

**GRP Review Committee
Minutes of Regular Meeting
July 21, 2014**

The San Jacinto River Authority GRP Review Committee meeting was held at 11:30 a.m., July 21, 2014, at the San Jacinto River Authority G&A Building located at 1577 Dam Site Road, Conroe, Texas 77304. Committee members Jackie W. Chance, Sr., Jason Miller, Mike Mooney, and Al Newton were present. Committee Chairman Troy Morris was absent.

1. CALL TO ORDER

The meeting was called to order at 11:41 a.m.

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

There were no public comments.

3. APPROVAL OF MINUTES

Committee member Miller moved approval of the minutes of the Regular meeting of June 23, 2014. Committee member Chance seconded the motion and passed with all present voting aye.

4. GRP ITEMS FOR CONSIDERATION BY THE SJRA BOARD OF DIRECTORS ON JULY 24, 2014:

GRP Division Manager Mark Smith presented information regarding the following items:

- a. Consider authorizing the General Manager to execute approval and acknowledgement of assignment of GRP Contract from 1404 Blaketree, LP, to Bluejack Development Co., LLC
- b. Consider 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. There were no new participants this month.

Committee member Chance moved approval of items 4a and 4b, with a second from Committee member Miller. The motion passed unanimously, to recommend the items for approval by the SJRA Board of Directors.

5. PRESENTATION REGARDING FISCAL YEAR 2015 GRP BUDGET

Mr. Smith presented information regarding the GRP budget for Fiscal Year 2015, which included reviewing the GRP's objectives for Fiscal Year 2015, key budget elements, a summary of the Fiscal Year 2015 budget, and of the year-to-year comparisons of the GRP operating budget, expenses, and net cash uses. Mr. Smith explained that the largest percentages of the GRP budget are allocated to interest expense and other net cash uses, respectively. Mr. Smith asked the GRP Review Committee to review the proposed GRP Fiscal Year 2015 budget and provide any additional comments to him prior to August 4, 2014.

6. UPDATE REGARDING GRP DIVISION

Compliance Supervisor Matt Corley presented the GRP Compliance update and stated that the GRP will hold several workshops to assist participants in developing water conservation and drought contingency plans that meet SJRA's requirements. He stated that the due date for those plans has been extended to May 1, 2015. Mr. Smith reported to the Committee that efforts continue in recruiting to fill operator positions at the surface water facility. He also mentioned that ballots for contested positions (municipalities exclusive of the City of Conroe and conservation and reclamation districts, other than members of The Woodlands Joint Powers Agency, which are located primarily to the west of I-45), will be going out to participants prior to

August 1, 2014, and reminded them that the ballots are due back to the GRP Administrator by November 1, 2014. Construction Manager Phil Smith and Project Manager Doug Haude presented the construction updates for the Surface Water Facility and Transmission Line System, respectively.

7. DISCUSSION REGARDING FUTURE AGENDA ITEMS

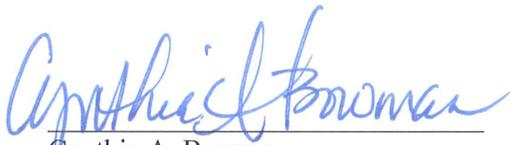
Mr. Smith stated that the following items will be presented in the upcoming months: Southern Montgomery County MUD and City of Conroe supplemental agreements to the GRP contracts; letter of intent regarding reforestation of vegetation with The Woodlands; and a work order for transient analysis. He reported the current status of land acquisition, stating that thirteen parcels are remaining to be acquired. Finally, he stated that a small segment of pipe for Segment C1B had been tested and that testing is in progress for Segments W1A, W4, and C1A.

8. FUTURE MEETING SCHEDULE

August 25, 2014
September 22, 2014
October 20, 2014

9. ADJOURN

Without objection, the meeting was adjourned at 12:42 p.m.



Cynthia A. Bowman
Division Administrative Manager



Mark Smith
GRP Administrator