

**MINUTES OF REGULAR MEETING
OF
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY**

April 11, 2007

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on April 11, 2007, at 15300 Falmouth, Houston, Texas, inside the boundaries of the Authority, and the roll was called of the duly appointed members of the Authority to wit:

Dan Sallee	President
George L. Rush, Jr.	Vice President
Douglas (Cam) Postle	Secretary
Stacey L. Burnett	Assistant Vice President
Art Garden	Assistant Secretary
Larry Weppler	Director
Bruce Parker	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present except Director Postle, thus constituting a quorum.

Also present at the meeting were: Erin Garcia of Myrtle Cruz, Inc.; Rick Van Dyke of ECO Resources, Inc. ("ECO"); Troy Anthony of Lockwood, Andrews & Newnam, Inc.; Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); and Alex Garcia and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting are those persons included on the attached list.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the March 21, 2007, meeting. Following discussion, Director Beckendorff moved that the minutes of the March 21, 2007, meeting be approved as submitted. The motion was seconded by Director Parker and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

In response to a question from a resident of the townhomes adjacent to 15300 Falmouth within Harris County Municipal Utility District No. 102 regarding the schedule for completion of the construction, Mr. Anthony stated that the crew returned to the site today.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

The Board did not receive any customer appeals.

BOOKKEEPER'S REPORT

Ms. Garcia then presented the bookkeeper's report, the investment report, a budget comparison, and submitted the bills for the Authority's review. Following discussion, Director Parker moved that the Board approve the bookkeeper's report and the checks presented for payment. Director Rush seconded the motion, which carried by a vote of seven for the motion with Director Wepler abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

ADOPT RESOLUTION AUTHORIZING BOOKKEEPER TO SIGN CERTAIN DISBURSEMENTS

The Authority considered adopting a Resolution Authorizing Bookkeeper to Sign Certain Disbursements. Director Sallee pointed out that the Resolution authorizes Mary Jarmon and Erin Davis of Myrtle Cruz, Inc. to sign certain checks of the Authority prior to approval of the checks by the Board for payment of telephone, electric and City of Houston payments. After discussion, Director Beckendorff moved that the Authority adopt the Resolution Authorizing Bookkeeper to Sign Certain Disbursements. The motion was seconded by Director Garden and carried by unanimous vote. The Resolution, thus adopted, is attached to and shall be considered as part of these minutes.

DISCUSS WEBSITE

Ms. Payne reported that the website received approximately 95,000 hits for the month.

Ms. Payne reported that the mobile lab would be participating in the City of Houston (the "City") Water Festival this year. She stated that the City would be purchasing 1,000 copies of the water conservation book. Ms. Payne also stated that the Authority would be a sponsor of the Water Festival.

Ms. Payne reported that the North Harris County Regional Water Authority is accepting pumpage reports online. Discussion ensued regarding accepting pumpage reports online. Director Garden moved that the Board authorize Ms. Jarmon and Ms. Payne to discuss this matter further. Director Rush seconded the motion, which carried unanimously.

ENGINEER'S REPORT

Mr. Ahrens presented an engineer's report, a copy of which is attached, and reviewed it with the Board.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2007 through February is approximately 94.5% of that for last year at this date.

Mr. Ahrens reported that a letter was received from the City of Houston's (the "City") Drinking Water Operations Group regarding the City's 2006 Water Quality Data at the Jersey Village pump station.

Mr. Ahrens then reported that the Authority received a letter from Jones & Carter on behalf of Harris County Municipal Utility District No. 155 ("MUD 155") regarding the contractor's equipment remaining on MUD 155's property after construction has been completed.

Mr. Ahrens then reported that a letter was received from TCB requesting the Authority's GIS shape files for the Copperfield area. Following discussion, Director Garden moved that the Board authorize Mr. Ahrens to provide the shape files, subject to execution by TCB and the Authority of a release agreement to be prepared by Mr. Garcia. Director Rush seconded the motion, which carried unanimously.

Mr. Ahrens reported that a meeting was held with the Harris-Galveston Subsidence District on April 9, 2007, to discuss early conversion credits.

Mr. Ahrens reported that DEC is preparing a route analysis and probable construction cost estimates for possible extension of the North Harris County Regional Water Authority's ("NHCRWA") Beltway 8 water line.

Mr. Ahrens reported that DEC has submitted the population/flow data to the NHCRWA.

Mr. Ahrens reported that DEC is conducting an investigation of the purchase of certain City surplus water facilities.

Mr. Ahrens reported that work is continuing to expand the GIS system by adding easement acquisitions, wells within the Authority, and encroachment projects.

Mr. Ahrens then reported that DEC is continuing coordination with the districts that would be receiving water by 2010.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

The Board took no action on this matter.

APPROVE WATER SUPPLY AGREEMENT

The Board took no action on this matter.

DISCUSS PURCHASE OF HGSD CONVERSION CREDITS

Ms. Garcia reported that 592 kits have been purchased.

