



**GRP REVIEW COMMITTEE  
MINUTES OF REGULAR MEETING**

**March 25, 2024**

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., March 25, 2024, at the SJRA G&A Building – Boardroom 1577 Dam Site Rd, Conroe, Texas 77304. The meeting was also available for viewing only via a livestream on [www.sjra.net/grp/meetings](http://www.sjra.net/grp/meetings). Notice of said meeting was duly posted per GRP Contract requirements.

**The following Review Committee Members participated:**

Present:

Mike Mooney  
Jackie Chance  
James Corn  
Mike Stoecker

GRP Review Committee:

Vice Chair

Representing:

Woodlands Water Agency  
MUDs West of I-45  
Cities other than City of Conroe  
Investor-Owned Utilities

Absent

Harry Hardman  
Rick Moffatt

Chair

City of Conroe  
MUDs East of I-45

**Also present:**

Name:

Aubrey Spears, PE  
Michael Micheletti  
Pam Steiger  
Mitchell Page  
Ed Shackelford, PE  
Connie Curtis, PE  
Chris Meeks  
Jason Williams  
Jacob Everett  
Renee Johnson  
Dan Hildebrandt  
Aaron Schindewolf  
Nabeel Khan  
Kelli Stormer  
Summer Hvasta  
Sarah Kouba

Title:

SJRA, General Manager  
SJRA, Board Member  
SJRA Chief Financial Officer  
Schwartz, Page & Harding, L.L.P., SJRA General Counsel  
SJRA Director of Operations  
SJRA Director of Technical & Operations Services  
SJRA Utility Enterprise Manager  
SJRA UE Operations Manager  
SJRA UE Maintenance Manager  
SJRA UE Administrative Manager  
SJRA Manager, Technical Services  
SJRA Project Manager II  
SJRA Project Manager I  
SJRA Senior Accountant  
SJRA Senior Customer Service Specialist  
Lone Star Ground Water Conservation District General Manager

**1. CALL TO ORDER**

Mr. Mooney called the meeting to order at 11:30 am.

**2. PUBLIC COMMENTS**

Mr. Bill Beran, presented information on the Aquifer Storage and Recovery (ASR) process. Mr. Shackelford noted the Texas Water Development Board is conducting a study on SJRA's behalf to look at what is being done in this area and the cost involved to recharge the aquifer and pull the water back out. He also noted he would be checking on the status with the Texas Water Development Board and would bring information back to the committee.

Mr. Paul Cote, representing MUD 89, commented on the request for increasing surface water capacity for MUD 89, 88 and Spring Creek Utility District. Mr. Mooney noted the committee will review the letter from ABHR regarding increasing surface water capacity for MUD 89, MUD 88 and Spring Creek Utility District (SCUD) and bring it back for discussion.

**3. APPROVAL OF MINUTES**

Mr. Chance moved to approve the minutes of the GRP Review Committee meeting held February 26, 2024. Mr. Corn seconded the motion, and it was carried unanimously.

**4. GRP DIVISION UPDATES**

Mr. Meeks noted communication will begin with MUDs 88, 89 and Spring Creek Utility District to get an idea of what their needs are and bring back to the committee. He also noted that the Mid South Water Receiving Facility Control Building burned approximately 2-3 weeks ago and has been shut off. It will take approximately 9 months to a year to have it back in operation. They will not be receiving surface water during that time. Mr. Meeks also reminded the committee of the upcoming elections for MUDS East of I-45 and appointments for City of Conroe and Investor-Owned Utilities.

**5. LONE STAR GROUNDWATER CONSERVATION DISTRICT REPORT**

Sarah Kouba, General Manager presented updates on the current subsidence study.

