

COPY

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

September 23, 2010

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 8:00 A.M., September 23, 2010, at the Lone Star Convention and Expo Center, 9055 FM Road 1484, Conroe, Texas 77303. 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, Mary L. Rummell, David C. Kleimann, and Lloyd B. Tisdale, thus constituting a quorum. Also present were Reed Eichelberger, General Manager; Ron Kelling, Deputy General Manager, Operations; Jace Houston, Deputy General Manager, Administration; Michael Jackson, Controller; Raymond Johnson, Manager of Information Technology; Tojuana Cooper, Woodlands Division Manager; Kimberly Wright, Administrative Services Manager; Mitchell Page, Schwartz, Page & Harding, LLP (SPH), General Counsel and Bond Counsel; 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 8:20 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 continued the meeting by inviting comments from the public; there were none. He announced that there would be an executive session later in the meeting.

Mr. Kelling continued with the next item on the agenda to update the Board on the status of the campus improvements. He provided an update on the current schedule of the new General and Administration Building, including the current construction schedule and tentative date for the move. Before proceeding to the next item, Mr. Johnson discussed the Authority's use of iPads for viewing the agenda package for Board meetings. He discussed the cost benefits and return-on-investment related to their use. He introduced the IT staff that would be assisting with the transition.

Mr. Houston continued with the update on the GRP Program/GRP Division. He discussed the number of large volume groundwater users that had joined the GRP. He stated that Avanta Services was continuing communications with the participants about the billing process and that there have been efforts for communication related to educating the public, including providing Q & A information on the Authority's website to provide a virtual information center offering quick and easy information. He stated that the program is moving along well. Mr. Kelling discussed funding from the Texas Water Development Board and the low ranking received. He stated that the low ranking had to do with Montgomery County's lack of progress on water conservation. Mr. Mitchell

Page stated that it can be difficult to obtain a higher rating, as an entity must have an established history reflecting a decrease in water usage. Mr. Houston and Mr. Kelling discussed the state average for outdoor water use and the criteria for the ranking used by TWDB. Mr. Houston also discussed efforts being made on communications and the selection of nominees for the Review Committee.

Mr. Turner proceeded to the next item on the agenda to consider authorizing the General Manager to execute Work Order No. 3 with water plant consultant for the development of standard specifications, details, graphics standards, and numbering/tagging conventions. Mr. Fenney described the purpose and the general description of the services to be provided. He stated that the standardization is vital to the design, construction, operation and maintenance of the proposed GRP facilities. Motion was made by Ms. Rummell, seconded by Mr. Tisdale and unanimously approved, to authorize the General Manager to execute Work Order No. 3 for an amount not to exceed \$148,100.00 with HDR Engineering, Inc., for the development of standard specifications, details, graphic standards, and numbering/tagging conventions.

Mr. Turner continued to the next agenda item to receive an update on the Lake Conroe Division. Mr. Houston updated the Board on the Texas Toyota Bass Classic and the Authority's role with the event. There were no other updates.

Mr. Turner proceeded to the next item on the agenda to consider authorizing the General Manager to execute a Joint Funding Agreement with the United States Geological Survey (USGS) for data collection activities during the period of October 1, 2010, to September 30, 2011. Mr. Eichelberger discussed the total costs for the program, the shared cost, and the services provided under the agreement, including certain water quantity and quality data collection activities that are beneficial to the

Authority. Motion was made by Mr. Kleimann, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute the Joint Funding Agreement for an amount not to exceed \$164,140.00 with the USGS for data collection activities during the period of October 1, 2010, to September 30, 2011.

Mr. Kelling continued to the next agenda item to provide an update on the Highlands Division. He gave a brief update on projects and construction activities in the Highlands Division. No action was required.

Mr. Turner continued to the next item on the agenda to consider authorizing the General Manager to execute a contract for construction of Siphon No. 10 in the Highlands. Mr. Fenney discussed the improvements to Siphon No. 10, the offers received, and the selection of a contractor. Motion was made by Mr. Tisdale, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute a Construction Contract with Lindsey Construction Co. for an amount not to exceed \$1,298,610.00 for the improvements of Siphon No. 10 in the Highlands and up to \$50,000.00 in change orders.

Mr. Fenney presented the next item on the agenda to consider authorizing the General Manager to execute Work Order No. 2 for Construction Materials Testing Services for Siphon No. 10 in Highlands. After brief discussion, motion was made by Mr. Tisdale, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute Work Order No. 2 for an amount not to exceed \$33,000.00 with Aviles Engineering Corporation for Construction Materials Testing Services for Siphon No. 10 in the Highlands.

Mr. Fenney then presented the next agenda item to consider authorizing the General Manager to execute Work Order No. 9 for Construction Phase Services for

Siphon No. 10 in the Highlands. Motion was made by Ms. Rummell, seconded by Mr. Tisdale and unanimously approved, to authorize the General Manager to execute Work Order No. 9 with Espey Consultants, Inc., for an amount not to exceed \$29,700.00 for Construction Phase Services for Siphon No. 10 in the Highlands.

Mr. Turner then proceeded to the next item to receive an update on the Woodlands Division. There being none, he continued to the next item on the agenda.

Ms. Cooper discussed the next item on the agenda to consider authorizing the General Manager to execute Work Order No. 2 for a 20" well collection line from EST No. 5 to WP No. 4 in The Woodlands. She described the location of the proposed collection line and its purpose in satisfying water demand. Motion was made by Mr. Kleimann, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute Work Order No. 2 for an amount not to exceed \$116,050.00 with Lockwood, Andrews & Newnam, Inc., for a 20" well collection line from EST No. 5 to WP No. 4 in The Woodlands.


Ms. Cooper presented the next item to consider authorizing the General Manager to execute Work Order No. 2 for a 16" well collection line in The Woodlands. Ms. Cooper described the project and the key deliverables to be provided under Work Order No. 2. She stated that this project is also part of the overall improvement plan to satisfy water demand. Motion was made by Mr. Kleimann, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute Work Order No. 2 with LJA Engineering, Inc., for an amount not to exceed \$123,200.00 for a 16" well collection line in The Woodlands.

Mr. Turner announced that the next item on the agenda, to receive a presentation from the U.S. Environmental Protection Agency regarding San Jacinto Waste Pits Superfund Site in Harris County, would be deferred.

Mr. Mike Reedy, P.E., with Freese and Nichols, Inc., presented the next agenda item related to the Lake Conroe Dam Site Access Study. He gave an overview of the study, but stated that due to the sensitivity of the security-related issues, those parts of the presentation would be presented in executive session. Many of the topics he discussed included: public access, security, control, public appeal, alternatives, and possible access points. He discussed the matrix that Freese and Nichols used to evaluate the alternatives, and then he discussed each alternative separately. Mr. Reedy discussed the potential for entrance improvements and provided a summary of recommendations for consideration.

At 9:00 A.M. Mr. Turner stated that the Board would recess into executive session.

The Board reconvened at 9:35 A.M. After brief discussion, Mr. Turner announced that the next Board meeting would be on November 10, 2010, at 8:00 A.M. at the Lone Star Convention and Expo Center. There being no further business to come before the Board, the meeting was adjourned at 9:35 A.M.



Lloyd B. Tisdale
Secretary
San Jacinto River Authority