

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
JANUARY 25, 2024**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 a.m., January 25, 2024, at the San Jacinto River Authority General and Administration Building. Notice of said meeting was posted as required by law. President Ronnie Anderson, Vice President Ed Boulware, Secretary Wil Faubel, and Director Stephanie Johnson were present. Treasurer Mark Micheletti, Secretary ProTem Ricardo Mora, and Director Stacey Buick were absent. Also in attendance were Aubrey A. Spear, General Manager; Heather Ramsey, Director of Communications and Public Affairs; Connie Curtis, Director of Technical and Operations Services, Pam Steiger, Chief Financial Officer; Cynthia Bowman, Chief of Staff; and Mitchell Page, General Counsel.

1. CALL TO ORDER

The meeting was called to order at 8:12 a.m.

2. PLEDGES OF ALLEGIANCE

The Pledges of Allegiance were led by Director Anderson.

3. PUBLIC COMMENTS

Mr. Kent Maggert commented on the Wastewater Treatment Facility Project in The Woodlands; Mr. Rigby Owen commented on the recent weather event as well as Lake Conroe Park; Mr. Lyle Hamm spoke about the recent rainfall; and Mr. Daniel Hammond commented on Lake Conroe Park.

4. DIVISION UPDATES

a. G & A General Manager

Mr. Spear reported on the recent weather events and provided Ms. Heather Ramsey with her five-year service award.

b. G & A Public Relations

Ms. Ramsey provided updates related to various division and department projects, initiatives, meetings, and tours. She also provided the 2023 Annual Social Media Update which highlighted statistical information for the various social media platforms.

c. G & A Chief Financial Officer

Ms. Steiger did not provide an update.

d. G&A Technical and Operational Services

No update was provided related to Technical and Operational Services.

e. Utility Enterprise

Mr. Meeks provided no update related to the Utility Enterprise.

f. Lake Conroe

Mr. Raley provided an update related to the recent rainfall in the Lake Conroe Watershed.

g. Highlands

Mr. Tramm provided no update related to the Highlands Division.

h. Flood Management

Mr. Barrett provided an update related to Flood Infrastructure Funding.

5. CONSENT AGENDA

Director Johnson made a motion to approve the Consent Agenda, as recommended. The motion was seconded by Director Faubel and carried unanimously.

a. Approval of Minutes - Special Meeting of December 14, 2023.

b. Unaudited Financials

Approve the unaudited financials for the months of November and December, 2023.

c. Resolution - Authorized Signatories

Adopt Resolution No. 2024-R-01, 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.

d. Master Professional Services Agreement - Geotechnical Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for geotechnical engineering services with Aviles Engineering Corporation for all SJRA Divisions.

e. Master Professional Services Agreement - Geotechnical Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for geotechnical engineering services with Geotest Engineering, Inc., for all SJRA Divisions.

f. Master Professional Services Agreement - Geotechnical Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for geotechnical engineering services with Ninyo & Moore Geotechnical and Environmental Sciences Consultants for all SJRA Divisions.

g. Master Professional Services Agreement - Geotechnical Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for geotechnical engineering services with Terracon Consultants, Inc., for all SJRA Divisions.

h. Master Professional Services Agreement - Mechanical, Electrical, and Plumbing (MEP) Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for mechanical, electrical, and plumbing (MEP) engineering services with KCI Technologies, Inc., for all SJRA Divisions.

i. Master Professional Services Agreement - Mechanical, Electrical, and Plumbing (MEP) Engineering Services

Authorize the General Manager to execute a Master Professional Services Agreement for mechanical, electrical, and plumbing (MEP) engineering services with Salas O'Brien, LLC, for all SJRA Divisions.

j. Work Order No. 1 - Arc Flash Study for GRP Facility

Authorize the General Manager to execute Work Order No. 1 with Baird, Gilroy & Dixon, LLC, in an amount not to exceed \$93,932, for an updated Arc Flash Study of the GRP facility for the GRP Division.

k. Construction Contract - Siphons 16, 17, and 18 Erosion Repairs

Authorize the General Manager to execute a construction contract with RES Gulf Coast, LLC, dba LECON, Inc., in the amount of \$1,552,342, for Erosion Repairs for Siphons 16, 17, and 18 in Highlands and contract modifications up to the amount approved per the Procurement Policy.

l. Construction Contract - Middle Crossing and North Reservoir Erosion Repair

Authorize the General Manager to execute a construction contract with JBRI Construction Services, LLC, in the amount of \$524,559, for Middle Crossing and North Reservoir Erosion Repair in Highlands and contract modifications up to the amount approved by per Procurement Policy.