**6. DISCUSS AND ACT ON FY2024 GRP BUDGET AMENDMENT**

Mr. Meeks noted Mr. Spears would be presenting information on the budget amendment. Mr. Spears noted Pam Steiger, SJRA CFO and Mark Micheletti, SJRA Board member and Finance Committee member would also be presenting information. Mr. Spears presented the financial history of GRP and what created the cash balance revenue. He noted the proposal being presented to the SJRA Board would include \$14M to be used on debt reduction, \$12M to the GRP participants in the form of a credit, and \$1M to legal services. Mrs. Steiger explained the breakdown of the cash revenue, including how the credit would be given to the participants. Mrs. Steiger noted the recommendation would be to approve the proposed budget amendment. Mr. Stoecker motioned to approve; Mr. Corn seconded the motion. The original motion was not approved. Mr. Spears reiterated the cash on hand then the estimated cash after the amendment. Mr. Stoecker asked with the cash flow accumulation are we going to look at lowering the rate. Mrs. Steiger responded that the rate is based on demand, expenses, and the cash starting balance. Mr. Spears noted the two drought years, plus the back payment resulted in the revenue. Mr. Mooney recalled the vote. Mr. Stoecker moved to approve; Mr. Corn seconded. Motion was approved 3 to 1.

## **7. PRESENTATION OF FY2025 GRP 10-YEAR PROJECT PLAN**

Mr. Aaron Schindewolf presented information on all the projects included in the FY2025 10-Year Project Plan, including the Wastewater Discharge Optimization, Membrane Replacement, and the Surface Water Receiving Facility Optimization. Mr. Stoecker asked if inflation was included in the budget for the projects. Mr. Schindewolf responded there was.

## **8. DISCUSS AND ACT ON FY2025 GRP BUDGET RECOMMENDATIONS**

Mr. Meeks presented information on the budget process and also on a couple of new items that have been added. Mr. Meeks also presented additional information regarding increasing the plant from 13MGD to 16MGD. Mr. Meeks noted he will be presenting two budgets, one at 13MGD production and one at 16MGD production. Today, we are asking for the approval of 58.62 MGD for projected demand (surface water and groundwater), but no approval on the production of the plant at this time, which will be brought back in April or May when budgets are complete. Mr. Corn moved to approve; Mr. Chance seconded. The motion carried unanimously.

## **9. DISCUSS AND ACT ON ENGAGEMENT OF A FIRM TO COMPLETE AN ADMINISTRATIVE, ACCOUNTING, AND REVENUE/EXPENSE ALLOCATION STUDY.**

Mr. Meeks presented information received from Mr. Stoecker and Mr. Sellars regarding the study. Mr. Meeks stated the costs would be estimated at \$50k per year. Mr. Mooney asked what is being done that may be duplicate of what is being asked. Mrs. Stieger responded that the financial audit covers tests of internal controls annually, including GRP revenues being recorded correctly and allocations. Mr. Stoecker noted the study would be for one year. Mr. Mooney commented that the costs would not be a deal breaker but does not want to duplicate something already being done. Mr. Meeks noted if the committee approves, it will be included in the FY 2025 budget. That will give everyone time to get a better idea of the costs and scope of what they want included. Mr. Shackelford asked if it would be efficient to add it to our next annual audit. Mr. Stoecker agreed it would. Mr. Chance moved to approve; Mr. Stoecker seconded; the motion carried unanimously.

## **10. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS**

- a. Mr. Schindewolf presented information on the Construction Contract for Building 12 at the GRP facility. Mr. Corn moved to approve, Mr. Chance seconded, the motion carried unanimously.
- b. Mr. Khan presented information on Work Order No. 1 for the GRP Membrane Capacity Study. Mr. Chance moved to approve, Mr. Stoecker seconded, motion carried unanimously.
- c. FY2024 GRP Budget Amendment (previously approved)

## **11. ATTORNEY'S UPDATE**

Mr. Page, Counsel for SJRA, updated the committee on the three current litigation cases waiting for opinions from the various courts.

## **12. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS**

Mr. Meeks noted we will have the discussion on the MUD 88, 89 and Spring Creek Utility request, as well as the ASR update.

**13. FUTURE MEETING SCHEDULE**

- a. Monday, April 22, 2024

**14. ADJOURN**

Mr. Mooney adjourned the meeting at 12:46 PM



Chris Meeks

SJRA Utility Enterprise Manager / GRP Administrator