

**BOARD OF DIRECTORS
SAN JACINTO RIVER AUTHORITY
MINUTES OF REGULAR MEETING
APRIL 28, 2016**

A regular meeting of the Board of Directors of the San Jacinto River Authority was held at 7:30 a.m., April 28, 2016, at the San Jacinto River Authority General and Administration Building, a notice of said meeting was posted as required by law. President Lloyd Tisdale, Vice President Fred Koetting, Secretary Mary Rummell, and Board Members John Eckstrum, Mike Bleier, and Jim Alexander were present. Deputy General Manager Ron Kelling, Director of Financial and Administrative Services Tom Michel, Director of Raw Water Enterprise David Parkhill, Woodlands Interim Division Manager Chris Meeks, GRP Division Manager Mark Smith, Administrative Services Manager Cynthia Bowman, General Counsel Mitchell Page, and Financial Advisor Jan Bartholomew were in attendance. General Manager Jace Houston was absent.

1. CALL TO ORDER

The meeting was called to order at 8:07 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledges of Allegiance were led by Mr. Koetting.

3. PUBLIC COMMENTS

There were no public comments.

4. DIVISION UPDATES

a. G & A – General Manager

Mr. Kelling announced that SCADA Department Manager, Robert “Dr. Bob” Hill, will be pursuing other ventures and thanked him for his contributions to SJRA.

b. G & A – Public Relations

Ms. Trow provided an update related to staff’s attendance at the American Water Works Association (AWWA) conference. Mr. Smith and Mr. Meeks presented awards received at the AWWA conference, for third place in Best Tasting Water in the State of Texas competition, as well as receiving Category One of Wastewater Treatment Plant of the Year award, respectively.

c. G & A – Financial and Administrative Services

There was no update as it related to Financial and Administrative Services.

d. Woodlands

Mr. Meeks provided an update regarding the recent rainfall event, stating that The Woodlands received between eight and 10 inches of rain within a 24-hour period. He stated that the water

and wastewater systems had very minor issues. Likewise, Mr. Smith reported that the GRP's operations were not interrupted by the storm/rainfall.

e. GRP

Mr. Smith reported that the GRP Review Committee met on Monday, April 25, 2016, and recommended approval of all items on the agenda. He briefly reviewed information related to the Groundwater Reduction Plan Monthly Operations Report for the month of March and reported that a presentation of the proposed GRP rate order will be presented next month.

f. Raw Water Enterprise

Mr. Bret Raley, Lake Conroe Division Manager, provided information related to communications with local entities, state agencies, etc., during the rainfall event. He stated that this event provided a good opportunity to relay information related to SJRA's operations, operational protocols, etc.

5. CONSENT AGENDA

Ms. Rummell moved to approve the consent agenda. The motion was seconded by Mr. Bleier and carried unanimously.

G&A

- a. Approval of Minutes – Regular Meeting of March 24, 2016.**
- b. Unaudited Financials for the Month of March, 2016**

Consider approval of the unaudited financials for the month of March, 2016.

WOODLANDS

- c. Construction Contract for Water Plant No. 2 Ground Storage Tank Nos. 1 and 2 Rehabilitation**

Consider authorizing the General Manager to execute a construction contract with N.G. Painting, L.P., in the amount of \$144,000, for Water Plant No. 2 Ground Storage Tank Nos. 1 and 2 Rehabilitation in The Woodlands, and contract modifications up to \$36,000.

- d. Work Order No. 2 for Final Design and Procurement Phase Services for Wastewater Treatment Facility No. 2 Disinfection System Improvements**

Consider authorizing the General Manager to execute Work Order No. 2 with Carollo Engineers, Inc., in an amount not to exceed \$315,287.20, for final design and procurement phase services for Wastewater Treatment Facility No. 2 Disinfection System Improvements in The Woodlands.

GRP

- e. New GRP Participants**

Because there were no new participants, this item was not considered.

RAW WATER ENTERPRISE

f. Ratify Issuance of Purchase Order for Repairs to Pump No. 2 and Pump No. 3 at Lake Houston Pump Station

Consider ratifying issuance of purchase order to Weisinger Incorporated, in the amount of \$52,370, for repairs to Pump No. 2 and Pump No. 3 at Lake Houston Pump Station.

g. Resolution Amending Rules and Regulations for the Highlands Reservoir and Canal System

Consider adoption of Resolution No. R-2016-05, attached hereto as Exhibit "A", amending Rules and Regulations for the Highlands Reservoir and Canal System.

