



**GRP REVIEW COMMITTEE
MINUTES OF REGULAR MEETING**

October 21, 2024

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., October 21, 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. Notice of said meeting was duly posted per GRP Contract requirements.

The following Review Committee Members participated:

Present:

Rick Moffatt
Mike Mooney
Jackie Chance
James Corn

GRP Review Committee:

Chair
Vice Chair

Representing:

MUDs East of I-45
Woodlands Water Agency
MUDs West of I-45
Cities other than City of Conroe

Absent

Harry Hardman
Mike Stoecker

City of Conroe
Investor-Owned Utilities

Also present:

Name:

Aubrey A. Spear, PE
Ed Shackelford, PE
Connie Curtis, PE
Heather Ramsey
Chris Meeks
Jason Williams
Renee Johnson
Kelli Stormer
Pam Steiger
Summer Hvasta
Mitchell Page
Sarah Kouba
John Sellars
Mike Kurzy

Title:

SJRA General Manager
SJRA Director of Operations
SJRA Director of Technical and Operational Services
SJRA Director of Communications and Public Affairs
SJRA Utility Enterprise Manager
SJRA UE Operations Manager
SJRA UE Administrative Manager
SJRA Senior Accountant
SJRA Chief Financial Officer
SJRA Sr. Customer Service Specialist
Schwartz, Page & Harding, L.L.P., SJRA General Counsel
Lone Star Ground Water Conservation District General Manager
Resident of City of Conroe
Baxter & Woodman, WCID #1 Engineer

1. CALL TO ORDER

Mr. Moffatt called the meeting to order at 11:31 am.

2. PUBLIC COMMENTS

Mr. John Sellers, a resident of the City of Conroe, provided comments on the topic of surface water allocations as discussed at the September 23, 2024, GRP Review Committee Meeting.

3. APPROVAL OF MINUTES

Mr. Mooney moved to approve the minutes of the GRP Review Committee meeting held September 23, 2024. Mr. Chance seconded the motion, and it was carried unanimously.

4. GRP DIVISION UPDATES

Mr. Meeks provided an update on the plant's current rate of 18 MGD, along with minor issues with two water receiving facilities. Regarding the public comments made earlier in the meeting, he reminded the committee that while increasing plant production from 13 MGD to 16 MGD was a topic at the last meeting, it is not on today's agenda. The topic was moved to the agenda for December 9, 2024, to allow time to gather information and present additional options.

5. LONE STAR GROUNDWATER CONSERVATION DISTRICT UPDATE

Sarah Kouba presented an update on the Phase 3 subsidence study site one. The one deconsolidation of the samples is completed for all 18 core samples, and the consultants are 70% complete with the draft format of the project report. The next stage is implementation into the model, and once the model report is complete, they will move onto documentation for public results. They remain on schedule for incorporating those updates and improvement of the current model for the upcoming Desired Future Conditions (DFCs) joint planning. Regarding site two, the potential Woodlands location offered by SJRA – LSGCD wants to complete site one and the model updates first, but they plan to resume communication on site two ASAP.

The GMA 14 meeting was confirmed for Tuesday, November 19, 2024, at 10:00 AM at the LSGCD Conroe office. There will be an update on the RFQ for the technical consultant and a progress report on the subsidence study and model update from consultants. LSGCD is continuing to work toward a detailed review and update of their management plans, draft rules, and public feedback on those rules.

LSGCD is hosting a driller, engineer, and operator meeting on Tuesday, November 12, 2024, from 1 – 3 PM. It is open to the public as an informal meeting to address questions, comments, and concerns from constituents, but tailored to those that have completed applications for operating permits. They hope to schedule a similar meeting tailored to the MUDs before the end of the year.

LSGCD Board of Directors appointed Mike Stoecker to represent private well owners on the GRP Review Committee for the January 1, 2025 – December 31, 2028, term, and the resolution was turned in this morning. As mentioned in the September 23, 2024, GRP Review Committee meeting, they remain in contact with Freese and Nichols to better understand SJRA's buildout plans related to the regional water plans.

6. CONSIDER PROVISIONS IN THE OCTOBER 16, 2009, WATER SUPPLY CONTRACT BETWEEN SJRA AND THE CITY OF HOUSTON

Mr. Shackelford summarized the GRP Division's interest in modifying or deferring the contract with the City of Houston due to the difference between original and current LSGCD regulations. There was a brief

discussion around overall plant capacity, specific contract requirements, and infrastructure and customer base requirements for Phase 2. Mr. Shackelford confirmed there is no action being requested by the GRP Review Committee members at this time, and any future updates will be presented as received.

7. STATUS OF MIDSOUTH’S RELEASE OF THEIR SURFACE WATER ALLOCATION

Mr. Meeks directed the GRP Review Committee members to the correspondence in their packets from MidSouth, officially relinquishing their designated surface water allocation, totaling around 250 million gallons annually. Mr. Chance made a motion to accept the notice from MidSouth. Mr. Corn seconded the motion, and it was carried unanimously.