6. REGULAR AGENDA

a. Annual Comprehensive Financial Report

Ms. Jamye Lewis, Accounting Manager, reported on the processes involved in the compilation of the Annual Comprehensive Financial Report. Ms. Jennifer Weineke, Auditor for Knox Cox and Company, presented the Annual Comprehensive Financial Report and reported an unmodified (“clean”) opinion with no internal control weaknesses. The Accounting Department was commended for their efforts. Director Johnson made a motion to 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, 2023. The motion was seconded by Director Faubel and carried unanimously.

b. Resolution - Pension Plan Amendment

Ms. Pam Steiger, Chief Financial Officer, explained the various proposed amendments related to the pension plan: increase the lump sum options for participants terminating, retiring, or termed vested; annual in-service amendment that allows 401(a)/457(b) transfer; and create a Rule of 85, which allows participants who are highly tenured with a combination of years of service and age totaling 85 to take unreduced pension payments at early retirement. She stated that the proposed amendments encourage movement of San Jacinto River Authority pension participants out of the defined benefit plan to eliminate significant undefined costs and risks to SJRA and to move towards a retirement environment that is better recognized and understood by employees and the candidate population. Finally, the proposed amendments will allow employees to see their plans grow in a way that is not available for defined benefit pension plans. Ms. Steiger stated that the amendments were reviewed by the Finance Committee and recommended for approval. Director Boulware made a motion to adopt Resolution No. 2024-R-02, of the San Jacinto River Authority Board of Directors adopting the Sixth Amendment to the San Jacinto River Authority Pension Plan and related amendment to the Summary Plan Description (SPD).

c. Resolution - 2024 Employee Handbook

Ms. Alice Blossom, Human Resource Manager, presented various changes to the Employee Handbook. She stated that many of the changes related to modifications in employment law and best practices. Other changes included updates to the tuition reimbursement and relocation policies, as well as employee benefits accrual methods to align with Payroll and HRIS System capabilities. Director Faubel made a motion to adopt Resolution No. 2024-R-03, of the San Jacinto River Authority Board of Directors adopting the 2024 Employee Handbook. The motion was seconded by Director Johnson and carried unanimously.

d. Resolution - Amended Fiscal Year 2024 Operating Budget

Ms. Steiger and Mr. Chris Meeks, Utility Enterprise Division Manager, provided an overview of the need for a membrane study at the GRP Plant. Mr. Meeks stated that the membranes at GRP have a twelve to fifteen-year lifespan, and based on bi-annual autopsy results, the membranes will need to be replaced in Calendar Year 2025 or early 2026. He explained that prior to replacing the membranes with in-kind membranes, the GRP Division recommends conducting a study to determine the most cost-effective membrane replacement strategy, any operational efficiencies gained by replacing the membranes, and replacement phasing sequencing. Mr. Meeks stated that this amendment was presented to the GRP Review Committee and was recommended for approval by the Board of Directors. Director Faubel made a motion to adopt Resolution No. 2024-R-04, of the San Jacinto River Authority Board of Directors adopting an amended Fiscal Year 2024 Operating Budget for the GRP Division.

e. Ratification of Emergency Response for the Repairs of a Portion of Highlands Canal

Mr. Richard Tramm, Highlands Division Manager, provided information related to the emergency response necessary to declare an emergency for repairs to a portion of the Highlands Canal System. He explained that a leak in the levee of the main canal was discovered during an investigation of the source of water found outside and adjacent to the main canal near Siphon 23. He stated that the investigation revealed multiple leaks along approximately 350-feet of the levee. Director Boulware made a motion to ratify actions by the General Manager regarding issuance of Purchase Orders or other contractual agreements related to the emergency response and repair to Siphon 23 canal embankment in Highlands. The motion was seconded by Director Johnson and carried unanimously.

7. EXECUTIVE SESSION

The meeting was convened in executive session at 9:25 a.m., under the following provisions:

- 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.

8. RECONVENE IN OPEN SESSION

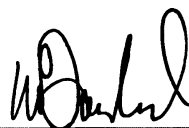
With a quorum of the Board present, the meeting was called into open session at 10:39 a.m.

9. ANNOUNCEMENTS / FUTURE AGENDA

It was announced that the next San Jacinto River Authority Special Board Meeting will take place on February 22, 2024.

10. ADJOURN

Without objection, the meeting was adjourned at 10:40 a.m.



Wil Faubel
Secretary, Board of Directors

