

**GRP Review Committee
Minutes of Regular Meeting
October 26, 2015**

The San Jacinto River Authority GRP Review Committee meeting was held at 11:30 a.m., October 26, 2015, at the San Jacinto River Authority GRP Division Operations Building located at 6627 Longmire Road, Conroe, Texas 77304. Committee members Mike Mooney, Jackie Chance, 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. GRP REVIEW COMMITTEE MEMBERS:

Pursuant to the GRP Contract (Sections 2.07 and 2.08) with Participants, the GRP Administrator will seat the new member, Kerry Masson to fill the vacancy for Participants located east of Interstate Highway 45.

Mr. Mark Smith introduced and welcomed Mr. Kerry Masson to the GRP Review Committee.

3. PUBLIC COMMENTS (maximum of 3 minutes per speaker)

There were no public comments.

4. APPROVAL OF MINUTES

Mr. Mooney then indicated that the minutes of the GRP Review Committee meeting on September 21, 2015 were before the Committee for consideration. Motion was made by Mr. Chance, seconded by Mr. Sherwin and unanimously carried, to approve the minutes for the GRP Review Committee meeting as presented.

5. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON OCTOBER 29, 2015:

- a. Consider authorizing the General Manager to execute Change Order No. 1 to contract with Construction Manager at Risk for the Surface Water Facility for the GRP Program.
- b. Consider authorizing the General Manager to execute Work Order No. 3 for Construction Administration and Inspection Services for the Surface Water Facility for the GRP Program.
- c. Consider authorizing the General Manager to execute Amendment No. 4 to Work Order No. 2 for Construction Management and Inspection Services of the Surface Water Transmission System for the GRP Program.
- d. Consider authorizing the General Manager to execute Work Order No. 2 for peer review for the GRP Surface Water Facilities.
- e. Consider authorizing the General Manager to execute a contract with Entergy to install street lights along the access road for the GRP Program.

Mr. Smith stated that agenda items 5a, 5b, 5c, 5d, and 5e would be presented together. Mr. Smith offered an overview of each item. After brief discussion, Motion was made by Mr. Taylor, seconded by Mr. Masson and unanimously approved to recommend the execution of (5a) Change Order No. 1 with McCarthy Building Companies, Inc., in the amount of \$1,871,028.00 for Construction Manager at Risk and contract modifications up to \$75,000.00, (5b) Work Order No. 3 with CDM Smith, Inc., in an amount not to exceed \$192,862.83 for Construction Administration and Inspection Services for the Surface Water Facility, (5c) Amendment No. 4 to Work Order No. 2 with Kellogg Brown & Root Services, Inc., in an amount not to exceed \$125,000.00 for Construction Management and Inspection Services for the Surface Water Transmission System, (5d) Work Order No. 2 with Carollo Engineers, Inc., in an amount not to exceed \$82,185.70 for peer review for the Surface Water Facilities, and (5e) contract with Entergy Corporation, in the amount of \$200,000.00 for installation of street lights along the access road for the GRP Program.

- f. Discuss new Participant(s) in the GRP Program and, in connection therewith, authorize the General Manager, or his designee, to execute letter(s) of assurance to Lone Star Groundwater Conservation District, as requested, and approve the GRP Contract(s) as presented and authorize the execution of same by the General Manager.

Moving to the next item on the agenda, Mr. Mitchell Page, Legal Counsel for the Authority discussed the shift of ownership and operational responsibilities from East Montgomery County MUD No. 7 to East Montgomery County MUD No. 5. Due to the timing, he requested that action be taken for the assignment of the GRP Contract and ratification of same at the December 7, 2015 meeting. Motion was made by Mr. Masson, seconded by Mr. Chance and unanimously approved to recommend the assignment of the contract for East Montgomery County MUD No. 7 to East Montgomery County MUD No. 5 with ratification of the action in December, 2015.

6. GRP REVIEW COMMITTEE SUBCOMMITTEE PRESENTATION

- a. Receive presentation on the GRP Review Committee Subcommittee's recommendation regarding the City of Willis' proposal.

Mr. Smith provided background information on the terms of the agreement with the City of Willis (the "City"). He discussed their two Catahoula wells and the current production and blending of water. He briefly discussed the aesthetic issues that are being experienced and the City's inability to timely meet contract requirements. He presented an update on the City's request for cost sharing with the GRP to assist the City with the installation of cooling fans. A discussion concerning the terms of the existing contract with the City, funding options available for possible cost sharing, and the City's contributions to the GRP was led by subcommittee members Mr. Taylor and Mr. Sherwin. Mr. Page discussed options for revising the current agreement. A recommendation by the subcommittee was requested by Mr. Smith. Motion was made by Mr. Chance, seconded by Mr. Taylor and unanimously approved to recommend that the GRP work with the City to further explore a fair exchange and possible options. Mr. Masson recommended that the total costs of the funding options (i.e., bonds) be evaluated and that established conditions ensure an equitable agreement between the parties. It was recommended that staff work with the City on this effort and to provide future updates to the Review Committee.

7. UPDATE REGARDING GRP DIVISION

Mr. Smith stated that the last presentation of the construction updates occurred at the last meeting and that the last *Monthly Progress Report – September, 2015* was being presented today. He referred briefly to the highlights of the financial exhibits in the report and stated that revenues for the month were ahead.

a. Compliance and Customer Service Update

Mr. Matt Corley, Customer Service and Compliance Supervisor then presented the monthly *GRP Compliance Report*. He provided an update on groundwater pumpage for August, 2015, which was the second highest since 2011. In conclusion, he stated that upcoming Participant items to be presented to the Committee for consideration, include the previously discussed item related to the assignment of the contract from East Montgomery County MUD No. 7 to East Montgomery County MUD No. 5 for ratification, and other requests submitted for East Montgomery County MUD No. 9, HMW Special Utility District (Pleasant Forest), and C & R Water Supply, Inc. (Creekside Acres).

b. Operations Update

Mr. Hector Ortiz, O&M Manager then provided an update on the status of the delivery of surface water. He stated that initial deliveries began on September 18, 2015. He stated that eleven (11) of the sixteen (16) water receiving facilities are online and operational and that the City of Conroe is in the process of flushing and working toward going online in the near future.

8. DISCUSSION REGARDING FUTURE AGENDA ITEMS

Mr. Smith continued by discussing future items to be presented to the Committee, including updates on the City of Willis' proposal for cost sharing, new Participant items, XR System improvements, possible bond issue(s), and a proposed policy related to over pumpage by Participants.

9. FUTURE MEETING SCHEDULE

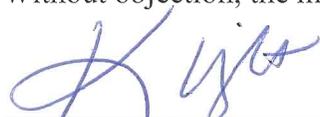
November, 2015 – No meeting scheduled
December 7, 2015
January 25, 2016

10. TOUR OF THE SURFACE WATER TREATMENT PLANT

GRP Review Committee members and staff toured the Surface Water Treatment Plant.

11. ADJOURN

Without objection, the meeting was adjourned at 1:45 p.m.



Kimberly Wright
Division Administrative Manager



Mark Smith
GRP Administrator