

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

March 27, 2014

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A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 A.M., March 27, 2014, at the San Jacinto River Authority General and Administration Building, 1577 Dam Site Road, Conroe, Texas 77304. The roll was called of the duly constituted members of the Board as follows:

Lloyd B. Tisdale	President
R. Gary Montgomery	Vice President
Mary L. Rummell	Secretary
Joseph L. Stunja	Treasurer
Mike Bleier	Member
Fredrick Koetting	Member
John D. Eckstrum	Member

Present were Lloyd B. Tisdale, R. Gary Montgomery, Mary L. Rummell, Joseph L. Stunja, Mike Bleier, Fredrick Koetting, and John D. Eckstrum thus constituting a quorum. Also present were Jace Houston, General Manager; Ron Kelling, Deputy General Manager; Tom Michel, Director of Financial and Administrative Services; David Parkhill, Director of Raw Water Enterprise; Jodi Chaney, Administrative Services Manager; Ronda Trow, Public Relations Manager; Bret Raley, Lake Conroe Division Manager; SuEllen Staggs, Woodlands Division Manager; Mark Smith, GRP Division Manager; Phil Smith, Surface Water Plant Construction Manager; Doug Haude, Senior Project Manager/Construction Manager; Mitchell Page, Schwartz, Page & Harding, LLP (SPH),

General Counsel and Bond Counsel; Jan Bartholomew with RBC Capital Markets, LLC; and numerous other guests.

Mr. Tisdale called the meeting to order at 8:05 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. Tisdale requested that Ms. Rummell lead the Pledge of Allegiance to the United States flag and the Texas flag.

Mr. Tisdale continued the meeting by inviting comments from the public; there were none.

Mr. Tisdale moved to the next item to receive updates from the Operational Divisions and General & Administration Division related to ongoing projects, staff reports, and items on the consent agenda. Mr. Houston stated that Item Nos. 5e and 5f on the consent agenda are related to Region H and include a routine amendment to the Texas Water Development Board (TWDB) grant and an amendment to the professional services agreement for development of the 2016 Region H Regional Water Plan as authorized by the Region H Water Planning Group.

Ms. Trow reported that there were no updates from the Public Relations Department.

Mr. Michel reported that there were no updates on the G & A Division.

Mr. Parkhill provided an update on the Raw Water Enterprise Program and asked Lake Conroe Division Manager Bret Raley to provide a brief update on the Watershed Protection Plan Program. Mr. Raley stated that the program's primary objectives are to maintain or improve the quality of water in Lake Conroe, to provide source water protection for the Groundwater Reduction Program, and to provide stakeholders the opportunity for input in the

decision-making process. He discussed the program's development strategy and public outreach efforts, and presented a listing of volunteers that will serve as members of the Watershed Protection Plan Program's Stakeholder Group. Mr. Raley announced that the first stakeholder group meeting is scheduled for March 28, 2014.

Ms. Staggs provided an update on the Woodlands Division. She reported that no issues were identified during a recent inspection by the Texas Commission on Environmental Quality (TCEQ) of Wastewater Treatment Plant No. 2 in The Woodlands.

Mr. Mark Smith provided an update on the GRP Division. He presented the Groundwater Reduction Plan Program's Monthly Progress Report and provided a brief overview of ongoing public relations activities related to the GRP's waterlines. He stated that, as part of the strategic planning effort, the GRP is actively involved in monitoring new development in Montgomery County to determine future impacts on water demand, its effect on GRP operations, and the Authority's ability to maintain GRP Participant compliance with the Lone Star Groundwater Conservation District's (LSGCD) mandate. He reported that all items on the agenda were presented and recommended by the GRP Review Committee for approval.

Mr. Phil Smith provided the Groundwater Reduction Plan Program's Monthly Construction Progress Report to the Board. He provided photographs of the work taking place on the Surface Water Facility Project and reported that the project is on schedule and still within budget.

Mr. Doug Haude provided an update on the Surface Water Transmission System Project. He presented photographs depicting all transmission line segments and provided updates and timelines for same.

Mr. Tisdale then continued on to the consent agenda. Motion was made by Ms. Rummell, seconded by Mr. Koetting and unanimously approved, to: (i) approve the minutes of the February 27, 2014, Board of Directors meeting; (ii) approve the unaudited financial statements for the month of February, 2014; (iii) approve the quarterly investment report for the quarter ended February 28, 2014; (iv) adopt the resolution entitled, "*Resolution Adopting Prevailing Wage Rate Scale for Construction Projects*", attached hereto as Exhibit "A"; (v) authorize the General Manager to execute Amendment No. 5 to the planning grant contract with the Texas Water Development Board on behalf of the Region H Water Planning Group for completion of the 2016 Region H Water Plan, including the prioritization of projects in the 2011 and 2016 regional plans; and to (vi) authorize the General Manager to execute Work Order No. 4 with Freese and Nichols, Inc., related to development of the 2016 Region H Regional Water Plan, as authorized by the Region H Water Planning Group.

