



**Board of Directors Meeting
September 28, 2023**



AGENDA
REGULAR MEETING
SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS
THURSDAY, SEPTEMBER 28, 2023 - 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:** Ed Shackelford, Acting General Manager
 - b. G & A:** Heather Ramsey, Director of Communications and Public Affairs
 - c. G & A:** Tom Michel, Director of Finance and Administration
 - d. G & A:** Pam Steiger, Chief Financial Officer
 - e. G & A:** Connie Curtis, Director of Technical and Operational Services
 - f. Utility Enterprise:** Chris Meeks, Utility Enterprise Manager
 - g. Lake Conroe:** Bret Raley, Lake Conroe Division Manager
 - h. Highlands:** Richard Tramm, Highlands Division Manager
 - i. 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 24, 2023.
- b. Quarterly Investment Report**

Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2023.

- c. Revised Retirement Plan Investment Committee Charter**

Consider adoption of a revised Retirement Plan Investment Committee Charter dated September 28, 2023.

- d. Work Order No. 3 Amendment No. 1 - Professional Social Media Consulting Services**

Consider authorizing the Acting General Manager to execute Work Order No. 3 Amendment No. 1 for Professional Social Media Consulting Services.

RAW WATER ENTERPRISE

e. Work Order No. 1 - Highlands Reservoir Access Culvert and Structure 5 Improvements

Consider authorizing the Acting General Manager to execute Work Order No. 1 for construction inspection services for the Highlands Reservoir Access Culvert and Structure 5 Improvements Project in Highlands.

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

a. Change Order - Enterprise Resource Planning Software

Consider authorizing the Acting General Manager to execute a change order to replace the Truebill Accounts Receivable Software System with Dynamics 365 as part of implementation of the new Enterprise Resource Planning Software.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation regarding possible changes to the Purchasing Policy related to House Bill 3437 and House Bill 3507.

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. Litigation and other litigation related to GRP.**

c. Discussion regarding General Manager search pursuant to Texas Government Code Section 551.074, Personnel Matters.

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 26, 2023.

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 24, 2023.	09/28/2023

BACKGROUND INFORMATION

STRATEGIC GOAL: Goal 1: Engaged Board of Directors

FUNDING SOURCE: N/A

ATTACHMENTS: Minutes

RECOMMENDED ACTION

Approve the minutes of the August 24, 2023, Board of Directors meeting.

Item No.	Agenda Item	Date
5b	Consider approval of the Quarterly Investment Report for the Quarter Ended August 31, 2023.	09/28/2023

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, 2023.

Item No.	Agenda Item	Date
5c	Consider adoption of a revised Retirement Plan Investment Committee Charter dated September 28, 2023.	09/28/2023

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 for 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 various departures and organizational restructuring in 2023, it is necessary to redefine the positions on the RPI Committee to ensure appropriate employee representation across all SJRA divisions. The RPI Committee met on September 15, 2023, and recommended the following changes to Section 2a, as follows:

2. ORGANIZATION

- a. The RPI Committee consists of the Plan Administrators (the Chief Financial Officer and the Human Resources Manager). Other members include the General Manager, members of the Senior Management Team, a SJRA employee-at-large (selected by the RPI Committee), and the Treasurer of the Board of Directors.

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
5d	Consider authorizing the Acting General Manager to execute Work Order No. 3 Amendment No. 1 for Professional Social Media Consulting Services.	09/28/2023

BACKGROUND INFORMATION

Firm Name: Pink Cilantro Agency

Project: Professional Social Media Consulting Services

Type of Services: Professional Consulting Services

Type of Agreement: Work Order No. 3 Amendment No. 1 (Contract No. 21-0036)

Project Description:

Amends original work order to include \$24,342.88 for social media brand awareness and engagement across public landscape, to increase traffic across social medial platforms. The original project was presented to the Board of Directors Communications Committee on October 13, 2021, and received the support of the committee. It is within the FY23 budget.

Anticipated Completion Date: August 31, 2023

STRATEGIC GOAL: Goal 5: Effective Stakeholder Communications

FUNDING SOURCE: To be determined

ATTACHMENTS: Professional Social Media Consulting Services Work Order No. 3 Amendment No. 1

RECOMMENDED ACTION

Consider authorizing the Acting General Manager to execute Work Order No. 3 Amendment No. 1 with Pink Cilantro Agency in the amount of \$24,342.88 for Professional Social Media Consulting Services.

