

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

October 7, 2008

A special meeting of the Board of Directors of the San Jacinto River Authority was held at 11:30 a.m., October 7, 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
Mary L. Rummell	Treasurer
John H. Stibbs	Member
Joseph L. Stunja	Member
David C. Kleimann	Member

Present were R. Gary Montgomery, Joseph V. Turner, Lloyd B. Tisdale, Mary L. Rummell, John H. Stibbs, Joseph L. Stunja, and David C. Kleimann 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; Jennie Almerico, Woodlands Division Engineer; Blake Kellum, Lake Conroe Division Manager;

Paulette Sokoya, Accountant; Judy Walker, Accounting Assistant; Janelle May, Human Resources/Office Manager; Raymond Johnson, Information Technology Manager; Tina Weinecke, CSP, Safety & Industrial Relations Specialist; Mike Page, Schwartz, Page & Harding, LLP, General Counsel; Dave Scholler, P.E., Brown & Gay Engineering, Program Manager, Montgomery County Alternative Water Supply Program; and numerous other guests.

Mr. Montgomery called the meeting to order at 11:55 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 August 28, 2008, meeting which was before the Board for consideration. Upon motion by Ms. Rummell, seconded by Mr. Kleimann, and unanimously carried, the minutes of the August 28, 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 August, 2008. Ms. Sokoya briefly discussed the unaudited financial statements with the Board. After discussion, motion was made by Mr. Turner, seconded by Mr. Stibbs, and

unanimously carried to approve the unaudited financial statements for the month of August, 2008, as presented.

Mr. Montgomery then moved to the next item to discuss surface water issues and an update on the status of the Joint WRAP. Mr. Eichelberger, Mr. Page, Mr. Houston, and Mr. Kelling discussed the status of the Joint WRAP project. Mr. Houston indicated that there would be a workshop on November 13, 2008, at 9:00 a.m. at the Lone Star Convention Center for WRAP participants and other interested persons.

Mr Montgomery then moved to the next item to discuss the Hurricane Ike storm event and related emergency operations. Mr. Eichelberger and various other staff reported on operations during the storm event. A slide show was presented depicting the damages to Authority facilities. Mr. Eichelberger then introduced Janis Murphy with Freese and Nichols, Inc., who presented a slide show and presentation regarding the damage caused by the storm to the Lake Conroe Dam structure. Ms. Murphy discussed the repair options with the Board.

Mr. Montgomery then proceeded to the next item to consider and act upon a Professional Services Agreement and Work Order No. 1 with Dam Consultant, Freese and Nichols, Inc., related to the repair/rehabilitation of the Lake Conroe Dam. A brief discussion ensued. After discussion, motion was made by Mr. Turner, seconded by Mr. Stibbs, and unanimously carried to approve a Professional Services Agreement and Work Order No. 1 with Freese and Nichols,

Inc., in the amount of \$81,000 and an authorization for the General Manager to execute such Professional Services Agreement and Work Order No. 1.

Mr. Montgomery then proceeded to the next item to consider and act upon authorization for the General Manager to execute a purchase order for a natural gas generator for Lift Station No. 12 in The Woodlands after an evaluation of FEMA Pre-Disaster Mitigation Grant Program requirements. Mr. Eichelberger requested that this item be deferred. Mr. Montgomery tabled the item without objection.

Mr. Montgomery then laid out the next item to consider and act upon an Agreement for Debris Management and Monitoring Services related to the Hurricane Ike storm event. Mr. Eichelberger and Mr. Kelling discussed the item with the Board. After discussion, motion was made by Mr. Stibbs, seconded by Mr. Kleimann, and unanimously carried to approve the Agreement for Debris Management and Monitoring Services with Camp, Dresser & McKee, Inc. in the amount of \$75,000 and to authorize the General Manager to execute the required documents.

Mr. Montgomery then moved to the next item to consider an authorization for the General Manager to negotiate and execute an Agreement for Debris Removal Services. After discussion, motion was made by Ms. Rummell, seconded by Mr. Stunja, and unanimously carried to authorize the General Manager to negotiate and execute an Agreement for Debris Removal Services for an amount not to exceed \$600,000.

Mr. Montgomery introduced the next item to consider and act upon a Professional Services Agreement with Klotz Associates, Inc. for the Golden Shadow Drive Sanitary Sewer Rehabilitation. Mr. Eichelberger and Ms. Cooper briefly discussed the item with the Board. After discussion, motion was made by Mr. Turner, seconded by Ms. Rummell, and unanimously carried to approve the Professional Services Agreement with Klotz Associates, Inc. for the Golden Shadow Drive Sanitary Sewer Rehabilitation, in the amount of \$46,400 and to authorize the General Manager to execute the required documents.

Mr. Montgomery then proceeded to the next item to consider and act upon Amendment No. 7 to the Professional Services Agreement with Alan Plummer Associates, Inc. for The Woodlands Wastewater Treatment Plant No. 1 NPDES Permit Support. Mr. Eichelberger discussed the item with the Board. After discussion, motion was made by Mr. Sturja, seconded by Mr. Turner, and unanimously carried to approve Amendment No. 7 to the Professional Services Agreement with Alan Plummer Associates, Inc. for The Woodlands Wastewater Treatment Plant No. 1 NPDES Permit Support, in the amount of \$50,000 and to authorize the General Manager to execute the required documents.

Mr. Montgomery then proceeded to the next item to consider and act upon Work Order No. 2 to the Professional Consulting Services Agreement with Larry Peart for Raw Water Rate Analysis and Design. Mr. Eichelberger and Mr. Kelling discussed the item with the Board. After discussion, motion was made by Mr. Tisdale, seconded by Mr. Kleimann, and unanimously carried to approve Work

Order No. 2 to the Professional Consulting Services Agreement with Larry Peart for Raw Water Rate Analysis and Design, in the amount of \$34,350 and to authorize the General Manager to execute the required documents.

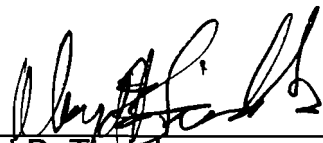
Mr. Montgomery then moved to the next item to consider and authorize the General Manager to negotiate and execute a Professional Services Agreement related to the Rehabilitation of Well Nos. 6, 19, and 20 in The Woodlands. Mr. Eichelberger and Mr. Sarich discussed the item with the Board. After discussion, motion was made by Ms. Rummell, seconded by Mr. Kleimann, and unanimously carried to authorize the General Manager to negotiate and execute a Professional Services Agreement related to the Rehabilitation of Well Nos. 6, 19, and 20 in The Woodlands with Leggette, Brasheirs, & Graham, Inc. dba LBG-Guyton Associates for an amount not to exceed \$60,000.

Mr. Montgomery then proceeded to the next item to receive and discuss the Energy Report required by HB 3693. Mr. Houston described the report provided to the Board. A brief discussion of the report ensued.

Mr. Montgomery then moved to the next item to review and act upon approval of the Quarterly Investment Report for the quarter ended August, 2008. Ms. Walker briefly discussed the report with the Board. After discussion, motion was made by Mr. Kleimann, seconded by Mr. Turner, and unanimously carried to approve the Quarterly Investment Report for the quarter ended August, 2008, as presented.

Mr. Montgomery inquired if November 12, 2008, at 7:30 a.m. would work for the Board as the next meeting date. The Board indicated that the meeting date was acceptable. At 1:30 p.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 2:00 p.m. With no further business to come before the Board the meeting was dismissed at 2:05 p.m.



Lloyd B. Tisdale
Secretary
San Jacinto River Authority