Continuing to the regular agenda, Mr. Houston explained that the Authority is required by law to update its Water Conservation and Drought Contingency Plans every five years. He stated that the last update was done in 2009, and that the next update is due in May 2014. Mr. Kelling explained that the water conservation goals and objectives for all divisions are to: reduce water consumption; increase water use efficiency; limit unaccounted for water; and extend the capacity of existing water supplies. He then asked Mr. Parkhill, Mr. Mark Smith, and Ms. Staggs to present the proposed Drought Contingency Plans for the Lake Conroe, Highlands, GRP, and Woodlands Divisions. Following a brief discussion, motion was made by Mr. Eckstrum, seconded by Ms. Rummell and unanimously approved, to adopt the resolution entitled, "*Resolution Adopting Revised Water Conservation Plans and Drought Contingency*

*Plans; Authorizing the Implementation of Such Revised Plans; Repealing and Rescinding All Prior Plans; and Containing Other Provisions Relating to the Subject", attached hereto as Exhibit "B".*

Mr. Tisdale then announced that Item Nos. 7a and 7b on the agenda would be discussed and presented together. Mr. Mitch Page stated that the Authority filed a private letter ruling with the Internal Revenue Service (IRS) in November 2013 requesting clarification regarding several federal tax law requirements applicable to the proposed issuance of tax-exempt obligations to finance improvements that are necessary, in part, to accommodate requests by industrial customers for increased capacity. He continued by explaining that the IRS has now requested that the Authority provide a resolution indicating its intent to issue tax-exempt bonds in order for them to move forward with their review of and ruling on the request. Motion was then made by Mr. Stunja, seconded by Ms. Rummell and unanimously approved, to: (i) adopt the resolution entitled, "*Resolution Declaring Intent to Issue Tax-Exempt Bonds and Authorizing Other Action Related Thereto*", attached hereto as Exhibit "C"; and to (ii) authorize the General Manager to re-file the Request for Private Letter Ruling with the Internal Revenue Service, as and if necessary, and to take all necessary actions in connection therewith.

Moving to the next item on the agenda, Mr. Parkhill presented information and motion was made by Mr. Montgomery, seconded by Mr. Stunja and unanimously approved, to authorize the General Manager to execute Work Order No. 7 with Freese and Nichols, Inc., in an amount not to exceed 42,000.00, for design of improvements to the Sjolander Road siphon and associated portions of the East Canal in the Highlands.

Mr. Tisdale then proceeded to the next item on the agenda and motion was made by Mr. Eckstrum, seconded by Mr. Montgomery and unanimously approved, to authorize the

General Manager to execute Work Order No. 8 with Freese and Nichols, Inc., in the amount of \$12,000.00, for technical review of the hydraulic model and draft technical memorandum for the Highlands Canal System.

Moving to the next item on the agenda, motion was made by Mr. Stunja, seconded by Mr. Montgomery and unanimously approved, to declare to be surplus and authorize the disposal by sale of a 0.009 acre tract of surplus real property located in Walden Subdivision in the amount of \$12,937.31, and authorize the General Manager to execute all necessary documents to complete the transaction.

Ms. Staggs discussed the next item on the agenda and motion was made by Ms. Rummell, seconded by Mr. Koetting and unanimously approved, to execute a professional services agreement and Work Order No. 1 with CDM Smith, Inc., in the amount of \$257,771.25, for the comprehensive evaluation of Wastewater Treatment Plant No. 1 in The Woodlands.

Mr. Tisdale then proceeded to the next item on the agenda and motion was made by Mr. Eckstrum, seconded by Mr. Montgomery and unanimously approved, to authorize the General Manager to execute a standard construction contract with Huff & Mitchell, Inc., in the amount of \$1,839,575.00, and contract modifications up to \$75,000.00, for a 16-inch well collection line from Water Well No. 9 and Water Well No. 10 to the east right-of-way of Kuykendahl Road in The Woodlands.

Mr. Tisdale continued to the next item on the agenda to authorize the General Manager, or his designee, to execute letter(s) of assurance to Lone Star Groundwater Conservation District (LSGCD), confirming that a GRP Participation contract will be executed for applicants that choose to join the Authority's GRP, and approve the GRP contract(s) as

presented and authorize the execution of same by the General Manager. The item was tabled as there were none to consider.

Mr. Smith presented the next item on the agenda and motion was made by Mr. Eckstrum, seconded by Mr. Montgomery and unanimously approved, to authorize the General Manager to execute Change Order No. 1 with S.J. Louis Construction of Texas, Ltd., in the amount of \$246,642.00, for the relocation of communication cable along the proposed Surface Water Transmission Line, Segment T3, for the GRP Program.

Moving to the next item on the agenda, Mr. Mark Smith presented information and motion was made by Mr. Stunja, seconded by Ms. Rummell and unanimously approved, to authorize the General Manager to execute Amendment No. 1 to Work Order No. 1 with HDR Engineering, Inc., in the amount of \$22,952.00, for the development and assessment of the Utility Financial Planning and Rate Model for the GRP Division for a ten-year period beginning September 1, 2014, through August 31, 2024.

Mr. Tisdale announced that the Board would recess into Executive Session. At 9:35 a.m. the Board recessed into Executive Session. With a quorum still present, the Board reconvened at 10:27 a.m.

