



**Board of Directors Meeting
March 28, 2024**



**AGENDA
REGULAR MEETING
SAN JACINTO RIVER AUTHORITY BOARD OF DIRECTORS
THURSDAY, MARCH 28, 2024 - 8:00 A.M.
GENERAL AND ADMINISTRATION BUILDING - BOARDROOM
1577 DAM SITE ROAD, CONROE, TEXAS 77304**

- 1. CALL TO ORDER**
- 2. CEREMONIAL ITEMS**
 - a. Invocation**
 - b. Pledges of Allegiance**
 - c. Receipt of Commendations, Awards, and Honoraria**
- 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:** Aubrey Spear, General Manager
 - b. G & A:** Heather Ramsey, Director of Communications and Public Affairs
 - c. G & A:** Pam Steiger, Chief Financial Officer
 - d. G & A:** Connie Curtis, Director of Technical and Operational Services
 - e. Operating Divisions:** Ed Shackelford, Director of Operations
 - 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 February 22, 2024.

- b. Unaudited Financials**

Consider approval of the unaudited financials for the month of February, 2024.

- c. Quarterly Investment Report**

Consider approval of the Quarterly Investment Report for the Quarter Ended February 29, 2024.

GRP

d. Construction Contract - GRP Building No. 12 and Maintenance Building to Plant Power

Consider authorizing the General Manager to execute a construction contract with Wingo Service Company, Inc., for the GRP Building No. 12 and Maintenance Building to Plant Power Project for the GRP Division.

e. Work Order No. 1 - GRP Membrane Capacity Study

Consider authorizing the General Manager to execute Work Order No. 1 with Ardurra Group, LLC, for a Membrane Capacity Study for the GRP Division.

FLOOD MANAGEMENT

f. Resolution - Texas Water Development Board Flood Infrastructure Fund Applications

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors authorizing the General Manager to develop and submit abridged applications for Texas Water Development Board Flood Infrastructure Fund grant funding.

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

WOODLANDS

a. Resolution - Amended Fiscal Year 2024 Operating Budget

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the Woodlands Division.

b. Professional Services Agreement and Work Order No. 1 - Water Line Condition Based Assessment Project

Consider authorizing the General Manager to execute a Professional Services Agreement and Work Order No. 1 with HDR Engineering, Inc., for the Water Line Condition Based Assessment Project for the Woodlands Division.

GRP

c. Resolution - Amended Fiscal Year 2024 Operating Budget

Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the GRP Division.

7. BRIEFINGS AND PRESENTATIONS

a. Presentation of Woodlands Division 10-Year Project Plan

b. Presentation of GRP Division 10-Year Project Plan

- 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.
- 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 - April 25, 2024.

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 February 22, 2024.	03/28/2024

BACKGROUND INFORMATION

STRATEGIC GOAL: Goal 1: Engaged Board of Directors

FUNDING SOURCE: N/A

ATTACHMENTS: Minutes

RECOMMENDED ACTION

Approve the minutes of the February 22, 2024, Board of Directors meeting.

Item No.	Agenda Item	Date
5b	Consider approval of the unaudited financials for the month of February, 2024.	03/28/2024

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

RECOMMENDED ACTION

Approve the unaudited financial statements for the month of February, 2024.

Item No.	Agenda Item	Date
5c	Consider approval of the Quarterly Investment Report for the Quarter Ended February 29, 2024.	03/28/2024

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 February 29, 2024.

