

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

June 25, 2009

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 a.m., June 25, 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 R. Gary Montgomery, Joseph V. Turner, Lloyd B. Tisdale, Mary L. Rummell, David C. Kleimann, 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 Division Engineer/EIT; 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. Montgomery called the meeting to order at 8:00 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. There were no public comments.

Mr. Montgomery then laid out the minutes of the May 28th and June 10th, 2009, Board Meetings, which were before the Board for consideration. Upon motion by Ms. Rummell, seconded by Mr. Kleimann, and unanimously carried, the minutes of the May 28th and June 10th, 2009, Board Meetings, were approved as presented.

Mr. Montgomery then indicated that the Board would take up the item on the agenda to review and act upon the unaudited financial statements for the month of May, 2009. Mr. Jackson discussed the unaudited financial statements with the Board. After discussion, motion was made by Mr. Kleimann, seconded

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

Mr. Montgomery then stated that there would be an executive session later in the meeting. He then proceeded to the next item to review and act upon approval of the Quarterly Investment Report for the quarter ending May 31, 2009. Mr. Jackson discussed the Quarterly Investment Report with the Board. After discussion, motion was made by Mr. Turner, seconded by Mr. Stunja, and unanimously carried to approve the Quarterly Investment Report for the quarter ending May 31, 2009, as presented.

Mr. Montgomery then laid out the next item to receive an update on the status of the Campus Planning effort. Mr. Eichelberger and Mr. Kelling gave a brief update.

Mr. Montgomery then moved to the next item to discuss surface water issues. Mr. Eichelberger and Mr. Houston briefly discussed the issue. Mr. Eichelberger then requested that Mr. Sarich discuss The Woodlands current water demands, system capacity, and drought management trigger points with the Board. Mr. Sarich handed out charts showing data for each pressure plane and for the total system in The Woodlands to the Board. Mr. Kelling then showed a presentation on key surface water projects included in the entire program, the overall level of effort required to implement the projects, and the organization, including consultants and other resources, required to provide the necessary level of effort within the current schedule. The presentation included a

description of the scope of work required for program management and for a water plant consultant. A discussion ensued. Mr. Eichelberger stated that in order to meet the current schedule, the Authority would issue a Request for Qualifications (RFQ) for a water plant consultant if there were no objections from the Board. There were none.

Mr. Montgomery then proceeded to the next item to consider and act upon a construction contract for Rock Riprap Removal at Lake Conroe Dam including authorization for the General Manager to execute the contract and any Change Orders up to \$15,000 as may be necessary. Mr. Eichelberger discussed the project with the Board. After discussion, motion was made by Mr. Turner, seconded by Ms. Rummell, and unanimously carried to approve a construction contract with the low bidder, Deep South Construction, Inc., in the amount of \$106,601.00, for Rock Riprap removal at Lake Conroe Dam and to authorize the General Manager to execute the contract and any Change Orders up to \$15,000 as may be necessary.

Mr. Montgomery then laid out the next item to consider authorizing the General Manager to execute Work Order No. 4 for design of site plans for Lift Station No. 12 Generator Installation in The Woodlands. After a brief discussion, motion was made by Mr. Turner, seconded by Ms. Rummell, and unanimously carried to authorize the General Manager to execute Work Order No. 4 of a General Services Agreement with Espey Consultants, Inc., in the lump sum

amount of \$17,500.00, for design of site plans for Lift Station No. 12 Generator Installation in The Woodlands.

Mr. Montgomery then proceeded to the next item to consider authorizing the General Manager to execute Work Order No. 5 for preliminary engineering services for Auxiliary Generators at eight lift stations in The Woodlands. After a brief discussion, motion was made by Mr. Kleimann, seconded by Mr. Turner, and unanimously carried to authorize the General Manager to execute Work Order No. 5 of a General Services Agreement with Espey Consultants, Inc, in the lump sum amount of \$48,000.00, for preliminary engineering services for Auxiliary Generators at eight lift stations in The Woodlands.

Mr. Montgomery then moved to the next item to consider and act upon a construction contract for Motor Control Center Improvements at Water Well Nos. 15 and 16 and Water Well Nos. 21 and 22 in The Woodlands including authorization for the General Manager to execute the contract and any Change orders up to \$50,000.00 as may be necessary. Mr. Turner expressed concern that the Authority received only one bid for the project. After a brief discussion, it was determined that the item would be placed on hold until staff could investigate why the Authority was receiving such limited bids on electrical work.

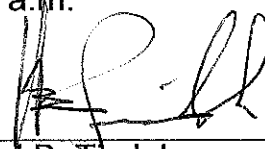
Mr. Montgomery then moved to the next item to consider and act upon a construction contract for Pressure Reducing Valves in The Woodlands Water Distribution System including an authorization for the General Manager to execute the contract and any Change Orders up to \$15,000 as may be

necessary. Mr. Eichelberger discussed the item with the Board. After discussion, motion was made by Mr. Turner, seconded by Ms. Rummell and unanimously carried to approve a construction contract, with the low bidder, Canyon Construction Co., Inc., in the amount of \$99,898.47, for Pressure Reducing Valves in The woodlands Water Distribution System and an authorization for the General Manager to execute the contract and any Change Orders up to \$15,000 as may be necessary.

Mr. Montgomery then took up the item on the agenda to consider and act upon a water supply contract by and between the City of Houston and the San Jacinto River Authority. He stated that the item was still on hold.

At 8:48 a.m., Mr. Montgomery 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 10:00 a.m. With no further business to come before the Board, the meeting was adjourned at 10:02 a.m.



Lloyd B. Tisdale
Secretary
San Jacinto River Authority