Mr. Tisdale announced the next Board meeting date of April 24, 2014, at 7:30 a.m. There being no further business to come before the Board, the meeting was adjourned at 10:27 a.m.

  
Mary L. Rummell  
Secretary  
San Jacinto River Authority

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE  
FOR CONSTRUCTION PROJECTS

WHEREAS, Chapter 2258, Texas Government Code ("Chapter 2258"), requires the San Jacinto River Authority (the "Authority") to determine the general prevailing rate of per diem wages for each craft or type of worker in the locality in which a construction project for the Authority is to be performed and the general prevailing rate of per diem wages for legal holiday and overtime work; and

WHEREAS, Chapter 2258 provides that a worker employed on a construction project by or on behalf of the Authority shall be paid not less than said general prevailing rates, as applicable; and

WHEREAS, Chapter 2258 provides that a contractor which is awarded a construction contract for the Authority, or a subcontractor of the contractor, shall pay not less than the rates determined as set forth above to a worker employed in the execution of such contract for a construction project; and

WHEREAS, the Board of Directors of the Authority (the "Board") has determined the general prevailing rate of per diem wages by using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a *et seq.*), as amended, and has determined to adopt a Prevailing Wage Rate Scale for Construction Projects for the Authority. Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN JACINTO RIVER AUTHORITY THAT:

Section 1: The Board has determined the general prevailing rate of per diem wages for each craft or type of worker in the locality in which a construction project for the Authority is to be performed and the general prevailing rate of per diem wages for legal holiday and overtime work by using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a *et seq.*), as amended, and further, the Board has determined that the wage rates in the Prevailing Wage Rate Scale for Construction Projects (comprised of one or more United States Department of Labor wage determination scales for each project type) attached hereto as Exhibit A are the general prevailing wage rates for construction projects by or on behalf of the Authority.

Section 2: The Authority hereby adopts the Prevailing Wage Rate Scale for Construction Projects attached hereto as Exhibit A, which establishes minimum rates for each project type that shall be used by all contractors and their subcontractors on construction projects by or on behalf of the Authority.

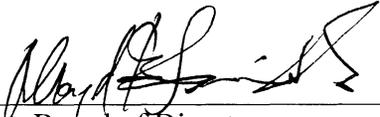
Section 3: A contractor or subcontractor on a construction project by or on behalf of the Authority shall maintain records as required by Chapter 2258 and shall be subject to the penalties, forfeitures, and withholding of money for failure to comply with this Resolution and/or pending a final determination of an alleged violation, as provided in Chapter 2258.

Section 4: The General Manager is hereby directed and authorized to specify the wage rates adopted hereunder for each project type in all specifications for bids and contracts for construction projects by or on behalf of the Authority.

Section 5: Any prior Resolution Adopting Prevailing Wage Rate Scale for Construction Projects previously adopted by the Board is hereby revoked.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

PASSED and ADOPTED this 27th day of March, 2014.



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President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

(SEAL)

327973.1

# EXHIBIT "A"

## UNITED STATES DEPARTMENT OF LABOR

### WAGE DETERMINATION SCALE TX 56

**Construction Type:** Highway Construction Projects (for Paving Projects)

**Counties:** Brazoria, Chambers, Fort Bend, Galveston, Harris,  
Liberty, Montgomery and Waller



tons or less.....	\$ 14.97
Crane, Lattice boom over	
80 Tons.....	\$ 15.80
Crawler Tractor.....	\$ 13.68
Excavator, 50,000 pounds	
or less.....	\$ 12.71
Excavator, Over 50,000	
pounds.....	\$ 14.53
Foundation Drill, Crawler	
Mounted.....	\$ 17.43
Foundation Drill, Truck	
Mounted.....	\$ 15.89
Front End Loader 3 CY or	
Less.....	\$ 13.32
Front End Loader, Over 3 CY.	\$ 13.17
Loader/Backhoe.....	\$ 14.29
Mechanic.....	\$ 16.96
Milling Machine.....	\$ 13.53
Motor Grader, Fine Grade....	\$ 15.69
Motor Grader, Rough.....	\$ 14.23
Off Road Hauler.....	\$ 14.60
Pavement Marking Machine....	\$ 11.18
Piledriver.....	\$ 14.95
Roller, Asphalt.....	\$ 11.95
Roller, Other.....	\$ 11.57
Scraper.....	\$ 13.47
Spreader Box.....	\$ 13.58

Servicer.....\$ 13.97

Steel Worker

Reinforcing Steel.....	\$ 15.15
Structural Steel Welder....	\$ 12.85
Structural Steel.....	\$ 14.39

TRUCK DRIVER

Low Boy Float.....	\$ 16.03
Single Axle.....	\$ 11.46
Single or Tandem Axle Dump..	\$ 11.48
Tandem Axle Tractor w/Semi	
Trailer.....	\$ 12.27

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.  
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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the

cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

#### Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rates.

0000/9999: weighted union wage rates will be published annually each January.

#### Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union majority rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

**UNITED STATES DEPARTMENT OF LABOR**

**WAGE DETERMINATION SCALE TX 67**

**Construction Type: Heavy Construction Projects – Flood Control Only**

**Counties: Brazoria, Fort Bend, Galveston, Harris, Montgomery  
and Waller**



Derrick, Dragline, Shovel.....	\$ 11.35
Crusher or Screening Plant Operator.....	\$ 11.00
ELECTRICIAN.....	\$ 16.15
Flagger.....	\$ 7.25
Form Builder (Structures).....	\$ 9.96
Form Liner - Paving & Curb.....	\$ 9.03
Form Setter (PAVING/CURB).....	\$ 8.86
Form Setter-Structures.....	\$ 9.05
Foundation Drill Operator, Crawler Mounted.....	\$ 12.59
Foundation Drill Operator, Truck Mounted.....	\$ 12.73
Front End Loader.....	\$ 9.29
Labor Common.....	\$ 7.45
Laborer-Utility.....	\$ 8.53
Lineperson.....	\$ 7.50
MANHOLE BUILDER (Brick).....	\$ 8.49
MECHANIC.....	\$ 11.38
Milling Machine Operator.....	\$ 10.43
Mixer.....	\$ 7.94
Motor Grader FINE GRADE.....	\$ 11.11
Other.....	\$ 10.67
Oiler.....	\$ 9.56
Painter-Structures.....	\$ 14.00
Pavement Marking Machine.....	\$ 7.45
Piledriver.....	\$ 10.96
Pipe layer.....	\$ 8.49
Reinforcing Steel Setter Paving.....	\$ 12.50
Reinforcing Steel Setter Structures.....	\$ 12.47
Roller, Pneumatic, Self	

Propelled.....	\$ 7.96
Roller, Steel Wheel Other Flatwheel or Tamping.....	\$ 7.61
Roller, Steel Wheel Plant Mix Pavements.....	\$ 9.25
Scraper.....	\$ 8.69
Servicer.....	\$ 9.51
SIGN ERECTOR.....	\$ 10.06
Sign Installer.....	\$ 7.45
Slipform Machine Operator.....	\$ 9.20
Spreader Box Operator.....	\$ 9.08
Steelworker Structural.....	\$ 10.35
Tractor-Crawler Type.....	\$ 10.12
Tractor-Pneumatic.....	\$ 8.99
Traveling Mixer.....	\$ 9.35
Trenching Machine, Heavy.....	\$ 13.56
Trenching Machine, Light.....	\$ 10.50
Truck Driver Lowboy Float.....	\$ 11.29
Truck Driver Single Axle Heavy...\$	8.76
Truck Driver Single Axle, Light.....	\$ 8.15
Truck Driver Tandem Axle Semi-Trailer.....	\$ 8.00
Wagon Drill, Boring Machine.....	\$ 10.15
WELDER.....	\$ 10.43
Work Zone Barricade.....	\$ 7.45

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

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Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rates.

0000/9999: weighted union wage rates will be published annually each January.

#### Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union majority rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

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200 Constitution Avenue, N.W.  
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2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

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END OF GENERAL DECISION

**UNITED STATES DEPARTMENT OF LABOR**

**WAGE DETERMINATION SCALE TX 95**

**Construction Type: Heavy Construction Projects**

**Counties: Montgomery and Waller**

General Decision Number: TX140095 01/03/2014 TX95

Superseded General Decision Number: TX20130095

State: Texas

Construction Type: Heavy

Counties: Montgomery and Waller Counties in Texas.

Modification Number	Publication Date
0	01/03/2014

\* SFTX0669-001 07/01/2013

	Rates	Fringes
SPRINKLER FITTER (Fire Sprinklers).....	\$ 26.36	16.62
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SUTX2005-024 06/14/2005		

	Rates	Fringes
Carpenter.....	\$ 14.38	
Ironworker, reinforcing:.....	\$ 11.29	
Laborers:		
Common - Montgomery County..	\$ 8.83	0.94
Common - Waller County.....	\$ 8.97	0.88
Landscape.....	\$ 7.35	
Mason Tender Cement.....	\$ 9.96	
Pipelayer - Montgomey County.....	\$ 10.04	
Pipelayer - Waller County...\$	10.07	
CEMENT MASON/CONCRETE FINISHER...\$	11.37	1.13
ELECTRICIAN.....	\$ 18.40	1.34
Formbuilder/Formsetter.....	\$ 13.35	1.17
PIPEFITTER.....	\$ 17.00	0.04
POWER EQUIPMENT OPERATOR:		
Backhoe.....	\$ 13.25	
Bulldozer - Montgomery County.....	\$ 13.12	
Bulldozer - Waller County...\$	12.46	
Crane.....	\$ 14.91	0.58
Excavator.....	\$ 16.74	
Front End Loader - Montgomery County.....	\$ 12.30	0.57
Front End Loader - Waller County.....	\$ 11.75	0.92

Grader.....	\$ 12.20	1.48
Tractor.....	\$ 12.38	1.51
TRUCK DRIVER		
Montgomery County.....	\$ 11.82	0.92
Waller County.....	\$ 12.28	0.98

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WAGE DETERMINATION APPEALS PROCESS

