



**Board of Directors Meeting
September 22, 2022**



AGENDA

**SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS
THURSDAY, SEPTEMBER 22, 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, Director of Communications and Public Affairs
 - c. G & A:** Tom Michel, Director of Finance and Administration
 - d. Utility Enterprise:** Chris Meeks, Utility Enterprise Manager
 - e. Lake Conroe:** Bret Raley, Lake Conroe Division Manager
 - f. Highlands:** Richard Tramm, Highlands Division Manager
 - g. 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 August 25, 2022.
- b. Quarterly Investment Report**

Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2022.

- c. Amendment No. 3 - 2026 Region H Water Plan**

Consider authorizing the General Manager to negotiate and execute Amendment No. 3 to the contract for development of the 2026 Region H Water Plan on behalf of the Region H Water Planning Group.

- d. Resolution - Authorized Signatories**

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors 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.

RAW WATER ENTERPRISE

e. Sale of Real Property

Declare to be surplus and authorize the disposal by sale of an 0.005 acre tract of surplus real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, and authorize the General Manager to execute all necessary documents to complete the transaction.

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

G&A

a. Amended Rate Order - Raw Water Customers

Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for Raw Water Customers, effective January 1, 2023.

RAW WATER ENTERPRISE

b. Change Order No. 1 - Bear Branch Dam Concrete Repairs

Consider authorizing the General Manager to execute Change Order No. 1 to the construction contract for Bear Branch Dam Concrete Repairs in The Woodlands.

c. Second Supplement to Contract for Financing, Acquisition, Operation and Maintenance - Bear Branch Reservoir System

Consider authorizing the General Manager to execute the Second Supplement to Contract for Financing, Acquisition, Operation and Maintenance of the Bear Branch Reservoir System by and between the San Jacinto River Authority; Montgomery County Municipal Utility District No. 7, Montgomery County Municipal District No. 46, of Montgomery County, Texas; Montgomery County Municipal Utility District No. 47, of Montgomery County, Texas; Montgomery County Municipal Utility District No. 60, of Montgomery County, Texas; and Montgomery County Municipal Utility District No. 67.

7. BRIEFINGS AND PRESENTATIONS

- a.** Presentation regarding Siphon 39 and Levee Improvements.

- 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.
- 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 - October 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 August 25, 2022.	09/22/2022

BACKGROUND INFORMATION

STRATEGIC GOAL: Goal 1: Engaged Board of Directors

FUNDING SOURCE: N/A

ATTACHMENTS: Minutes

RECOMMENDED ACTION

Approve the minutes of the August 25, 2022, Board of Directors meeting.

Item No.	Agenda Item	Date
5b	Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2022.	09/22/2022

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

RECOMMENDED ACTION

Approve the quarterly investment report for the quarter ended August 31, 2022.

Item No.	Agenda Item	Date
5c	Consider authorizing the General Manager to negotiate and execute Amendment No. 3 to the contract for development of the 2026 Region H Water Plan on behalf of the Region H Water Planning Group.	09/22/2022

BACKGROUND INFORMATION

Firm Name: Freese and Nichols, Inc.

Project: 2026 Region H Water Plan

Type of Services: Professional Services

Type of Agreement: Professional Services Agreement
(Contract No. 21-0051)

Project Description:

On July 7, 2021, the Region H Water Planning Group selected Freese and Nichols, Inc. (FNI) as its consultant to prepare the 2026 Region H Regional Water Plan. SJRA, acting as the Region H Political Subdivision, subsequently executed a Professional Services Agreement and Work Order No. 1 with FNI on behalf of the Region H Water Planning Group. Texas Water Development Board (TWDB) initially authorized a total of \$287,657.00 for the Region H Water Planning Group to perform the initial (Phase 1) tasks required for development of the 2026 Regional Water Plan. Recently, TWDB authorized an additional \$1,717,315 in funding to complete the remaining (Phase 2) tasks described in the amended TWDB scope of work, which is included as Exhibit A to Amendment No. 3. \$3,000 of the authorized funds have been set aside for planning group member travel, with the remaining \$1,714,315 available for use by Freese and Nichols, Inc. (FNI). Amendment No. 3 to Contract No. 21-0051 authorizes FNI additional scope and fee needed to accomplish the Phase 2 tasks.

