

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

July 23, 2009

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A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 a.m., July 23, 2009, at the San Jacinto River Authority General Administrative Offices, 1577 Dam Site 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
David C. Kleimann	Member
John H. Stibbs	Member
Joseph L. Stunja	Member

Present were Joseph V. Turner, Lloyd B. Tisdale, Mary L. Rummell, David C. Kleimann, John H. Stibbs, and Joseph L. Stunja 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; Shane Porter, Woodlands Associate Engineer; Blake Kellum, Lake Conroe Division Manager; Bret Raley, Aquatic Plant Management Specialist; Michael Jackson, Controller;

Paulette Sokoya, Accountant; Judy Walker, Accounting Assistant; Raymond Johnson, Information Technology Manager; Tina Wienecke, Safety and Risk Specialist; Janelle May, Human Resource Manager; Kim Wright, Office Manager; Mike Page, Schwartz, Page & Harding, LLP, General Counsel; Jan Bartholomew, RBC Dain Rauscher, Inc, Financial Advisor; Dave Scholler, P.E., Brown & Gay Engineering, Program Manager, Montgomery County Alternative Water Supply Program; and numerous other guests.

Mr. Turner called the meeting to order at 7:50 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. Turner thanked everyone for attending and inquired if there were any public comments. There were no public comments.

Mr. Turner then indicated that the minutes of the Board Meeting of June 25, 2009, were before the Board for consideration. Upon motion by Ms. Rummell, seconded by Mr. Kleimann, and unanimously carried, the minutes of the Board Meeting of June 25, 2009, were approved as presented.

Mr. Turner then stated that the Board would take up the item on the agenda to review and act upon the unaudited financial statements for the month of June, 2009. Mr. Jackson discussed the unaudited financial statements with the Board. After discussion, motion was made by Mr. Stibbs, seconded by Ms.

Rummell, and unanimously carried to approve the unaudited financial statements as presented.

Mr. Turner announced that there would be an executive session later in the meeting. He then proceeded to the next item to receive an update on surface water issues. Mr. Eichelberger, Mr. Houston, and Mr. Kelling updated the Board on surface water issues. Mr. Turner commended Mr. Houston on a communication letter that was developed and sent out. Mr. Houston stated that the letter was a team effort.

Mr. Turner then proceeded to the next item to receive an update on the status of the campus improvements. Mr. Kelling briefly discussed the status with the Board.

Mr. Turner moved to the next item to consider authorizing the General Manager to execute Work Order No. 5 to Dam Consulting Professional Services Agreement related to an analysis of foundation designs for the new G&A building and the potential impact on the structure of the dam. Mr. Eichelberger discussed the item. After discussion, motion was made by Mr. Stibbs, seconded by Ms. Rummell, and unanimously carried to authorize the General Manager to execute Work Order No. 5 to Dam Consulting Professional Services Agreement, with Freese and Nichols, Inc., in the amount of \$3,500.

Mr. Turner then proceeded to the next item to receive an update on the status of Lake Conroe Division licensing. Mr. Kelling showed a presentation and

updated the Board on the progress of the Lake Conroe Division's efforts in this area.

Mr. Turner then moved on to the next item to consider and act upon a construction contract for Highlands Improvements – Siphon 22 Repair including authorization for the General Manager to execute the contract and any change orders up to \$50,000 as necessary. Mr. Eichelberger discussed the item with the Board. After discussion, motion was made by Mr. Tisdale, seconded by Mr. Stibbs, and unanimously carried to approve a construction contract for Highlands Improvements – Siphon 22 repair, with the low bidder, Cravens Partners, Ltd., in the amount of \$295,889.52, and an authorization for the General Manager to execute the contract and any change orders up to \$50,000 as necessary.

Mr. Turner then moved to the item to consider and act upon Change Order No. 1 to construction contract for Water Well Nos. 31 and 32 to finalize quantities and remove supplemental unused items. Mr. Kelling and Mr. Sarich discussed the item with the Board. After discussion, motion was made by Mr. Tisdale, seconded by Mr. Stibbs, and unanimously carried to authorize the General Manager to execute Change Order No. 1 to construction contract for Water Well Nos. 31 and 32, with Alsay Incorporated, for a credit amount of \$111,173.00, to finalize quantities and remove supplemental unused items.