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200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an

interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

RESOLUTION ADOPTING REVISED WATER CONSERVATION PLANS AND DROUGHT CONTINGENCY PLANS; AUTHORIZING THE IMPLEMENTATION OF SUCH REVISED PLANS; REPEALING AND RESCINDING ALL PRIOR PLANS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the San Jacinto River Authority (the "Authority") has water rights issued by the Texas Commission on Environmental Quality and its predecessor agencies (collectively, the "TCEQ") to divert water from the San Jacinto River and Trinity River basins; and

WHEREAS, the Authority, by and through its Highlands Division, owns and operates water supply and distribution systems and facilities, including the Lake Houston Pump Station, Highlands Reservoir, and Highlands Canal System, in order to sell and deliver water out of such rights to certain customers generally located in eastern Harris County; and

WHEREAS, the Authority also owns an interest in Lake Conroe Dam and Reservoir, located in Montgomery and Walker Counties ("Lake Conroe") upstream on the San Jacinto River from the Lake Houston Reservoir, and holds certain contract rights and water rights issued by the TCEQ to divert or release and use water from Lake Conroe; and

WHEREAS, the Authority, by and through its Lake Conroe Division, operates Lake Conroe and sells water out of such rights to customers located in Montgomery County, generally in close proximity to Lake Conroe; and

WHEREAS, the Authority, by and through its Woodlands Division, owns and operates an extensive water supply and distribution system and facilities for providing regional, wholesale services to customers in the area of The Woodlands; and

WHEREAS, the Authority, by and through its Groundwater Reduction Plan Division (the "GRP Division"), is presently is in the process of constructing a surface water treatment facility and transmission system that will withdraw water from Lake Conroe for treatment, distribution and sale to its Woodlands Division and certain other customers; and

WHEREAS, in connection with the management of such facilities, systems and operations, the Authority has previously adopted a Water Conservation and Drought Contingency Plan (the "Plan") in accordance with the requirements of Chapter 11, Texas Water Code, as amended, and the rules of the TCEQ under Chapter 288 of Title 30, Texas Administrative Code, as amended; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the public interest to revise and replace the Plan; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY, THAT:

Section 1: The Plan, as previously adopted and amended by the Authority, is hereby repealed and rescinded in its entirety.

Section 2: The Board of Directors of the Authority hereby approves and adopts the revised water conservation and drought contingency plans, each dated as of the date hereof, titled as follows: *Water Conservation Plan for San Jacinto River Authority Highlands Division; Drought Contingency Plan for San Jacinto River Authority Highlands Division; Water Conservation Plan for San Jacinto River Authority Lake Conroe Division; Drought Contingency Plan for San Jacinto River Authority Lake Conroe Division; Water Conservation Plan for San Jacinto River Authority Woodlands Division; Drought Contingency Plan for San Jacinto River Authority Woodlands Division; Water Conservation Plan for San Jacinto River Authority GRP Division; and Drought Contingency Plan for San Jacinto River Authority GRP Division* (collectively, the "Revised Plans").

Section 3: The Revised Plans, together with any amendments thereto which may be made from time to time, shall be maintained on file in the official records of the Authority and filed, as appropriate, with the TCEQ, the Texas Water Development Board and any other agencies with jurisdiction.

Section 4: It shall be the policy of the Authority that the programs and procedures set forth in the Revised Plans be implemented immediately. The General Manager of the Authority shall report to the Board of Directors of the Authority and other interested agencies annually on the implementation and effectiveness of the Revised Plans in accordance with the procedures set forth in the Revised Plans.

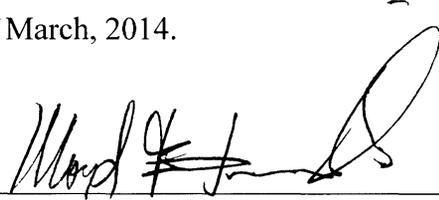
Section 5: The General Manager of the Authority is hereby designated as the official responsible for implementation of the Revised Plans in accordance with the guidelines set forth in the Revised Plans.

Section 6: It shall be the policy of the Authority to support and assist its wholesale and retail customers in (1) designating their pre-assigned officials as having the responsibility and authority to implement the Revised Plans, (2) allowing for enforcement of the Revised Plans, and (3) providing civil penalties for noncompliance with the Revised Plans.

Section 7: It shall be the policy of the Authority that the *Water Conservation Plan for San Jacinto River Authority GRP Division* and the *Drought Contingency Plan for San Jacinto River Authority GRP Division* establish minimum requirements which shall be adopted, respectively, in a water conservation plan and a drought contingency by each participant in the Authority's Groundwater Reduction Plan. The General Manager of the Authority and the GRP Administrator are hereby authorized and directed to take such actions as are deemed necessary and appropriate to ensure that the participants in the Authority's Groundwater Reduction Plan (the "Participants") adopt water conservation plans and drought contingency plans that are reasonably determined to meet or exceed such minimum requirements. Further, it shall be the policy of the Authority to support and assist the Participants in (1) adopting such water conservation plans and drought contingency plans, and (2) implementing and enforcing such water conservation plans and drought contingency plans.

Section 8: This Resolution shall be and remain in full force and effect from and after the date of its passage and approval.