Item No.	Agenda Item	Date
5d	Consider authorizing the General Manager to execute a construction contract with Wingo Service Company, Inc., for the GRP Building No. 12 and Maintenance Building to Plant Power Project for the GRP Division.	03/28/2024

BACKGROUND INFORMATION

Firm Name:	Wingo Service Company, Inc.
Project:	GRP Building No. 12 & Maintenance Building to Plant Power
Type of Services:	Construction Services
Type of Agreement:	Major Construction Services Agreement (Contract No. 24-0000-A)

Project Description:

GRP Building No. 12, the first building on GRP Surface Water Plant campus, was constructed in 2012 to house SJRA staff and consultants involved in the GRP Program to construct the surface water plant and transmission lines. As it was the first building at the site, electrical service was installed at a stand-alone location along the overhead electrical corridor at the northeast corner of the site. Today, Building No. 12 houses over 20 employees from GRP Maintenance, SCADA, and TSD Construction Management and Inspection, as well as housing record archives. In 2014, a maintenance building was constructed adjacent to Building No. 12 and was provided power from the same electrical service location. As these buildings do not currently receive electrical service from the surface water plant, they do not have backup power available during a power outage. This project will allow for the installation of electrical feed to the GRP surface water plant chemical building so that both buildings will have backup power. The existing electrical service for the two buildings will be removed once the new service is installed.

No. Proposals Received/Proposal Receipt Date: 2 / February 16, 2024

Highest Ranked Offeror / Proposed Cost:	Wingo Service Company, Inc. / \$360,000.00
Second Ranked Offeror / Proposed Cost:	McDonald Municipal and Industrial / \$417,469.00

Engineer:	Kalluri Group, Inc.
Proposal Amount:	\$360,000.00
Engineer's Estimate:	\$608,000.00
Contract Days:	135 Days

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: R&R Funds

ATTACHMENTS: Map, Summary, Proposal Form, Agreement

RECOMMENDED ACTION

Authorize the General Manager to execute a construction contract in the amount of \$360,000.00 with Wingo Service Company, Inc., for the GRP Building No. 12 and Maintenance Building to Plant Power Project for the GRP Division, and contract modifications up to the amount approved per the Purchasing Policy.

Item No.	Agenda Item	Date
5e	Consider authorizing the General Manager to execute Work Order No. 1 with Ardurra Group, LLC, for a Membrane Capacity Study for the GRP Division.	03/28/2024

BACKGROUND INFORMATION

Firm Name:	Ardurra Group, LLC
Project:	GRP Membrane Capacity Study
Type of Services:	Professional Services
Type of Agreement:	Master Professional Services Agreement (Contract No. 23-0064-A)
Project Description:	

The GRP plant utilizes micro-filtration membrane technology to remove fine particulates and pathogens from the pre-treated surface water. The membrane system has been in operation since 2015 and is nearing the end of its 10-year useful life. Recent biennial tests have also shown an increasing trend in fouling along with a reduced effectiveness of chemical cleaning. In addition, membrane technology has advanced to include more viable membrane options for surface water treatment. Therefore, a study will be performed to investigate replacement alternatives that include not only replacement in-kind with Pall, but other manufacturers in order to provide the most competitive options, including non-proprietary control systems. The consultant will also perform a capacity study to evaluate each major treatment process area to determine the existing treatment capacities, identify cost potential of increasing plant capacity of each process unit, and identify potential membrane re-rating studies with TCEQ as one of the options for a future phase. Both aspects of the project will be executed in parallel paths that provide details on membrane replacement and details on the process unit capacity identifying any bottlenecks in the treatment process and potential solutions.

Key Deliverable(s):	Due Date(s):
Membrane Replacement Report	August 30, 2024
Plant Capacity Analysis Report	September 30, 2024
Type of Compensation/Amount:	Lump Sum/\$299,824.00
Total Amount:	\$299,824.00
Anticipated Completion Date:	September 30, 2024

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: O&M Fund

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

RECOMMENDED ACTION

Authorize the General Manager to execute Work Order No. 1 in an amount not to exceed \$299,824.00 with Ardurra Group, LLC, for a Membrane Capacity Study for the GRP Division.