6. REGULAR AGENDA

a. G&A

1. Election of Officers to the Board of Directors

General Counsel Mitchell Page reported that in the upcoming months, it is expected that two new Board Members will be appointed by the Governor to replace Mr. Stunja, Treasurer, and Ms. Rummell, Secretary. He went on to state that because of the upcoming GRP bond sale, and the fact that many of the documents are executed by the President and Secretary of the Board, it was an ideal time, in advance of the bond sale, to elect new officers. Ms. Rummell made a motion to elect the following Officers to the Board of Directors: Lloyd Tisdale, President, Fred Koetting, Vice President, John Eckstrum, Secretary, and Mike Bleier, Treasurer. The motion was seconded by Mr. Alexander and carried unanimously.

b. WOODLANDS

1. Professional Services Agreement and Work Order No. 1 for a Wastewater Optimization Study in The Woodlands

Mr. Kelling provided a brief overview of the need for the wastewater optimization study in The Woodlands. With no further discussion, Mr. Eckstrum made a motion to authorize the General Manager to execute a Professional Services Agreement and Work Order No. 1 with Freese and Nichols, Inc., in an amount not to exceed \$416,290, for a Wastewater Optimization Study in The Woodlands. The motion was seconded by Ms. Rummell and carried unanimously.

2. Change Order No. 1 for Construction of the Rehabilitation of Sanitary Sewer Gravity Mains Project

Mr. Kelling provided a brief overview of this item. With no further discussion, Mr. Eckstrum made a motion to authorize the General Manager to execute Change Order No. 1 with Layne Inliner, LLC, for a credit in the amount of (\$19,093), for Construction of the Rehabilitation of Sanitary Sewer Gravity Mains Project in The Woodlands. The motion was seconded by Mr. Alexander and carried with all present voting aye.

c. GRP

1. 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. Page provided a brief overview explaining the proposed amended and restated contract with the City of Willis. With no further discussion, Ms. Rummell made a motion to authorize 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. The motion was seconded by Mr. Koetting and carried unanimously.

2. Special Project Revenue Bonds (GRP Project), Series 2016

Mr. Page provided an overview of each of the items below, stating that the issuance includes payments to the the City of Willis for the cooling towers project as well as to the City of Conroe for additional system improvements totaling approximately \$2,400,000. With limited presentations and discussions, Ms. Rummell made a motion to:

Ms. Bartholomew provided information related to the recommendation to select Raymond James as underwriter for the GRP Bonds.

- i.** Consider and act upon selection of Underwriter(s) for the GRP Bonds and approve form of Bond Purchase Agreement.

Mr. Page recommended Bank of New York as the Registrar for the Bonds.

- ii.** Consider and act upon selection of Paying Agent/Registrar for GRP Bonds, 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 Resolution No. R-2016-06, attached hereto as Exhibit “B”, 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.

The motion was seconded by Mr. Koetting and carried unanimously.

d. RAW WATER ENTERPRISE

1. Construction Contract for the Lake Houston Pump Station Rehabilitation Project

Mr. Parkhill provided information related to the proposed repairs and rehabilitation to the Lake Houston Pump Station. With no further discussion, Mr. Eckstrum made a motion to authorize the General Manager to execute a construction contract with Boyer, Inc., in the amount of \$749,000, for the Lake Houston Pump Station Rehabilitation Project in Highlands. The motion was seconded by Mr. Alexander and carried unanimously.

7. EXECUTIVE SESSION

The Board of Directors did not meet in Executive Session.

8. RECONVENE IN OPEN SESSION FOR ACTION FOLLOWING EXECUTIVE SESSION

The Board of Directors did not meet in Executive Session, therefore no action was taken.

9. ANNOUNCEMENTS / FUTURE AGENDA

Mr. Tisdale congratulated GRP staff and Woodlands staff for their awards; he thanked Dr. Hill for his service; and thanked Ms. Rummell for her many years of loyalty, dedication, and service to SJRA as well as the community. Mr. Tisdale then announced that the next SJRA Board Meeting will take place on May 26, 2016.

10. ADJOURN

Without objection, the meeting was adjourned at 9:06 a.m.

John Eckstrum, Secretary
San Jacinto River Authority