Mr. Turner then laid out the next item to consider and act upon a Professional Services Agreement with Bleyl & Associates for the design, bid, and

project management of the relocation of a 12-inch water line along SH 242 in The Woodlands. Mr. Sarich discussed the item with the Board. After discussion, motion was made by Mr. Tisdale, seconded by Mr. Stibbs, and unanimously carried to authorize the General Manager to execute a Professional Services Agreement with Bleyl & Associates, in the amount of \$13,950.00 plus advertising costs, for the design, bid, and project management of the relocation of a 12-inch water line along SH 242 in The Woodlands.

Mr. Turner then proceeded to the next item to consider and act upon a bid received for Motor Control Center Improvements at Water Well Nos. 15 and 16 and Water Well Nos. 21 and 22 in The Woodlands. Mr. Eichelberger discussed the item with the Board. He indicated that this was the only bid received and that staff recommends rejecting the bid and rebidding the project. After a brief discussion, motion was made by Ms. Rummell, seconded by Mr. Stunja, and unanimously carried to reject the single bid received for Motor Control Center Improvements at Water Well Nos. 15 and 16 and Water Well Nos. 21 and 22 in The Woodlands and to proceed with preparing revised bid documents.

Mr. Turner then moved to the next item to consider and act upon an amendment to a Professional Services Agreement for Preliminary, Design, and Construction Phase Services for a Motor Control Center Replacement at Water Well Nos. 15 and 16 and Water Well Nos. 21 and 22 to include re-bidding. Mr. Kelling discussed the item with the Board. After discussion, motion was made by

Mr. Tisdale, seconded by Mr. Kleimann, and unanimously carried to authorize the General Manager to amend a Professional Services agreement with Brown & Gay Engineers, Inc., in the lump sum amount of \$10,000, for Preliminary, Design, and Construction Phase Services for a Motor Control Center Replacement at Water Well Nos. 15 and 16 and Water Well Nos. 21 and 22 to include re-bidding.

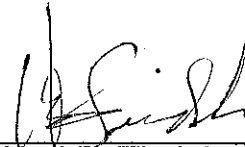
Mr. Turner then moved to the item to receive an update on the status of the Bear Brach Debris Removal Project. Mr. Kelling showed a presentation and briefly discussed the status of the project.

Mr. Turner then took up the item to consider and act upon a Joint Funding Agreement with the USGS for data collection activities during the period of October 1, 2009 to September 30, 2010. Mr. Eichelberger indicated that this was the renewal of an annual agreement. After a brief discussion, motion was made by Ms. Rummell, seconded by Mr. Kleimann, and unanimously carried to authorize the General Manager to execute a Joint Funding Agreement with the USGS for data collection activities during the period of October 1, 2009 to September 30, 2010, in the amount of \$172,895.

Mr. Turner moved to the item to discuss Fiscal Year 2010 operating budgets. Mr. Jackson provided the draft budgets to the Board. Mr. Eichelberger and Mr. Jackson discussed the budgets with the Board and answered any questions. Mr. Eichelberger indicated that the budgets would be on the agenda for approval at the August Board meeting and that if the Board had any further questions to feel free to call staff for clarification.

At 8:55 a.m., Mr. Turner announced that the Board would recess into executive session to deliberate regarding real property, pursuant to Texas Government Code 551.072 and to consult with the Authority's attorney, pursuant to Texas Government Code 551.071.

The Board reconvened at 9:50 a.m. Mr. Turner then took up the item to Consider and act upon a Water Supply Contract by and between the City of Houston and the San Jacinto River Authority. Motion was made by Mr. Stibbs, seconded by Mr. Kleimann, and unanimously carried to approve a Water Supply Contract by and between the City of Houston and the San Jacinto River Authority in substantially the form presented by staff with appropriate changes as may be negotiated by the General Manager and as approved by the President of the Board of Directors and attested by the Secretary of the Board of Directors. With no further business to come before the Board, the meeting was adjourned at 9:55 a.m.



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Lloyd B. Tisdale  
Secretary  
San Jacinto River Authority