Item No.	Agenda Item	Date
5e	Consider authorizing the Acting General Manager to execute Work Order No. 1 for construction inspection services for the Highlands Reservoir Access Culvert and Structure 5 Improvements Project in Highlands.	09/28/2023

BACKGROUND INFORMATION

Firm Name: Baxter & Woodman Company

Project: Highlands Reservoir Access Culvert and Structure 5 Improvements

Type of Services: Professional Services

Type of Agreement: Master Professional Services Agreement
(Contract No. 22-0023-B)

Project Description:

Located at the southeast corner of the Highlands Reservoir, Structure 5 is considered the start of SJRA's East Canal and is an integral operation point of the system. At the August 24, 2023, SJRA Board of Directors meeting the Board approved the construction contract for the Highlands Reservoir Access Culvert and Structure 5 Improvements. The project generally consists of a new reservoir access culvert, erosion repairs, and SCADA instrumentation. The proposed improvements will provide staff improved access and remote operations capability. The SJRA Technical Services Department strives to perform the required construction inspection services on SJRA's construction projects, but due to an unexpected resignation of a SJRA construction inspector, consultant inspection services are required. This contract includes all required inspection services to augment SJRA's Technical Services Department staff for the Highlands Reservoir Access Culvert and Structure 5 Improvements Project.

Key Deliverable(s):	Due Date(s):
Inspection Reports	Updated in PROCORE within 24 hours
Daily Log	Maintained daily within PROCORE
Type of Compensation/Amount:	Cost Plus Multiplier with Not-to-Exceed/\$172,215.00
Total Amount:	\$172,215.00
Construction Cost:	\$846,150.25 (Est.)
Anticipated Completion Date:	June 10, 2024

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: R&R

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

RECOMMENDED ACTION

Authorize the Acting General Manager to execute Work Order No. 1 in an amount not to exceed \$172,215.00 with Baxter & Woodman Company, for construction inspection services for the Highlands Reservoir Access Culvert and Structure 5 Improvements Project in Highlands.

Item No.	Agenda Item	Date
6a	Consider authorizing the Acting General Manager to execute a change order to replace the Truebill Accounts Receivable Software system with Dynamics 365 as part of the implementation of the new Enterprise Resource Planning Software.	09/28/2023

BACKGROUND INFORMATION

Traditional, on-premises software systems are increasingly being phased out to be replaced with cloud-based systems. In 2021 the SJRA learned that the multiple existing accounting, procurement, and administrative software systems would no longer be supported and were at great risk of non-functionality within a couple of years. SJRA prepared a plan for addressing the challenge. The need for a comprehensive Enterprise Resource Planning system (ERP) to replace the collection of independently connected systems was identified as the desired path forward. SJRA hired a consulting firm to help identify SJRA's needs, develop a request for proposals, identify potential proposers, and help evaluate proposals.

An official request for proposals was sent out with multiple respondents. A comprehensive evaluation narrowed the list to three, with Crowe, LLP scoring the highest among the final three proposers. In February 2023 the Board approved the contract with Crowe, LLP to replace numerous elements of the existing system with Dynamics 365 (D365). The total cost of Phase 1 of the ERP implementation was approved in the amount of \$2,198,282. The scheduled go-live date is May 1, 2024, with a potential Phase 2 implementation after May 1, 2024, to consider replacing the existing Truebill Accounts Receivable system with D365. The cost to implement Phase 2 is estimated to be between \$350,000 to \$400,000.

After doing extensive data, document, report collection, and an extensive evaluation of current SRJA processes, Crowe proposed to move the Phase 2 D365 replacement of Truebill to the current implementation phase, to save time and money. The benefits to SJRA of including Phase 2 in this current implementation are: 1) with one accounting system, there will be less chance of error from connecting data from one system to another, 2) more uniformity and better understanding of one system, 3) improved connectivity to the credit card processing functionality being included with the new ERP, and 4) less cost overall.

The cost of this change order would be a net increase of \$197,300: additional work as highlighted in the attached Scope of Work equal to \$223,000 and reduced work within the original Scope of Work equal to \$25,700. SJRA would also save software licensing fees for Truebill going forward at a cost of \$33,875 annually. Additionally, the estimated cost of a separate Phase 2 implementation, after the ERP goes live, is between \$350,000 and \$400,000.

After thorough review by SJRA's implementation team, it is the unanimous recommendation of staff to approve Crowe's proposed ERP change order to replace the existing accounts receivable system with the D365.

STRATEGIC GOAL: Goal 6: High Performance Administration

FUNDING SOURCE: G&A R&R IT Fund, as funded by Highlands, Lake Conroe, Woodlands, and GRP Divisions

ATTACHMENTS: Crowe LLP Statement of Work

RECOMMENDED ACTION

Authorize the Acting General Manager to execute a change order with Crowe, LLP, in an amount not to exceed \$197,300 to replace the Truebill Accounts Receivable Software system with Dynamics 365 as part of the implementation of the new Enterprise Resource Planning Software.