	\$375,000		Current FY2022 Budget	Proposed Resolution	Proposed Amended FY2022 Budget	Purchased & Contracted Services:				Stream Gauging & Water Quality USGS	\$0	+\$128,000	\$128,000
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STRATEGIC GOAL: Goal 6: High Performance Administration																																						
FUNDING SOURCE: Highlands Operating and Woodlands and Lake Conroe Repair and Replacement Funds																																						
ATTACHMENTS: Resolution and Exhibit “A”																																						
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Item No.	Agenda Item	Date
6b	Consideration of a compromise proposal on seasonal lowering of Lake Conroe, possible action to approve a recommendation to be presented to the City of Houston, and authorization for the General Manager to coordinate with the City of Houston for implementation of same.	12/09/2021
<b>BACKGROUND INFORMATION</b>		
<div></div>		
<b>STRATEGIC GOAL:</b> Goal 3: Water Resource Leadership		
<b>FUNDING SOURCE:</b> N/A		
<b>ATTACHMENTS:</b>		
<b>RECOMMENDED ACTION</b>		
<p>Consideration of a compromise proposal on seasonal lowering of Lake Conroe, possible action to approve a recommendation to be presented to the City of Houston, and authorization for the General Manager to coordinate with the City of Houston for implementation of same.</p>		