Item No.	Agenda Item	Date
5f	Consider adoption of a resolution of the San Jacinto River Authority Board of Directors authorizing the General Manager to develop and submit abridged applications for Texas Water Development Board Flood Infrastructure Fund grant funding.	03/28/2024
BACKGROUND INFORMATION		
<p>The Flood Infrastructure Fund (FIF) was passed by the 86th Texas Legislature to provide funding for entities within the State of Texas for flood control, flood mitigation, and drainage projects. The Texas Water Development Board recently opened the solicitation period for abridged applications for the second round of funding from the FIF.</p> <p>Contingent upon approval of this resolution by the Board of Directors, and receipt of all required data and documentation from the entities referenced below, SJRA will develop and submit abridged applications and all related and relevant documents for the below projects:</p> <ol style="list-style-type: none"> 1. <u>City of Coldspring Master Drainage Plan:</u> On behalf of City of Coldspring, perform a study to develop a Master Drainage Plan using future and existing land use and flood/storm water drainage needs including Atlas 14 rainfall. 2. <u>Waller Flood Mapping Updates:</u> On behalf of Waller County, perform a county wide study to produce flood mapping updates including Atlas 14 rainfall. 3. <u>Montgomery County MUDs 83,84 - Alternative 4 and 6B PER:</u> On behalf of Montgomery County MUDs 83 & 84, perform a study to further define Alternative 4 and 6B recommended in the Oakhurst Drainage System & Bentwood Diversion Channel Flood Reduction Study (March 2021) including performing a benefit cost analysis. 		
STRATEGIC GOAL: Goal 3: Water Resource Leadership		
FUNDING SOURCE: N/A		
ATTACHMENTS: Resolution		
RECOMMENDED ACTION		
Adopt a resolution of the San Jacinto River Authority Board of Directors authorizing the General Manager to develop and submit abridged applications for Texas Water Development Board Flood Infrastructure Fund grant funding.		

Item No.	Agenda Item	Date
6a	Consider adoption of a resolution of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the Woodlands Division.	03/28/2024

BACKGROUND INFORMATION

Per Section 5.02 of the Resolution creating the R&R Fund, the Authority has determined that excess funds in the amount of \$5,111,484.71 exist from Fiscal Year 2023 based on the results of the annual independent audit report (Annual Comprehensive Financial Report (ACFR)) for a Fiscal Year approved by the SJRA Board of Directors on January 25, 2024. For excess funds to be eligible for refund or use by SJRA, revenue for the Woodlands Division must be above 90% of budget after six months of the current fiscal year. The Fiscal Year 2024 revenues for September 1, 2023 - February 29, 2024, are adequate to satisfy this requirement of the resolution. In lieu of a refund, the Woodlands MUDs approved the FY2023 excess funds to remain with the SJRA and remain in or be transferred to the funds and purposes as described below to offset future costs increases:

Emergency Reserves Contribution – Emergency Reserve Fund – \$439,272.64

To increase the current Emergency Reserve amount to the Engineering News Record Construction Price Index per the Emergency Reserve Resolution to an amount equal to \$2,621,017.

Asbestos Cement (AC) Water Line Condition Assessment Phase 1 – R&R Fund – \$1,600,000.00

This project will conduct a condition-based assessment of the AC water lines in the SJRA Woodlands water system and assist in developing assumptions for service life and a replacement plan based on the findings.

Town Center Water Line Easements – R&R Fund – \$1,533,500.00

Due to necessary modifications in the alignment of the proposed replacement of the Town Center Water Line, some areas of the proposed water line will extend outside the limits of SJRA's existing easements. This project would fund the acquisition efforts associated with the necessary permanent easements. In addition to permanent easements, to construct the replacement water line, multiple temporary construction easements (TCEs) will be required, some of which are on private property.

WWTF No. 2 Grit Classifier – R&R Fund – \$1,185,000.00

Due to cost increases, this project was removed from an existing and in progress project (WWTF No. 2 Headworks Rehabilitation) in FY2022. This project will aid in removing grit from the WWTF as originally designed and improve pump and piping service life.

Hwy 242 TxDot required line adjustments – O&M Budget – \$353,712.07

TxDot is commencing the widening of Hwy 242 along with adding turn lanes, sound walls, storm piping, and detention ponds. After field verification and survey work, four SJRA lines will need to be adjusted to allow for the enhancements of Hwy 242 to take place. Since SJRA lines are within the Right of Way, the design and adjustment of the water lines is at the expense of SJRA.

