

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY

February 28, 2008

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 a.m., February 28, 2008, at the San Jacinto River Authority General Administrative Offices, 1577 Damsite Road, Conroe, Texas 77304. The roll was called of the duly constituted members of the Board as follows:

R. Gary Montgomery	President
Joseph V. Turner	Vice-President
Lloyd B. Tisdale	Secretary
Linda B. Koenig	Treasurer
Mary L. Rummell	Member
John H. Stibbs	Member

Present were R. Gary Montgomery, Lloyd B. Tisdale, Linda B. Koenig, Mary L. Rummell, and John H. Stibbs, thus constituting a quorum. Also present were Reed Eichelberger, General Manager; Ron Kelling, Deputy General Manager, Operations; Jace Houston, Deputy General Manager, Administration; Don Sarich, Woodlands Division Manager; Tojuana Cooper, Woodlands Deputy Division Manager; Olaf Asgeirsson, Woodlands Construction Manager; Jennie Almerico, Woodlands Division Engineer; Blake Kellum, Lake Conroe Division Manager; Michael Jackson, Controller; Judy Walker, Accounting Assistant; Tina Wienecke,

Safety and Industrial Relations Specialist; Raymond Johnson, Manager of Information Technology; Rick Thibodeaux, Information Services Technician; Janelle May, Human Resources/Office Manager; Mike Page and Mitchell Page, Schwartz, Page & Harding, LLP, General Counsel; Donald Cutler, Lucia L. Lee, P.E., and Chris Canonico, P. E., Camp Dresser & McKee Inc.; Robert B. Higgins, P.E., TCB/AECOM; Jon N. Strange, P.E., JNS, Inc. Consulting Engineers; Alan D. Greer, P.E., Freese and Nichols, Inc.; Lindsey Johnson-Ramrez, Binkley & Barfield Consulting Engineers; and David Scholler, P.E., Brown & Gay Engineers, Inc.

Mr. Montgomery called the meeting to order at 8:01 a.m. and announced that notice of the meeting had been posted as required by law, that advance notice of the time, place and subject matter of the meeting had been sent to all Directors, and that a quorum was present.

Mr. Montgomery thanked everyone for attending and inquired if there were any public comments. He stated that there would be an executive session later in the meeting.

Mr. Montgomery then proceeded to the minutes of the January 24, 2008 meeting which was before the Board for consideration. Upon motion by Ms.

Rummell, seconded by Mr. Stibbs, and unanimously carried, the minutes of the January 24, 2008 board meeting were approved as presented.

Mr. Montgomery then indicated that the next item to review and act upon was the unaudited financial statements for the month of January, 2008. Mr. Jackson briefly discussed the unaudited financial statements with the Board. After discussion, motion was made by Ms. Koenig, seconded by Mr. Tisdale, and unanimously carried to approve the January, 2008 financial statements as presented.

Mr. Montgomery then moved to the next item to discuss surface water issues. Mr. Eichelberger briefly reported on the status of surface water issues.

Mr. Montgomery then laid out the next item to consider and act upon a Professional Services Agreement with Klotz Associates, Inc. related to Interceptor Corrosion and Odor Abatement Rehabilitation at Timberloch and High Timbers. Mr. Eichelberger and Ms. Cooper briefly reported on the item. They indicated that the manhole was in a serious state of disrepair in a high traffic area and was in urgent need of an immediate repair. Mr. Eichelberger recommended that the Board approve the engineering services agreement with Klotz Associates, Inc. and requested that the Board authorize the Division to proceed with the construction portion of the project as an emergency repair. After a brief

discussion, motion was made by Mr. Tisdale, seconded by Ms. Rummell and unanimously carried to approve the engineering services agreement with Klotz Associates, Inc. in the amount of \$35,000, to authorize the General Manager to negotiate with a construction contractor for an emergency repair up to an amount of \$200,000, and to authorize the General Manager to execute any necessary documents.