8. CONSIDER A RECOMMENDATION TO THE SJRA BOARD REGARDING MUD 88, 89, AND SPRING CREEK UTILITY DISTRICT SURFACE WATER ALLOCATION REQUEST

Mr. Page summarized relevant information on the overall request, budget and production assumptions, and available options now that MidSouth’s capacity is up for reallocation. A contract between SJRA and MUD 89, acting on behalf of MUD 88, MUD 89, and Spring Creek Utility District, has been prepared. The contract would commit an initial 200,000 gallons daily of MidSouth’s allocation, up to 500,000 gallons daily, depending on demand. The partial reallocation of MidSouth’s allocation would not increase the cost to any participant. Accordingly, the rate for the reallocated surface water received would be the same as in the rate order; contract implementation would not increase the plant production rate, and budget numbers would not be impacted.

In addition, an agreement has been drafted that would address the construction of a line extension to supply the potential allocation. The cost to construct the line extension would be borne solely by MUD 88, MUD 89, and Spring Creek Utility District, unless the reallocation helped all participants achieve compliance with some future regulatory scheme. Once completed, the facility would be conveyed to SJRA along with any required property rights and contractor warranties, and SJRA would assume ownership and maintenance of that line extension. Legal counsel and SJRA staff are recommending approval of the supplemental agreement.

Allowing other surface water recipients to temporarily increase their allocations until completion of the line extension was discussed. The recommendation from staff is to reallocate the newly available capacity to existing surface water recipients based on need. Mr. Meeks confirmed the candidates for assuming additional surface water in the current fiscal year may be Rayford Road MUD, City of Oak Ridge, and MUD 99, but he also reminded members that receiving facilities may have flow control valves, which limit total amounts. Mr. Shackelford confirmed that SJRA staff will come back to the next meeting with a proposal for distribution.

Mr. Chance made a motion to recommend approval of the supplemental agreement to the SJRA BOD. Mr. Mooney seconded, and it was carried unanimously.

9. CONSIDER THE CITY OF OAK RIDGE NORTH’S REQUEST FOR ADDITIONAL SURFACE WATER ALLOCATION IN FY2025

Mr. Meeks stated the request from the City of Oak Ridge North for an additional 40,000 gallons a day, just under 14 million gallons annually. This request is only applicable for FY 2025, in contrast to the other requests on the agenda. Mr. Mooney motioned to approve the City of Oak Ridge North’s request for additional surface water in FY 2025. Mr. Chance seconded, and the motion was carried unanimously.

10. CONSIDER A RECOMMENDATION TO THE SJRA BOARD REGARDING THE CITY OF CONROE’S REQUEST FOR ADDITIONAL SURFACE WATER ALLOCATION IN FY2025

Mr. Shackelford requested this item be deferred at this time.

11. CONSIDER A RECOMMENDATION TO THE SJRA BOARD REGARDING THE MONTGOMERY COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1 SURFACE WATER ALLOCATION REQUEST

Mr. Meeks directed the members to their packet, and WCID #1's request to add 145 million gallons of surface water annually, around 400,000 per day, to their existing facilities. In the future, there is potential for an additional water plant as well.

Upon request, Mr. Kurzy gave additional background and explained they have two declining Jasper aquifer wells, with issues related to gas and bacteria. Their attempts to interconnect with other utilities have been rejected, and the new LSGCD rules will increase the difficulty in drilling new wells. Mr. Moffatt recommended checking with MUD 119 for an emergency interconnect. Discussion occurred around other issues such as low pressure in the northeast end of their district, water availability for fire response, and moratorium on granting new developments.

Mr. Meeks established WCID #1 will need 2-3 years for design and construction. Mr. Page advised SJRA staff would need time to determine the feasibility of the request, as the amount exceeds the available allocation released from MidSouth. Mr. Chance made a motion for SJRA staff to establish the feasibility of the request. Mr. Corn seconded, and the motion was carried unanimously.

12. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON OCTOBER 24, 2024

Mr. Mooney motioned to approve the recommendation for the SJRA BOD to review the request for additional surface water from MUDs 88, 89, and Spring Creek. Mr. Corn seconded, and the motion was carried unanimously.

13. ATTORNEY'S UPDATE

Mr. Page, Counsel for SJRA, updated the GRP Review Committee on the judgment in favor of SJRA issued in the anti-trust case, including the 106-page Findings of Facts and Conclusions of Law entered by the judge.

14. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS

A notice from Mr. Mooney regarding his resignation was recorded at this time, effective at the end of the current meeting. Gratitude to Mr. Mooney for his service since the inception of the GRP Review Committee was tendered.

- a. Item 10 will be carried forward.
- b. Discussion regarding SWTF production

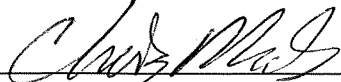
15. FUTURE MEETING SCHEDULE

- a. Monday, December 9, 2024

16. ADJOURN

Mr. Moffatt adjourned the meeting at 12:10 p.m.

San Jacinto River Authority – GRP Division
October 21, 2024 Minutes



Chris Meeks
SJRA Utility Enterprise Manager / GRP Administrator