

Minutes of a Regular Meeting
of the GRP Review Committee
October 24, 2011

A regular meeting of the San Jacinto River Authority GRP Review Committee was held at 12:00 P.M., October 24, 2011 at the San Jacinto River Authority G&A Building, 1577 Dam Site Road, Conroe, Texas 77304. Attendees were as follows:

Troy Morris	Chairman, Mid South
Al Newton	MUDs East
Jackie Chance	MUDs West
Arthur Faiello	Cities
Dean Towery	City of Conroe
Mike Mooney	WJPA
Ron Kelling	Deputy General Manager, Operations
Mark Smith	GRP Administrator
Matt Corley	SJRA
Jace Houston	Deputy General Manager, Administration
Connie Mathis	Administrative Assistant, GRP
Ronda Trow	SJRA
Bob Hill	SJRA
Dave Scholler	B&G
Mandy Anderson	SJRA
Steve Fenney	SJRA
Jan Bartholomew	RBC Capital Markets
Mitch Page	SPH
Ryan Nesmith	RBC Capital Markets

Troy Morris called the meeting to order at 12:00 noon.

Troy presented the minutes of the September 12th meeting and called for a motion to approve. Dean Towery made the motion which was seconded by Arthur Faiello and the motion carried.

Mark Smith discussed the SJRA Catahoula Aquifer Development Policy. After open discussion it was the recommendation of the Review Committee to keep the current policy as written.

Mark Smith and Ron Kelling presented a proposal to drill a Catahoula test well in the Woodlands. It was stated that The Woodlands Division will be awarding a contract for the development of a new well and the bids will include the extra cost of drilling into the Catahoula aquifer to sample and evaluate water from that aquifer. The extra work is estimated to cost \$400K-\$500K. The Review Committee was asked to vote on one of the following options:

- Recommendation for GRP funding the extra work up to a limit determined by the Committee
- Or
- Recommendation that GRP funds not be used for this purpose.

A motion by Dean Towery, seconded by Arthur Faiello, was made for Recommendation No. 1, GRP funding this extra work as a means of gathering samples and evaluation of those from the Catahoula. All members voted in favor with the exception of Jackie Chance who voted against.

Mark Smith discussed items to be presented to the Board at the November 10, 2011 Board meeting.

- Freese & Nichols for Final Design of the Raw Water Intake and Pump Station
- CMAR to purchase membranes
- Red Oak GRP Pumpage Rate Study
- HDR GRP Organizational Study
- Consultant to provide Cathodic Protection

Mark Smith asked Jan Bartholomew to discuss the 2035 Maturity Schedule and Bond Issuance Options. Ms. Bartholomew presented options that included newly available monies from the TWDB versus a bond issue on the open market. She pointed out the interest savings with the TWDB Loan. A motion was made by Dean Towery, seconded by Mike Mooney, to go with Ms. Bartholomew's recommendation for the TWDB Loan. The motion carried unanimously.

Mark Smith presented the GRP Project Financial Status update.

Mark Smith outlined future items to go to the Board for approval.

- Water plant tie-ins at SMCID, WCID1, Mid South and Conroe
- Work Orders for final design on transmission lines
- CM to hire for line work

Date for next meeting was set for November 28, 2011 at 12:00 Noon.

Troy Morris called for a motion to adjourn. Jackie Chance made the motion which was seconded by Mike Mooney and carried unanimously.

Minutes recorded by:



Connie Mathis

GRP Administrative Assistant