STRATEGIC GOAL: Goal 6: High Performance Administration

FUNDING SOURCE: Woodlands General Fund

ATTACHMENTS: Resolution, Proposed Amendment, and Excess Funds Memo

RECOMMENDED ACTION

Approve a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the Woodlands Division.

Item No.	Agenda Item	Date
6b	Consider authorizing the General Manager to execute a Professional Services Agreement and Work Order No. 1 with HDR Engineering, Inc., for the Water Line Condition Based Assessment Project for the Woodlands Division	03/28/2024

BACKGROUND INFORMATION

Firm Name:	HDR Engineering, Inc.
Project:	Water Line Condition Based Assessment
Type of Services:	Professional Services
Type of Agreement:	Professional Services Agreement (Contract No. 24-0004-A)

Project Description:

The SJRA Woodlands Division operates a water system that contains approximately 48 miles of asbestos cement (AC) pipe 12-inches in diameter and greater, with the oldest dating to 1973 and now beyond 50 years of age. As it ages, that infrastructure will deteriorate, break more often, and will require replacement. The purpose of the AC Water Line Condition Based Assessment project is to develop a condition-based plan to replace infrastructure prior to the end of its useful life and enable SJRA to cost-effectively sustain desired levels of service expected by The Woodlands residents. This will include development of a preliminary engineering risk assessment, a condition assessment plan, support in executing the condition assessment plan, evaluation of results, recommended scoping and scheduling of aging water line infrastructure replacement, and support in communicating the project and results to key stakeholders.

Key Deliverable(s):	Due Date(s):
Final Condition Assessment Plan	September 2, 2024
Draft Findings and Recommendations	May 6, 2025
Final Findings and Recommendations	June 10, 2025

Type of Compensation/Amount:	Lump Sum/\$209,669.81 Cost Plus Multiplier/\$831,908.71
------------------------------	--

Total Amount:	\$1,041,578.52
---------------	----------------

Anticipated Completion Date:	June 10, 2025
------------------------------	---------------

STRATEGIC GOAL: Goal 2: Operational Excellence

FUNDING SOURCE: R&R Fund

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

RECOMMENDED ACTION

Authorize the General Manager to execute a Professional Services Agreement and Work Order No. 1 in an amount not to exceed \$1,041,578.52 with HDR Engineering, Inc., for the Water Line Condition Based Assessment Project for the Woodlands Division.

Item No.	Agenda Item	Date
6c	Consider adoption of a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the GRP Division.	03/28/2024

BACKGROUND INFORMATION

Due to drought conditions, exceeding the budgeted groundwater sales during Fiscal Year 2022 and Fiscal Year 2023, and receiving payments from non-paying customers, the GRP Division Operating Fund balance as of January 31, 2024, was \$40,446,587. The GRP Division has met the three-month operating reserve target and is requesting approval to amend the FY2024 budget to utilize the General Fund cash to defease outstanding bond funds and reduce future debt service reserve requirement. In addition, this budget amendment includes issuing a rebate of \$12,000,000 to GRP customers on a pro rata basis of sales in Fiscal Year 2022 and Fiscal Year 2023 and an increase to the Legal Fees budget due to litigation expenses exceeding the current budgeted Legal Fees.

General Fund:

	Current FY2024 Budget	Proposed Amendment	Proposed Amended FY2024 Budget
Professional Fees:			
Legal Fees	\$ 2,100,000	\$ 1,000,000	\$ 3,100,000
Other Sources (Uses):			
Cash Sources (Uses)	\$ 0	(\$12,000,000)	(\$12,000,000)
Bond Principal	(\$16,470,000)	(\$14,000,000)	(\$30,470,000)

STRATEGIC GOAL: Goal 6: High Performance Administration

FUNDING SOURCE: GRP General Fund

ATTACHMENTS: Resolution and Exhibit "A"

RECOMMENDED ACTION

Approve a resolution of San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the GRP Division.