

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

December 1, 2009

A special meeting of the Board of Directors of the San Jacinto River Authority was held at 9:00 a.m., December 1, 2009, at the San Jacinto River Authority G&A 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
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, 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; Kimberly Wright/Office Manager; Mike Page and Mitchell Page, Schwartz, Page & Harding, LLP, General Counsel; and Jan Bartholomew, RBC Dain Rauscher, Inc.

Mr. Montgomery called the meeting to order at 9:15 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 stated that there would be an executive session. He began the meeting by introducing a guest in the audience, Mr. Bustin, President of Montgomery County MUD No. 9. Mr. Montgomery continued by calling for public comments. There were none.

At 9:17 a.m., Mr. Montgomery announced that the Board would recess into executive session to deliberate regarding personnel matters pursuant to Texas Government Code 551.074 and to consult with the Authority's attorney concerning potential litigation pursuant to Texas Government Code 551.071. Mr. Montgomery stated that a certified agenda of the closed meeting would be kept by Jace Houston.

The Board reconvened at 11:20 a.m. Discussion ensued regarding the Authority's general counsel serving as bond and general counsel on behalf of the Authority. David Kleimann requested that the Authority's general counsel review certain sections of the Texas Disciplinary Rules of Professional Conduct to ensure no conflicts exist. The Board discussed the subject, and Mr. Mike Page addressed questions by the Board. The Board continued by recognizing Mike Page's service to the Authority over the years and the Board's satisfaction and appreciation for the services he has provided.

In closing, Mr. Montgomery stated that a board committee would be appointed to consider the possibility of preparing bylaws or procedures related to board communications. Mr. Turner commented briefly on the efforts of the Building Committee and the progress and status of the G & A Building construction. Mike Page commented that the loan with the Texas Water Development Board closed on November 24, 2009, and Ron Kelling stated that the land transaction is scheduled for closing on December 15, 2009. Lastly, Reed Eichelberger briefly discussed the other proposals received from banking institutions for financing the G & A Building construction.

Mr. Montgomery announced that the next regular Board meeting would be December 10, 2009. There being no further business to come before the Board, the meeting adjourned at 12:10 p.m.



Lloyd B. Tisdale
Secretary
San Jacinto River Authority