



**GRP REVIEW COMMITTEE  
MINUTES OF REGULAR MEETING**

**December 11, 2023**

The San Jacinto River Authority (“SJRA”) GRP Review Committee Meeting was held at 11:30 a.m., December 11, 2023, 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:

Rick Moffatt  
Mike Mooney  
Jackie Chance  
Harry Hardman  
Mike Stoecker

GRP Review Committee:

Chair  
Vice Chair

Representing:

MUDs East of I-45  
Woodlands Water Agency  
MUDs West of I-45  
City of Conroe  
Investor-Owned Utilities

Absent

James Corn

Cities other than City of Conroe

**Also present:**

Name:

Ed Shackelford, P.E.  
Chris Meeks  
Jason Williams  
Jacob Everett  
Renee Johnson  
Pam Steiger  
Connie Curtis, P.E.

Title:

SJRA Director of Operations  
SJRA Utility Enterprise Manager  
SJRA UE Operations Manager  
SJRA UE Maintenance Manager  
SJRA UE Administrative Manager  
SJRA Chief Financial Officer  
SJRA Director of Technical and Operational Services

**1. CALL TO ORDER**

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

**2. PUBLIC COMMENTS**

There were no public comments.

**3. APPROVAL OF MINUTES**

Mr. Chance moved to approve the minutes of the GRP Review Committee meeting held August 21, 2023. Mr. Mooney seconded the motion, and it was carried unanimously.

**4. GRP DIVISION UPDATES**

Mr. Meeks noted the rate differential request for information was mailed at the beginning of November with a deadline of December 11<sup>th</sup>. To date, SJRA has received only a limited number of responses, including those submitted by Southern Montgomery County MUD, the City of Conroe, and the Woodlands division of SJRA. Mr. Meeks asked the committee members to let GRP Participants know that SJRA is awaiting information. A request was made for SJRA to send a reminder email to Participants seeking their input.

**5. RECEIVE PRESENTATION ON GRP SPECIAL RATE ASSESSMENT STUDY**

Mr. Meeks introduced Jennifer Ivey from Carollo Engineers who presented the update on the rate assessment. Mr. Meeks noted that this is a special rate assessment since there are a number of entities that do not receive surface water and may want surface water or existing recipients may want additional surface water. The plant currently runs at 13 MGD per day. This rate will only be for an additional 3 MGD of output from the plant. Mrs. Ivey presented a quick overview of how the rate was calculated, including data received from SJRA, estimating revenue from the existing GRP rate, identifying direct costs, and then designing a special surface water rate. Mr. Hardman asked if the 3 MGD would be enough to meet the demand. Mr. Moffatt noted the plant can produce up to 30 MGD per day. He asked if the costs would increase as the demand goes higher. Mr. Meeks noted the rate should hold up to approximately 19 MGD. Mrs. Ivey noted the current surface water customers would continue to pay \$3.41. Mr. Stoecker asked if there was any backup information for this study. Mr. Meeks noted a report would be created and sent to the committee members. There was further discussion on any additional costs that would be incurred by GRP, as well as how many entities were interested in receiving surface water.

**6. RECEIVE PRESENTATION ON GRP RATE STUDY PROGRESS**

Mrs. Ivey also presented on the progress of the rate study. Mr. Meeks noted the rate study is done every five years by contract. This is for FY25-FY29. The rate would be used beginning September 2024. Mrs. Ivey presented the scope of work and how they arrived at the rate for the GRP. Mr. Moffatt asked if entities were being asked for their current expenses to operate their facilities. Mr. Meeks reiterated that requests have been sent, but if we do not receive enough responses, the deadline could be extended by one week. Mrs. Ivey noted, once the information has been received it will be reviewed and used in the calculation for the rate differential. Mr. Stoecker asked if there was a reason, they do not include capital costs like water wells in the formula. Mr. Meeks noted it was contractual and we do not include those costs. However, repair and maintenance are included. Mr. Moffatt requested that a follow-up email be sent to participants within the next week. Mr. Chance requested a copy be emailed to him also.

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

Mr. Meeks noted this item was requested by Mr. Stoecker. Mr. Stoecker noted John Sellars would be presenting this request for an allocation study of the GRP. Mr. Sellars discussed the proposed study indicating a consultant would look at expenditures and make sure they are being allocated as it pertains to the written contract with SJRA.

Mrs. Pam Steiger commented that there are currently external auditors that conduct the audits for SJRA. She also noted this would be a study for the GRP and not SJRA. Discussion followed regarding the degree of the study. Mr. Moffatt noted the audits are done in great detail and feels hesitant about spending money on something that is already being done. Mr. Moffatt recommended that Mr. Sellars provide a detailed scope that the committee could review. No action was taken.

**8. DISCUSS FAULT LINE MONITORING ON PANTHER BRANCH FAULT**

Mr. Shackelford noted he recently made a presentation to the Township Board to address the concerns regarding the reduction of monitoring the fault lines from twice a year to once a year. He explained that for the last seven years SJRA has been monitoring the fault lines twice a year. Upon request by a local resident, of a more comprehensible study, SJRA conducted the LAN Study. The LAN Study had recommended reducing the monitoring to once every five (5) years. SJRA had previously recommended reducing the monitoring from semi-annual to annually in March of each year. The Township has asked that SJRA continue monitoring twice a year. Further discussion followed regarding the monitoring. Mr. Meeks noted more information would be brought back to the committee during budget planning for discussion.

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

Sarah Kouba, General Manager presented updates.

**10. ATTORNEY'S UPDATE**

Mr. Meeks presented the attorney's update in the absence of SJRA's General Counsel. He reminded the committee that, subject to change by the court, the Federal Anti-Trust Trial begins at 1:30 p.m. on January 8<sup>th</sup>, and oral arguments in the Conroe-Magnolia case will be held at the Texas Supreme Court at 9:00 a.m. on January 9<sup>th</sup>.

**11. FUTURE GRP REVIEW COMMITTEE MEETING AGENDA ITEMS**

- a. Status check on engagement of a firm to complete an administrative, accounting, and revenue/expense allocation study.

**12. FUTURE MEETING SCHEDULE**

- a. Monday, January 22, 2024

**13. ADJOURN**

Mr. Moffatt adjourned the meeting at 1:21 PM.



Chris Meeks

SJRA Utility Enterprise Manager / GRP Administrator