Type of Compensation/Amt.: Cost Plus Multiplier with Not-to-Exceed/\$1,714,315.00

Original Fee for Work Order No. 1: \$ 287,657.00 (Board Approved August 26, 2021)

Amendment No. 3 to Contract No. 21-0051: \$1,714,315.00 (Recommended Action)

Total Amount of Work Order No. 1: \$2,001,972.00

Anticipated Completion Date: August 31, 2026

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

STRATEGIC GOAL: Goal 3: Water Resource Leadership

FUNDING SOURCE: TWDB Grant Funds for the Region H Water Planning Group

ATTACHMENTS: Exhibit 1, Amendment No. 3 to Contract No. 21-0051

RECOMMENDED ACTION

Authorize the General Manager to execute Amendment No. 3 to the contract for development of the 2026 Region H Water Plan in an amount not to exceed \$1,714,315.00 with Freese and Nichols, Inc., on behalf of the Region H Water Planning Group.

Item No.	Agenda Item	Date										
5d	Consider adoption of a resolution of the San Jacinto River Authority Board of Directors 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.	09/22/2022										
BACKGROUND INFORMATION												
<p>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 eight (8) individuals to sign checks and other banking instruments on behalf of the Authority.</p> <table><tr><td>1. Ronnie Anderson</td><td>6. Ed Shackelford</td></tr><tr><td>2. Charles E. Boulware</td><td>7. Pam J. Steiger</td></tr><tr><td>3. Jace A. Houston</td><td>8. Jamye Lewis</td></tr><tr><td>4. Tom Michel</td><td></td></tr><tr><td>5. Heather Ramsey Cook</td><td></td></tr></table>			1. Ronnie Anderson	6. Ed Shackelford	2. Charles E. Boulware	7. Pam J. Steiger	3. Jace A. Houston	8. Jamye Lewis	4. Tom Michel		5. Heather Ramsey Cook	
1. Ronnie Anderson	6. Ed Shackelford											
2. Charles E. Boulware	7. Pam J. Steiger											
3. Jace A. Houston	8. Jamye Lewis											
4. Tom Michel												
5. Heather Ramsey Cook												
STRATEGIC GOAL: Goal 6: High Performance Administration												
FUNDING SOURCE: N/A												
ATTACHMENTS: Banking Resolution												
RECOMMENDED ACTION												
<p>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.</p>												

Item No.	Agenda Item	Date
5e	Declare to be surplus and authorize the disposal by sale of an 0.005 acre tract of surplus real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, and authorize the General Manager to execute all necessary documents to complete the transaction.	09/22/2022
BACKGROUND INFORMATION		
<p>The Authority has received an inquiry from a property-owner along the shore of Lake Conroe who is interested in purchasing a small tract of SJRA property immediately adjacent to the landowner's. Staff has valued the tract in accordance with procedures approved by the Board of Directors and recommends that the property be declared surplus and authorized to be sold via deed without warranty.</p> <p>Buyer: Robert Zetelski</p> <p>Description: An 0.005 acre parcel in the William C. Clark Survey, A-6</p> <p>Location: 3407 Brookhaven Drive Montgomery, Texas 77356</p> <p>MCAD Land Value: \$100,660.00 / 11,184 sq. ft. = \$9.00</p> <p>SJRA Tract Value: (\$9.00 X 217.8 sq. ft.) / (0.8 factor) = \$2,450.25</p> <p>Attorney Closing Cost: \$2,000.00</p> <p>Disposal Sale Price: \$4,450.25</p>		
STRATEGIC GOAL: Goal 2: Operational Excellence		
FUNDING SOURCE: N/A		
ATTACHMENTS: MCAD Data Sheet, Metes and Bounds, Survey Map		
RECOMMENDED ACTION		
<p>Declare to be surplus and authorize the disposal of an 0.005 acre tract of real property located in the William C. Clark Survey, A-6, near Montgomery, Texas, at a price of \$4,450.25, and authorize the General Manager to execute all necessary documents to complete the transaction.</p>		

Item No.	Agenda Item	Date
6a	Consider adoption by the San Jacinto River Authority Board of Directors of an amended Rate Order for Raw Water Customers, effective January 1, 2023.	09/22/2022

BACKGROUND INFORMATION

The San Jacinto River Authority's Calendar Year 2022 prevailing raw water rate is \$166.18 per acre foot (\$0.5100/1,000 gallons). Revisions to the Rate Order for Raw Water Customers are proposed for Board approval.

- Calendar Year 2023 Prevailing Raw Water Rate: \$177.59 per acre foot (\$0.5450/1,000 gallons), effective January 1, 2023.

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: N/A

ATTACHMENTS: Proposed 2023 Rate Order (Redlined and Non-Redlined)

RECOMMENDED ACTION

Adopt an amended Rate Order for Raw Water Customers establishing the revised rate of \$177.59 per acre foot (\$0.5450/1,000 gallons), effective January 1, 2023.