DISCUSS STATUS OF WATER LINE PROJECT TO COPPERFIELD AREA DISTRICTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) has completed the installation of the 36-inch pipe along Addicks-Satsuma, Contract 8 (Bearden Contracting) is making the connection to Contract 7B to complete the installation of the 24-inch line, Contract 9 (C.E. Barker, Ltd.) has completed all water main installation and hydrostatic testing on the 24-inch water line, Contract 10 (Triple B Services, L.L.P.) has completed all water main installation and is currently disinfecting the water lines to supply water to Harris County Municipal Utility District Nos. 173, 264, and 70, Contract 12A (D.L. Elliott Enterprises) has installed all water lines and the control panels to Harris County Municipal Utility District No. 183 and Barker-Cypress water plants nos. 2 and 3, Contract 14A (Huff & Mitchell) has begun tunneling at Telge and the Kinder Morgan easement and the water main piping is scheduled to arrive in the first week of May, Contract 13A (Reliance Construction) has completed installation of the water line to serve Harris County Municipal Utility District No. 149, and pump station no. 1 (T&C Construction) is working on the installation of source conduit and power distribution to the building foundations. He then recommended approval of Pay Estimate No. 7 in the amount of \$3,750.30 from Prime Controls, Pay Estimate No. 9 in the amount of \$460,113.03 for Contract 8, Pay Estimate No. 2 in the amount of \$288,159.16 for Contract 13A, Pay Estimate No. 7 in the amount of \$178,175.60 for Contract 12A, Pay Estimate No. 9 in the amount of \$304,388.82 for Contract 10, Pay Estimate No. 9 in the amount of \$16,006.38 for Contract 9, Pay Estimate No. 6 in the amount of \$537,495.80 for Contract 7B, and Pay Estimate No. 9 in the amount of \$611,651.97 for pump station no. 1. Upon a motion made by Director Weppler and seconded by Director Beckendorff, the Board voted to approve the above mentioned pay estimates.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

The Board took no action on this matter.

ADOPT AMENDED RATE ORDER

The Board considered adopting an Amended Rate Order. Following discussion, Director Parker moved that the Board adopt the Amended Rate Order. Director Wepler seconded the motion, which carried unanimously. The Rate Order, thus adopted, is attached to and shall be considered a part of these minutes.

DISCUSS WATER SUPPLY CONTRACT WITH CITY OF HOUSTON

Mr. Ahrens reported that the Authority, the North Harris County Water Authority, and North Fort Bend Water Authority met with the City on April 9, 2007.

DISCUSS APPROVING ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Klotz Associates, Inc., the engineer for Contract 7A and 18, expects to submit 50% plans for review the week of April 12, 2007, Brown & Gay, the engineer for Contract 14B, submitted 75% plans for review the first week of May, 2007, and Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, submitted 30% plans on March 22, 2007. He reported that bid-ready plans for Contracts 13B, C, and D should be received by the last week of April, 2007.

Mr. Ahrens recommended that the Board approve the contracts with Jones & Carter, Inc. as the engineers for Contract 17A, Binkley & Barfield as the engineers for Contract 11, and Sander Engineering as the engineers for Contract 12B. Following discussion, Director Beckendorff moved that the Board approve the contracts with Jones & Carter, Inc., for Contract 17A, Binkley & Barfield for Contract 11, and Sander Engineering for Contract 12B. Director Parker seconded the motion, which carried by a vote of seven for the motion with Director Wepler abstaining.

APPROVE RELEASE OF SURETY COMPANY ON CONTRACTS 3 AND 6

Mr. Garcia reviewed with the Board the Full and Final Release with the surety company on Contracts 3 and 6. He explained that the Authority would owe the surety \$210,011.31 for completion of the projects. Following discussion, Director Rush moved that the Board approve the Release. Director Parker seconded the motion, which carried unanimously.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens then reported that the CIP is being updated to reflect the latest population and water demand projections.

OPERATOR'S REPORT

Mr. Van Dyke presented copies of the operator's report and reviewed it with the Board, a copy of which is attached.

APPROVE AMENDMENT TO OPERATOR'S CONTRACT

Mr. Garcia reviewed with the Board the Amendment to the operator's contract ("Amendment"). He explained that the Amendment extends the operator's contract to November 30, 2007, at which time the pump station would be on line. Following discussion, Director Burnett moved that the Board approve the Amendment. Director Cannon seconded the motion, which carried unanimously.

UPDATE ON STATUS OF GROUNDWATER REDUCTION PLAN

Mr. Ahrens stated that he had nothing new to report regarding the groundwater reduction plan.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of water line easements from Aberdeen Green Homeowners Association and MacDonald Highway 6 No. 5, Limited Partnership, and granting encroachments to Cypress-Fairbanks Independent School District, Parkway Ranch, and Harris County Municipal Utility District No. 264 ("MUD 264"). Mr. Garcia reminded the Board that ABHR represents MUD 264. Following discussion, Director Garden moved that the Board authorize acceptance of the easements, and grant the encroachments to Cypress-Fairbanks Independent School District, Parkway Ranch, and MUD 264, subject to final approval of the MUD 264 consent to encroachment by Director Sallee. Director Parker seconded the motion, which carried unanimously.

ADOPT RESOLUTION AUTHORIZING CONDEMNATION

The Board considered adopting a Resolution Authorizing Condemnation for Contract 15A. Following discussion, Director Garden moved that the Board adopt the Resolution. Director Rush seconded the motion, which carried unanimously. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens stated that he had nothing new to report.

ATTORNEY'S REPORT

Mr. Garcia provided copies of listings of certain legislative bills, copies of which are attached, and reviewed them with the Board.

There being no further matters to come before the Authority, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
bookkeeper's report	2
Resolution Authorizing Bookkeeper to Sign Certain Disbursements.....	2
engineer's report	3
Rate Order	5
operator's report.....	6
Resolution Authorizing Condemnation	6
copies of legislative bills.....	7