



**Board of Directors Meeting
January 27, 2022**



AGENDA

**SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS
THURSDAY, JANUARY 27, 2022 - 8:00 A.M.
GENERAL AND ADMINISTRATION BUILDING - BOARDROOM
1577 DAM SITE ROAD, CONROE, TEXAS 77304**

- 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** - Special Meeting of December 9, 2021.

- b. Unaudited Financials**

Consider approval of the unaudited financials for the months of November and December, 2021.

- c. Resolution - Authorized Signatories**

Consider adoption of a resolution designating the authorized signatories for all Authority financial transactions with the authorized depository banks and any other financial institutions in order to execute necessary financial transactions to conduct the Authority's financial business.

d. Amendment No. 1 to Work Order No. 1 - Staff Augmentation Consulting Services

Consider authorizing the General Manager to execute Amendment No. 1 to Work Order No. 1 for staff augmentation consulting services for the Technical Services department.

WOODLANDS

e. Contract Amendment - WWA Consulting Services

Consider authorizing the General Manager to execute an Amendment to Service Agreement on behalf of the Woodlands Water Agency for professional government relations consulting services.

RAW WATER ENTERPRISE

f. Work Order No. 3 - Water Strategy Consulting Services

Consider authorizing the General Manager to execute Work Order No. 3 for water strategy consulting services for the Raw Water Enterprise.

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

G&A

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, 2021.

b. Pension Plan Floor Buyout and Transfer

Consider authorizing the General Manager to initiate a pension plan floor buyout with the Lincoln Financial Group and transfer the remaining funds to The Standard.

- 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.

- 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.

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 AGENDA

Next San Jacinto River Authority Regular Board Meeting - February 24, 2022.

10. 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 December 9, 2021.	01/27/2022

BACKGROUND INFORMATION

STRATEGIC GOAL: Goal 1: Engaged Board of Directors

FUNDING SOURCE: N/A

ATTACHMENTS: Minutes

RECOMMENDED ACTION

Approve the minutes of the December 9, 2021, Board of Directors meeting.

Item No.	Agenda Item	Date
5b	Consider approval of the unaudited financials for the months of November and December, 2021.	01/27/2022

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 months of November and December, 2021.

Item No.	Agenda Item	Date
5c	Consider adoption of a resolution designating the authorized signatories for all Authority financial transactions with the authorized depository banks and any other financial institutions in order to execute necessary financial transactions to conduct the Authority's financial business.	01/27/2022

BACKGROUND INFORMATION

Some banking institutions require that a resolution be duly adopted by an entity naming certain persons to be authorized to execute documents related to financial accounts. This item will update and authorize the following nine (9) individuals to sign checks and other banking instruments on behalf of the Authority.

- | | |
|------------------------|-------------------|
| 1. Ronnie Anderson | 6. Ed Shackelford |
| 2. Charles E. Boulware | 7. Wayne Owen |
| 3. Jace A. Houston | 8. Pam J. Steiger |
| 4. Tom Michel | 9. Jamye Lewis |
| 5. Heather Ramsey Cook | |

This resolution also removes Allegiance Bank as a depository institution utilized by the San Jacinto River Authority.

STRATEGIC GOAL: Goal 6: High Performance Administration

FUNDING SOURCE: N/A

ATTACHMENTS: Banking Resolution

RECOMMENDED ACTION

Adopt a resolution designating the authorized signatories of all Authority financial transactions with the authorized depository banks and any other financial institutions in order to execute necessary financial transactions to conduct the Authority's financial business.

Item No.	Agenda Item	Date
5d	Consider authorizing the General Manager to execute Amendment No. 1 to Work Order No. 1 for staff augmentation consulting services for the Technical Services department.	01/27/2022

BACKGROUND INFORMATION

Firm Name: KIT Professionals, Inc.

Project: Technical Services Department Staff Augmentation

Type of Services: Professional Engineering Services

Type of Agreement: Professional Services Work Order Agreement
(Contract No. 21-0052-B)

Project Description:
Amendment No. 1 to Work Order No. 1 provides for additional professional engineering services for staff augmentation services to assist the Technical Services department for miscellaneous engineering projects across the Authority. The Master Professional Services Agreement was approved by the SJRA Board of Directors on August 26, 2021. Per the Purchasing Policy, Amendment 1 to Work Order No. 1 requires Board approval.

Type of Comp. (WO No. 1, AM No. 1)/Amt.: Hourly Per Fee Schedule with WO No. 1/\$100,000.00

Original Fee for Work Order No. 1: \$75,000.00

Amendment No. 1 to Work Order No. 1: \$100,000.00 (Recommended Action)

Total Amount of Work Order No. 1: \$175,000.00

Anticipated Completion Date: August 31, 2022

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: Cash

ATTACHMENTS: Work Order No. 1 Amendment No. 1

RECOMMENDED ACTION

Authorize the General Manager to execute Amendment No. 1 to Work Order No. 1 in an amount not to exceed \$100,000.00, with KIT Professionals Inc., for staff augmentation consulting services for the Technical Services department.