PASSED AND APPROVED this 27th day of March, 2014.



\_\_\_\_\_  
President, Board of Directors

  
\_\_\_\_\_  
Secretary, Board of Directors

(SEAL)

**RESOLUTION DECLARING INTENT TO ISSUE TAX-EXEMPT BONDS  
AND AUTHORIZING OTHER ACTION RELATED THERETO**

WHEREAS, the San Jacinto River Authority (the “Authority”) is a conservation and reclamation district, body politic and corporate and a governmental agency of the State of Texas created and operating under the provisions of Chapter 426, Acts of the 45th Texas Legislature, Regular Session, 1937, as amended (compiled as Vernon’s Annotated Texas Civil Statutes, Article 8280-121), enacted pursuant to the provisions of Section 59 of Article XVI of the Texas Constitution (such series of acts being hereinafter collectively referred to as the “Act”); and

WHEREAS, the Authority is authorized by the Act and the general laws of the State of Texas, among other matters, to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend, inside and outside its boundaries, any and all works, improvements, facilities, plants, equipment, contract rights, water rights and interests in property necessary to provide a system for conserving, storing, diverting, appropriating, using, transporting, distributing and delivering untreated surface water to users and customers of such system; and

WHEREAS, the Authority owns and operates a water system (the “System”), which includes all works, facilities, improvements, interests in property, plants, equipment, contract rights, water rights, permits and other assets and properties of the Authority needed for and used in connection with the conservation, storage, diversion, appropriation, use, transportation, distribution or delivery of untreated surface water under or pursuant to the rights, powers, and authority granted under or evidenced by Certificate of Adjudication Nos. 10-4963, 10 4964, and 08-4279, and Water Permit Nos. 5271, 5807, 5808 and 5809, as amended, issued by the Texas Commission on Environmental Quality, or its predecessor, as same may be now or hereafter amended; the Authority’s undivided interest in and to the Lake Conroe Dam and Reservoir, located on the West Fork of the San Jacinto River near the City of Conroe, Texas; the Authority’s Highlands Reservoir, located in southeast Harris County near the unincorporated community of Highlands, Texas; the Authority’s Canal System, extending from Lake Houston to and beyond Highlands Reservoir in southeast Harris County; and all related pump stations, pipelines, canals, siphons and storage, control, diversion, measurement, distribution and delivery facilities and all improvements, extensions, enlargements, replacements, additions or betterments thereto now existing or hereafter purchased, constructed or acquired by the Authority; provided, that the aforesaid system does not include all or any part of any other systems, special projects, assets, funds, revenues, properties, facilities, operations, enterprises or separate operating divisions now or hereafter established, designated, owned, operated or controlled by the Authority, including, without limitation, the Authority’s Woodlands Division and/or the Authority’s Groundwater Reduction Plan Division; and

WHEREAS, the Authority is authorized by the Act and the general laws of the State of Texas to issue its negotiable revenue bonds, as hereinafter provided, for the purpose of financing the purchase, acquisition and provision of improvements, betterments and additions to the System; and

WHEREAS, it is proposed that the Authority issue such bonds in one or more series for the purpose of providing financing for the capital improvements to the System (the “Projects”), which improvements are more fully described in Exhibit A attached hereto; and

WHEREAS, the Authority has requested or intends to request a ruling from the Internal Revenue Service (the “Service”) regarding the application of certain federal tax law requirements to the proposed issue of such bonds;

WHEREAS, the Authority desires to reimburse itself for the costs associated with the Projects listed on Exhibit A attached hereto, from the proceeds of such bonds issued subsequent to the date hereof; and

WHEREAS, the Authority reasonably expects to incur debt in the form of the issuance of such bonds on a tax-exempt basis for purposes of paying the costs of the Projects described on Exhibit A attached hereto; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has determined to declare its intent to issue such tax-exempt bonds for the purpose of providing funds to finance the Projects on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY THAT:

## ARTICLE ONE

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

SECTION 1.01: AUTHORIZATION OF ISSUE. The Authority declares its intent to issue its Water Revenue Bonds (the “Bonds”), in one or more series and in amounts estimated to be sufficient to (a) provide financing for the respective Projects in an aggregate principal amount not to exceed \$94,830,000; (b) fund a reserve fund with respect to the Bonds, if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued, in whole or in part, as tax-exempt governmental bonds and, in whole or in part, as tax-exempt exempt facility bonds for facilities for the furnishing of water. Final approval of the Authority to issue the Bonds shall be subject to: (i) a favorable ruling by the Service regarding the qualification of the Projects as “facilities for the furnishing of water,” the treatment of the improvements to the Lake Conroe facilities as a discrete portion of the System for purposes of measuring private business use and the allocation of proceeds of the Bonds for the system-wide improvements in a manner that reflects the proportionate benefit reasonably expected to be derived from users of the System, (ii) review by the Authority’s staff and legal counsel of compliance with all other federal income tax regulations and state law requirements regarding the Projects; (iii) approval by the Bond Review Board, if required; (iv) receipt of volume cap allocation under section 146 of the Internal Revenue Code of 1986, as amended (the “Code”), if required (v) approval by the Attorney General of the State of Texas (the “Attorney General”); and (vi) the ability of the Authority to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

SECTION 1.02: TERMS OF BONDS. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Authority; shall bear interest at a rate or rates to be determined by the Authority; shall mature at a time to be determined by the Authority but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Authority. The proposed Bonds are reasonably expected to be issued in multiple series, each such issuance being the subject of a resolution (a "Bond Resolution") further describing the terms under which such Bonds shall be issued, including, but not limited to, the principal amount(s), the interest rate(s), maturity schedule(s) and redemption provisions applicable to such Bonds, the initial purchaser(s) of such Bonds, the price to be paid for such Bonds.