Mr. Montgomery then took up the next items on the agenda (i) to consider and act upon a Program Management Services Agreement (PMSA) with Brown & Gay Engineers, Inc related to the Montgomery County Surface Water Conversion program and (ii) to consider and act upon Work Order No. 1 for the PMSA with Brown & Gay Engineers, Inc. related to the development of the Water Resources Assessment Plan Part I only. Mr. Eichelberger briefly discussed the agreement and the proposed work order with the Board. Mr. Page commented that Mr. Kelling had done a great job on the agreement. After discussion, motion was made by Ms. Koenig, seconded by Mr. Stibbs and unanimously carried to approve a Program Management Services Agreement (PMSA) with Brown & Gay Engineers, Inc related to the Montgomery County Surface Water Conversion program; to authorize Work Order No. 1 in the amount of \$224,000; and to authorize the General Manager to execute any required documents.

Mr. Montgomery then moved to the next item to consider and adopt an

Amendment to Resolution Prescribing Rules, Regulations, Procedures and Policies for the Purchase or Construction of Materials, Equipment and Improvements. Mr. Page drew the Board's attention to the next item to Consider and act upon a motion electing to make available for future use the Alternative Delivery Procurement Methods prescribed in Subchapter H, Chapter 271, Local Government Code. He indicated that if it was the Board's pleasure to approve the second item, then it would be beneficial to repeal Sections 1 and 2 of the original Resolution Prescribing Rules, Regulations, Procedures and Policies for the Purchase or Construction of Materials, Equipment and Improvements. After discussion, motion was made by Mr. Stibbs, seconded by Ms. Rummell and unanimously carried to repeal Sections 1 and 2 of the Resolution Prescribing Rules, Regulations, Procedures and Policies for the Purchase or Construction of Materials, Equipment and Improvements, adopted by the Board on the 6th day of June, 2002. Mr. Stibbs then moved and Ms. Rummell seconded to have the provisions of Local Government Code Chapter 271, Subchapter H, supersede any and all conflicting language regarding the use of competitive bidding or competitive sealed proposals or other required procurement procedures, and further to authorize the General Manager or the General Manager's Designee to advertise, evaluate, recommend, and negotiate contract terms for Board approval using any and all available alternative delivery procurement methods available to the San Jacinto River Authority as prescribed in Local Government Code Subchapter H.

Mr. Montgomery then called for a vote. The motion was unanimously carried.

Mr. Montgomery then took up the next item to receive an update on the status of the Joint WRAP Proposal and communications efforts related to the surface water conversion program. Mr. Eichelberger and Mr. Houston briefly updated the Board on the on-going activities as well as the status of the Authority's efforts to engage the services of a public relations firm.

Mr. Eichelberger then requested that Tina Wienecke, the Authority's Safety and Industrial Relations Specialist update the Board on the Authority's efforts in the Health and Safety area. Ms. Wienecke briefly reported that employees had recently completed CPR/AED training and defensive driving classes. She further stated that the Authority had coordinated a health fair for employees that included basic screenings by Sadler Clinic and Stroke Scan, Inc. She stated that cabinets were to be installed in The Woodlands and G&A Offices to house the AED units at those locations and that new first aid kits had been installed at both locations.

Mr. Montgomery then laid out the next item to consider and adopt a Resolution of Commendation for Olaf A. Asgeirsson. He read from the resolution as follows:

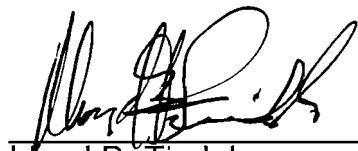
"The San Jacinto River Authority hereby commends and expresses its profound thanks, love, respect, and appreciation for Mr. Asgeirsson's years of service and many valuable contributions to the

Authority; for his great knowledge of The Woodlands community development; for his good humor and friendship; for his exemplary professionalism, honesty, and integrity; and for his efforts in ensuring a successful future for the Authority, its employees, customers, and constituents”.

Mr. Montgomery congratulated Mr. Asgeirsson on his retirement. After a brief discussion, motion was made by Mr. Stibbs, seconded by Ms Koenig and unanimously carried to approve the resolution entitled Resolution of Commendation for Olaf A. Asgeirsson, attached hereto as Exhibit “A.”

At 9:15 a.m., Mr. Montgomery announced that the Board would recess into executive session to consult with the Authority’s attorney, pursuant to Texas Government Code 551.071.

The Board reconvened at 9:45 a.m. With no further business to come before the Board the meeting was dismissed at 9:46 a.m.



Lloyd B. Tisdale
Secretary
San Jacinto River Authority

Exhibit

A