Item No.	Agenda Item	Date
6b	Consider authorizing the General Manager to execute Change Order No. 1 to the construction contract for Bear Branch Dam Concrete Repairs in The Woodlands.	09/22/2022

BACKGROUND INFORMATION

Firm Name: Kean Construction, LLC

Project: Bear Branch Dam Concrete Repairs

Type of Services: Construction Services

Type of Agreement: Minor Construction Services Agreement
(Contract No. 22-0025-A)

Project Description:

The Bear Branch Dam is owned by SJRA and maintained and operated by the Lake Conroe Division. In June 2022, the SJRA Board of Directors authorized the General Manager to execute a construction contract with Kean Construction, LLC for Bear Branch Dam Concrete Repairs in The Woodlands. The project includes repair of concrete and sealant deterioration that has occurred in several areas along the dam, to prevent water infiltration through joints and cracks, and to stop erosion of soils from under the concrete surfaces of the dam spillway. During construction, as sediment and standing water has been removed from the structure and as repairs have been made, joints were observed that required resealing, and additional voids were discovered under the concrete surface of the dam spillway. Change Order No. 1 provides additional funding for unit quantity overruns and for additional void filling under the concrete spillway and behind the concrete spillway slopes.

Engineer: Freese and Nichols, Inc.

Original Contract Amount: \$107,690.00
 Previously Approved : \$0.00
Proposed 1: \$60,000.00
 Total Revised Contract Amount: \$167,690.00

Original Contract Days: 90 Calendar Days
 Previously Approved 0 Calendar Days
Proposed 1: 60 Calendar Days
 Total Revised Contract Days: 150 Calendar Days

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: Cash

ATTACHMENTS: Map, Change Order No. 1

RECOMMENDED ACTION

Authorize the General Manager to execute Change Order No. 1 in an amount not to exceed \$60,000.00 and 60 calendar days with Kean Construction, LLC, for Bear Branch Dam Concrete Repairs in The Woodlands.

Item No.	Agenda Item	Date
6c	Consider authorizing the General Manager to execute the Second Supplement to Contract for Financing, Acquisition, Operation and Maintenance of the Bear Branch Reservoir System by and between the San Jacinto River Authority; Montgomery County Municipal Utility District No. 7, Montgomery County Municipal District No. 46, of Montgomery County, Texas; Montgomery County Municipal Utility District No. 47, of Montgomery County, Texas; Montgomery County Municipal Utility District No. 60, of Montgomery County, Texas; and Montgomery County Municipal Utility District No. 67	09/22/2022

BACKGROUND INFORMATION

The Authority and Montgomery County MUD Nos. 7, 47, 60, and 67 entered into certain "Contract For Financing, Acquisition, Operation and Maintenance of The Bear Branch Reservoir System", dated as of October 28, 1999 (the "Contract"). The original parties entered into a "First Addition" to the Contract on November 9, 2000, to include Montgomery County MUD No. 46 as a party. The Contract was then amended by that certain "First Supplement" dated July 1, 2002.

Under the terms of the Contract and other related documents, The Woodlands Land Development Company, L.P. (the "Company") designed and constructed the Bear Branch dam and reservoir system (the "Reservoir System") to provide regional stormwater detention and conveyance capacity to serve development within all or a portion of Montgomery County MUD Nos. 7, 46, 47, 60, and 67 (the "Service Area Districts"). Utilizing funds provided by the Service Area Districts, the Authority purchased and holds title to the Reservoir System, including the dam and associated real property. The Service Area District pay the Authority for the annual operations and maintenance of the Reservoir System, with expenses charged to each Service Area District based on the number of Single Family Equivalent Connections ("SFECs") served within the district.

The proposed Second Supplement to the Contract will:

- Establish \$400,000 as the operating reserve amount to be funded by the Service Area Districts; provide for the accrual of the reserve amount over a period of 5 consecutive fiscal years, beginning with the FYE2028; authorize expenditures from the reserve and require replenishment over a period of 5 consecutive fiscal years; address the use of interest earnings on the reserve amount.
- Refine budgeting procedures to require the Service Area Districts to provided SFEC information annually to the Authority so that this information may be incorporated during the Authority's budget development.
- Provide a process for the Authority to issue bonds with the approval of the Service Area Districts, the debt service on which will be charged to the Service Area Districts on a per-SFEC basis like operations and maintenance expenses, for financing major repairs and rehabilitations to the Reservoir System.
- Extend the term of the Contract to expired December 31, 2080.

The proposed Second Supplement has been approved by the Service Area Districts.

STRATEGIC GOAL: Goal 3: Water Resource Leadership

FUNDING SOURCE: TBD

ATTACHMENTS:

RECOMMENDED ACTION

Authorize the General Manager to execute the Second Supplement to Contract for Financing, Acquisition, Operation and Maintenance of the Bear Branch Reservoir System by and between the Authority and the Service Area Districts.