SECTION 1.03: REIMBURSEMENT. The Authority reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the Projects ("Costs of the Projects") from the proceeds of the Bonds.

SECTION 1.04: PRINCIPAL AMOUNT. The Authority reasonably expects that the maximum principal amount of debt issued for the Projects (inclusive of any Costs of the Projects) will not exceed \$94,830,000.

SECTION 1.05: SECURITY FOR BONDS; LIMITED OBLIGATIONS. The Bonds will be limited obligations of the Authority, payable only from and are secured by a lien on and pledge of the net revenues of the System; amounts on deposit to the credit of the debt service fund and the debt service reserve fund; proceeds received from any insurance settlement, condemnation award or other similar proceedings; and interest earnings and investment profits thereon, all as more particularly described in a Bond Resolution. Except to the extent provided in a Bond Resolution, the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation, or out of any other funds, resources, assets or revenues of the Authority. The Bonds will not be secured by or payable from a mortgage, deed of trust or other lien on, claim against or security interest in or to the System or any real, personal, or mixed properties comprising the System.

SECTION 1.06: NO COMMITMENT TO ISSUE BONDS. No party, including but not limited to any System customer, is entitled to rely on this Resolution as a commitment to issue the Bonds, and the Authority reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Authority shall not be subject to any liability or damages of any nature. No System customer shall have any claim against the Authority whatsoever as a result of any decision by the Authority not to issue the Bonds.

SECTION 1.07: AUTHORIZATION TO PROCEED. The Board hereby authorizes the General Manager, Deputy General Manager, and staff of the Authority; Schwartz, Page and Harding, L.L.P., in its capacity as Bond Counsel for the Authority; Bracewell & Giuliani LLP, in its capacity as Special Tax Counsel for the Authority; and RBC Capital Markets, LLC, in its capacity as Financial Advisors to the Authors; and other consultants to proceed with preparation of the necessary legal documentation for the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution.

SECTION 1.08: DECLARATION OF OFFICIAL INTENT. This Resolution constitutes the Authority's official intent for expenditures on Costs of the Projects which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Service thereunder, to the end that the interest on the Bonds will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

SECTION 1.09: REVENUE PROCEDURE 96-16. The Board hereby signifies its intent that this Resolution fulfill the requirement under Revenue Procedure 96-16, 1996-1 CB 630, that a resolution have been adopted in accordance with state or local law authorizing the issuance of the obligations that are subject to the ruling request submitted to the Service.

SECTION 1.10: EXECUTION AND DELIVERY OF DOCUMENTS. The following persons are hereby named as authorized representatives of the Authority: the President or Vice President of the Board and the Secretary or Assistant Secretary of the Board; the General Manager or Deputy General Manager of the Authority; Bracewell & Giuliani LLP, in its capacity as Special Tax Counsel for the Authority; and Schwartz, Page and Harding, L.L.P., in its capacity as General Counsel and Bond Counsel for the Authority. Such persons are referred to herein collectively as the "Authorized Representatives." The Authorized Representatives named are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution. Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

## ARTICLE TWO

### CERTAIN FINDINGS AND DETERMINATIONS

SECTION 2.01: NO INDEBTEDNESS OF OTHER ENTITIES. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State of Texas, or any other political subdivision or municipal or political corporation or governmental unit of the State of Texas other than the Authority, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Authority in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

SECTION 2.02: CERTAIN FINDINGS WITH RESPECT TO THE BONDS. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Projects will promote the public purposes set forth in the Act, including, providing the most economically efficient and expeditious means of financing the purchase, acquisition and provision of the Projects.

ARTICLE THREE

OPEN MEETING AND EFFECTIVE DATE

Section 3.01: NOTICE OF MEETING. The Board officially finds, determines and declares that this Resolution was reviewed, considered and adopted at a regular meeting of the Board beginning at 7:30 o'clock, a.m., on March 27, 2014, and that a sufficient written notice of the date, hour, place and subject of this meeting was duly and timely posted and/or furnished for posting to the County Clerk of Montgomery County, Texas, and to the Secretary of State of Texas for the time prescribed by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Government Code, as amended, and that this meeting has been open to the public, as required by law, at all times during which this Resolution and the subject matter hereof has been discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

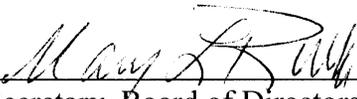
SECTION 3.02: EFFECTIVE DATE. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND ADOPTED this 27<sup>th</sup> day of March, 2014.

