

**GRP Review Committee  
Minutes of Regular Meeting  
April 25, 2016**

The San Jacinto River Authority GRP Review Committee meeting was held at 11:30 a.m., April 25, 2016, at the San Jacinto River Authority GRP Division Operations Building located at 6627 Longmire Road, Conroe, Texas 77304. Committee members Jackie Chance, Mike Mooney, Joe Sherwin, Scott Taylor, and Kerry Masson were present.

**1. CALL TO ORDER**

The meeting was called to order at 11:42 a.m.

**2. PUBLIC COMMENTS** (maximum of 3 minutes per speaker) There were no public comments.

**3. APPROVAL OF MINUTES**

Mr. Mooney then indicated that the minutes of the GRP Review Committee meeting on March 21, 2016 were before the Committee for consideration. Motion was made by Mr. Masson, seconded by Mr. Taylor and unanimously carried, to approve the minutes for the GRP Review Committee meeting as presented.

**4. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON APRIL 28, 2016:**

- a. Consider authorizing the General Manager to execute an Amended and Restated Contract for Implementation of Alternative Water Supply Strategy and Related Goods and Services with the City of Willis for Cooling Towers.

Mr. Smith provided a recap on the need for this item and further explained that the City of Willis approved the amended contract and then requested a motion from the Committee to allow staff to move forward with finalizing the Amended and Restated Contract. Motion was made by Mr. Taylor, seconded by Mr. Sherwin, and unanimously recommended approval for the General Manager to execute the Amended and Restated Contract for Implementation of Alternative Water Supply Strategy and Related Goods and Services with the City of Willis.

- b. Issuance of Special Project Revenue Bonds (GRP Project), Series 2016 (the "GRP Bonds").

Mr. Smith requested items 4bi, 4bii, 4biii, 4biv, and 4bv be considered together.

- i. Consider and act upon selection of Underwriter(s) for the GRP Bonds and approve form of Bond Purchase Agreement.
- ii. Consider and act upon selection of Paying Agent/Registrar for GRP Bonds, and approve form of Paying Agent/Registrar Agreement, and authorize the General Manager to execute a Paying Agent/Registrar Agreement in connection therewith.
- iii. Consider and act upon approving and authorizing distribution of a Preliminary Official Statement in connection with the issuance of the GRP Bonds.
- iv. Consider and act upon adopting a resolution authorizing the issuance, sale, and delivery of the GRP Bonds, and delegating authority to the General Manager to execute and deliver a Bond Purchase Agreement and Pricing Certificate in connection therewith.
- v. Authorize other actions necessary in connection with closing on issuance of GRP Bonds.

Mr. Mitch Page, legal counsel for the San Jacinto River Authority gave an overview of each of the above mentioned items and explained the action needed to proceed. Mr. Page explained that from the sale of the bonds, payments would be made to the City of Willis in the amount of \$1,257,000 on or before December 31, 2016 and to the City of Conroe for the increase in cost for system improvements in the amount of \$982,166.40. The total amount of proceeds required for the two projects, plus issuance costs, requires a sale of GRP Bonds in the approximate amount of \$2,410,000. Motion was made by Mr. Masson, seconded by Mr. Chance and approved to recommend (4bi) Raymond James be designated as Underwriter for the sale of the GRP Bonds and the form of Bond Purchase Agreement for execution by the General Manager for the sale of the GRP Bonds to such Underwriter, (4bii) the designation of The Bank of New York Mellon Trust Company, N.A., as Paying Agent/Registrar for the GRP Bonds and authorize the General Manager to execute a Paying Agent/Registrar Agreement in connection, (4biii) approval of the Preliminary Official Statement in the form presented, subject to final revisions from the Authority's management, staff and consultants; authorize the distribution of the Preliminary Official Statement in connection with the sale of the GRP Bonds; authorize the completion and distribution of a final Official Statement following the sale of the bonds, (4biv) the adoption of a Resolution authorizing the issuance, sale and delivery of the GRP Bonds, and (4bv) authorization of the General Manager and the officers of the Board to take all other necessary actions to proceed with the issuance, sale and delivery of the GRP Bonds. Due to a conflict of interest, Mr. Taylor abstained from the vote.

- c. Consider authorizing General Manager, or his designee, to execute Letter(s) of Assurance to Lone Star Groundwater Conservation District for the new Participants in the GRP Program, as requested, and approve the GRP Contract(s) as presented and authorize the execution of same by the General Manager.

No action was required.

## **5. UPDATE REGARDING GRP DIVISION**

### **a. Compliance and Customer Service Update**

Mr. Matt Corley, Customer Service and Compliance Supervisor presented a compliance update. In reporting, he provided the projected demands versus the actual data for surface water delivery. Mr. Corley stated that the GRP is twenty-seven percent (27%) ahead of the projected goal.

### **b. Operations Update**

Mr. Don Sarich, Senior O&M Manager provided an update on operations. He reported that the Surface Water Treatment Plant is currently producing 17 million gallons a day in surface water due to lower demand, but anticipates this to increase with warmer weather. Mr. Sarich went on to state that he and other staff members of the San Jacinto River Authority attended the Texas Water Conference in Fort Worth, Texas. While there, staff participated and placed third in the *Best Tasting Water in Texas* competition.

Mr. Smith updated the committee on ongoing projects, including critical locates for the Mud 99 construction project, warranty work at the plant site, and design related activities for the pump project.

### **c. GRP Review Committee Election/Appointment Update**

Mr. Smith provided the schedule for the upcoming election and an update for appointments for GRP Review Committee members in 2016. He stated that nomination notices were mailed to the Participants on April 1, 2016 and nomination resolutions are due by July 1, 2016.

**6. DISCUSSION REGARDING FUTURE AGENDA ITEMS**

Mr. Smith stated that a notice related to the upcoming Rate Order amendments were mailed out the previous week to all Participants. He provided that an overview of the revised Rate Order for GRP Participants would be presented at the May, 2016 meeting and that a recommendation for action would be included on the agenda for the June, 2016 Review Committee and Board meetings.

Mr. Smith took questions from the Committee members. Mr. Chance inquired as to the impact that the run-off from the current rain event had on the treatment process. Mr. Smith stated there was no impact, but that upcoming hot weather can have an impact. Mr. Masson inquired as to the progress on addressing noisy manhole covers. Mr. Jason Carlisle, Graduate Engineer 3 stated that previous work identified had been completed, but he stated that he would follow-up with Mr. Sherwin to ensure all areas of concern were addressed.

**7. FUTURE MEETING SCHEDULE**

- June 20, 2016
- July 25, 2016
- August 22, 2016
- September 19, 2016

**8. ADJOURN**

Without objection, the meeting was adjourned at 12:22 p.m.



Kimberly Wright  
Division Administrative Manager



Mark Smith  
GRP Administrator