Item No.	Agenda Item	Date
5e	Consider authorizing the General Manager to execute an Amendment to Service Agreement on behalf of the Woodlands Water Agency for professional government relations consulting services.	01/27/2022

BACKGROUND INFORMATION

Firm Name:	Cornerstone Government Affairs, Inc.
Type of Services:	Professional Government Relations Consulting Services
Type of Agreement:	Amendment to Service Agreement (Contract No. 21-0080)
Project Description:	<p>Professional government relations consulting services to support programs and projects undertaken by SJRA Woodlands Division on behalf of and funded by the Woodlands Water Agency.</p> <p>Work is anticipated to include, but it not necessarily limited to, monitoring federal and state legislation (including authorizations and appropriations), conducting outreach and facilitating engagements with congressional offices, State of Texas house and senate offices (including members, professional staff and personal staff) as well as State of Texas funding agencies, regularly briefing each of them on goals and objectives undertaken by SJRA on behalf of the Woodlands Water Agency, and determining prospective funding opportunities, which may include grants, low interest loans, or federal infrastructure funding.</p> <p>The Amendment provides for all services and materials required for professional government relations services to support programs and projects undertaken by SJRA Woodlands Division on behalf of and funded by the Woodlands Water Agency.</p>
Compensation Amount:	\$120,000.00 plus reimbursement of actual expenses
Agreement Expiration Date:	December 28, 2022

STRATEGIC GOAL: Goal 5: Effective Stakeholder Communications

FUNDING SOURCE: Woodlands Division General Fund

ATTACHMENTS: Amendment to Service Agreement

RECOMMENDED ACTION

Authorize the General Manager to execute an Amendment to Service Agreement on behalf of the Woodlands Water Agency in the amount of \$120,000.00, plus reimbursement of actual expenses, for professional government relations consulting services.

Item No.	Agenda Item	Date
5f	Consider authorizing the General Manager to execute Work Order No. 3 for water strategy consulting services for the Raw Water Enterprise.	01/27/2022

BACKGROUND INFORMATION

Firm Name: Freese and Nichols, Inc.

Project: Water Strategy Consulting Services

Type of Services: Professional Services

Type of Agreement: Professional Services Work Order Agreement
(Contract No. 17-093-3)

Project Description:

From time to time, the SJRA Raw Water Enterprise requires professional consulting services related to the management, planning, and development of current and/or future water resources. The timing, scope, and level of effort for these services are not always known on a year-to-year basis, and SJRA has since at least 2014 utilized on-call/as-needed work orders to meet the objectives of water strategy consulting needs as they arise. This Work Order No. 3 provides for continuing on-call consulting services through the end of SJRA's Fiscal Year 2022. Services to be provided may include, but are not limited to, participation in planning meetings, review of documents and work products, minor water availability modeling, minor technical evaluations and studies, development of technical memoranda, and development of additional scopes of work and work orders for detailed and complex efforts.

Key Deliverable(s):	Due Date(s):
Work Assignment Outlines	TBD (as needed)
Work Assignment Deliverables	TBD (as needed)
Type of Compensation/Amount:	Cost Plus Multiplier with Not-to-Exceed/\$50,000.00
Previously Authorized Work Order Nos. 1-2*:	\$ 75,000.00
<u>Work Order No. 3:</u>	<u>\$ 50,000.00</u>
Total Amount:	\$125,000.00
Anticipated Completion Date:	August 31, 2022

* See attached Exhibit 1 for information on previously authorized work orders.

STRATEGIC GOAL: Goal 3: Water Resource Leadership

FUNDING SOURCE: Cash

ATTACHMENTS: Exhibit 1, Map, Work Order No. 3, Scope, Business Justification

RECOMMENDED ACTION

Authorize the General Manager to execute Work Order No. 3 in an amount not to exceed \$50,000.00 with Freese and Nichols, Inc., for water strategy consulting services for the Raw Water Enterprise.

Item No.	Agenda Item	Date
6a	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, 2021.	01/27/2022

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 7, 2022, 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, 2021” and the attached “San Jacinto River Authority Federal Single Audit Report for the Fiscal Year Ended August 31, 2021”.

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: N/A

ATTACHMENTS: Annual Comprehensive Financial Report - Audited Financial Statements and Related Notes for the Fiscal Year Ended August 31, 2021, and Federal Single Audit Report for the Fiscal Year Ended August 31, 2021.

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, 2021.

Item No.	Agenda Item	Date
6b	Consider authorizing the General Manager to initiate a pension plan floor buyout with the Lincoln Financial Group and transfer the remaining funds to The Standard.	01/27/2022

BACKGROUND INFORMATION

In 2012, the San Jacinto River Authority (“Authority”) moved the employer’s pension plan (Pension) from Lincoln Financial Group (LFG) to The Standard. As of August 1, 2016, the Authority’s pension plan was “soft frozen” to existing participants. New employees after August 1, 2016, are included in a different retirement plan utilizing 401a and 457b deferred contribution plans.

In August 2021, the Hvas Group, the Authority’s retirement investment advisors, conducted an Asset Allocation Study and concluded that the Authority could be relieved of the liability for the ten (10) retirees remaining in the Pension at LFG.

As of December 2021, the Authority has over \$1.8 million held in LFG funds and has the opportunity to “buy out” of the LFG contract for the remaining 10 retirees for a total cost of \$918,621. This would relieve the Authority of the liability of the ten retirees at LFG. The retirees would see no change to their pension benefits. The remainder of retirement funds currently held at LFG would be transferred to the Authority's Standard account for investment.

On January 7, 2022, the Authority’s Finance Committee reviewed this item and recommended moving forward with the floor buyout and subsequent transfer.

STRATEGIC GOAL: Goal 6: High Performance Administration

FUNDING SOURCE: General Fund

ATTACHMENTS: NA

RECOMMENDED ACTION

Authorize the General Manager to initiate a pension plan floor buyout through the Lincoln Financial Group and transfer the remaining funds to The Standard.