By:   
President, Board of Directors

ATTEST:

  
Secretary, Board of Directors

[SEAL]

## EXHIBIT "A"

<u>Description of Project</u>	<u>Estimated Cost</u>
A. System-wide Improvements	
1. System-wide Construction Management and Inspection by outside consulting firms.	\$6,000,000
2. System-wide Program geotechnical and construction material testing by outside consulting firms.	\$2,600,000
3. System-wide Supervisory Control and Data Acquisition (SCADA) improvements that permit the Authority to measure water flow levels in the canals, including measurement systems to capture customer flow data on a real-time basis.	\$7,850,000
B. Lake Conroe Improvements	
1. Construction of improvements to Lake Conroe dam including: capital repair and rehabilitation of the westside diversion channel, service outlet pond; and other dam appurtenances; improved site security, lighting, and access facilities; new maintenance shop, warehouse, communications tower, and capital landscaping improvements.	\$5,800,000
Construction of improvements to the main flood gates and low-flow outlet gates of the Lake Conroe dam including: sandblasting and recoating of all metal components, strengthening of the primary structural components, replacement of seals, and other miscellaneous capital repairs.	\$1,300,000
C. Main Canal Improvements	
1. Construction of improvements to Lake Houston Pumping Station and to the canal structure at Crosby-Dayton Road to allow for increased water flow and continued reliable water supply through the Main Canal, including related professional fees.	\$10,500,000

2.	Construction of levee improvements on the Main Canal, including construction, land acquisition and related professional fees.	\$3,250,000
 D. East Canal Improvements		
1.	Construction of improvements to critical canal structures and siphons along the East Canal to allow for increased water flow and continued reliable water supply through the East Canal, including related professional fees and land acquisition costs for siphon replacement projects located at Sjolander Road, Garth Road, North Main, Haney Road, Coastal Water Authority Canal, and Wallisville Road.	\$22,440,000
2.	Construction of a pump station on the East Canal or other facility approved by the Authority that would enable raw water from the Trinity River to be diverted from the CWA Canal to the East Canal, including related professional fees and land acquisition costs.	\$10,740,000
3.	Construction of levee improvements on the East Canal, including construction, land acquisition and related professional fees.	\$1,750,000
 E. South Canal Improvements		
1.	Construction of improvements to canal structures and siphons along the South Canal to allow for increased water flow and continued reliable water supply through the South Canal, including related professional fees and land acquisition costs.	\$16,250,000
2.	Construction of improvements to the existing South Canal Pump Station and related facilities that would enable additional raw water from the Trinity River to be diverted from the CWA Canal to the South Canal.	\$4,800,000
3.	Construction of levee improvements on the South Canal, including land acquisition related professional fees.	\$1,550,000
<b>Grand Total</b>		<b>\$94,830,000</b>

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS            §  
  §  
COUNTY OF MONTGOMERY    §

I, the undersigned General Manager of the San Jacinto River Authority (the "Authority"), hereby certify as follows:

1. That I am the duly qualified and acting General Manager of the Authority, and that as such, I have custody of the minutes and records of the Authority.

2. That the Board of Directors of the Authority convened in Regular Session on March 27, 2014, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board of Directors, to-wit:

Lloyd B. Tisdale	President
R. Gary Montgomery	Vice President
Mary L. Rummell	Secretary
Joseph L. Stunja	Treasurer
Fred Koetting	Director
John D. Eckstrum	Director
Michael Bleier	Director

and all of said persons were present, except Director(s) N/A, thus constituting a quorum, whereupon, among other business, the following was transacted at such meeting: a written

RESOLUTION DECLARING INTENT TO ISSUE TAX-EXEMPT BONDS  
AND AUTHORIZING OTHER ACTION RELATED THERETO

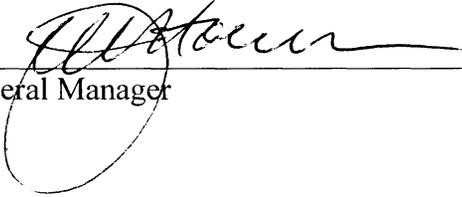
was duly introduced for the consideration of the Board of Directors. It was then duly moved and seconded that such Resolution be adopted and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following vote:

AYES: All members present voted "Aye".  
NOES: None.

3. That a true and correct copy of such Resolution adopted at such meeting is attached to and follows this certificate; that such Resolution has been duly recorded in the minutes of the Board of Directors for such meeting; that the persons named in the above and foregoing Paragraph 2. were the duly chosen, qualified and acting officers and members of the Board of Directors as indicated therein, that each was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of such meeting, and that such Resolution would be introduced and considered for adoption at such meeting, and that each consented in advance, to the holding of such meeting for such purpose; that the canvassing of the officers and members of the Board of Directors present at and absent from such meeting and of the votes of

each on such motion, as set forth in the above and foregoing Paragraph 2., is true and correct; that such meeting was open to the public as required by law; and that sufficient and timely notice of the hour, date, place and subject of such meeting was given and posted as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED the 27th day of March, 2014.

  
\_\_\_\_\_  
General Manager

(SEAL)