

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

March 8, 2006

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on March 8, 2006, 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 Wepler	Director
Bruce Parker	Director
Karla Cannon	Director
Johnny Nelson	Director

and all of the above were present except Directors Sallee, Postle, Wepler and Nelson, thus constituting a quorum.

Also present at the meeting were: Erin Garcia of Myrtle Cruz, Inc.; Rick Van Dyke of ECO Resources, Inc. ("ECO"); Wayne Ahrens of Dannenbaum Engineering Corporation; and Jim Boone 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 February 8, 2006 meeting. Following discussion, Director Garden moved that the minutes of the February 8, 2006 meeting be approved as submitted. This motion was seconded by Director Burnett and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

The Authority received no comments from the public.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

There were no customer appeals regarding payment, service, or other matters.

BOOKKEEPER'S REPORT

Ms. Garcia then presented the bookkeeper's report, the investment report, budget comparison, and submitted the bills for the Authority's review. She then presented check no. 2821 in the amount of \$32,150.00 payable to Festival Properties for easement 23-G and check no. 2822 in the amount of \$46.50 payable to Bruce Parker for director expenses. Following discussion, Director Parker moved that the Board approve the bookkeeper's report and the checks presented for payment. Director Cannon seconded the motion, which carried unanimously. The bookkeeper's report is attached as an exhibit to these minutes.

DISCUSS WEBSITE

Ms. Payne reported that the Authority received approximately 72,400 hits for the month.

Ms. Payne reported that Cypress-Fairbanks Independent School District has requested 128 classroom sets.

Ms. Payne reported that the Authority has won the Water Mark Award for communication.

Mr. Boone reported that the next town hall meeting would be scheduled for early June.

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 is approximately 96% of that at this time last year.

Mr. Ahrens reported that a draft monitoring plan has been submitted to the Texas Commission on Environmental Quality for review.

Mr. Ahrens stated that he had nothing new to report regarding the Harris-Galveston Subsidence District ("HGSD").

Mr. Ahrens reviewed a letter from Pate Engineers, Inc. requesting participation in the Authority's groundwater reduction plan for Harris County Municipal Utility

District No. 470 and Northeast Harris County Municipal Utility District No. 1. Following discussion, Director Cannon moved that the Board deny the request from Pate Engineers, Inc. Director Parker seconded the motion, which carried unanimously.

Mr. Ahrens stated that the Texas Water 2006 Conference is scheduled for April 4-7, 2006, in Austin.

Mr. Ahrens reviewed a letter from JNS, Inc. regarding the wells for Houston Warren Ranch Partners, LLC.

APPROVE WATER DELIVERY AGREEMENT WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 102

Mr. Ahrens reviewed the Water Delivery Agreement with Harris County Municipal Utility District No. 102 (the "Agreement"). Following review and discussion, Director Garden moved that the Board approve the Agreement. Director Cannon seconded the motion, which carried unanimously.

DISCUSS STATUS OF CONSTRUCTION CONTRACT FOR CENTRAL CONTROL SYSTEM

Mr. Ahrens updated the Board on the status of the construction of the central control and monitoring system. He stated that the modifications to the control panels are being completed at the plant sites as the contractors install the panels. Mr. Ahrens explained that the remaining work cannot be completed until each plant is converted.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

Mr. Boone stated that no requests were received.

DISCUSS PURCHASE OF HGSD CONVERSION CREDITS

Mr. Ahrens reported that Harris County Municipal Utility District No. 155 requested that the Authority purchase its conversion credits. Following discussion, Director Cannon moved that the Board purchase the conversion credits. Director Burnett seconded the motion, which carried unanimously.

DISCUSS STATUS OF WATER LINE PROJECT TO COPPERFIELD AREA DISTRICTS

Mr. Ahrens reported that Contracts 1, 2, 4 and Horsepen are substantially complete and delivering water or able to deliver water when the districts are able to receive the water.

Mr. Ahrens reported that Contracts 7B, 8, and 9 are in the process of obtaining agency signatures. He stated that Contract 7A is on hold pending acquisition of certain

easements and Contract 12A is on schedule. Mr. Ahrens then reported that Contract 9 would be advertised for bids on March 17, 2006, Contract 8 would be advertised for bids on March 13, 2006, and Contract 7B would be advertised for bids on April 14, 2006.

Mr. Ahrens reported that the contractor for Contracts 3 and 6 was terminated on January 18, 2006, and that the surety received bids for completion of the projects.

DISCUSS STATUS OF WATER LINE PROJECT TO HORSEPEN BAYOU MUNICIPAL UTILITY DISTRICT

Mr. Ahrens updated the Board on the status of the water line project to Horsepen Bayou Municipal Utility District. He reported that Texas Sterling Construction is working on the punch list items.

DISCUSS WATER SUPPLY CONTRACT WITH CITY OF HOUSTON

Mr. Ahrens reported that a meeting was held on February 20, 2006, to discuss the final numbers for the first raw water capital payment and the cost for additional water capacity. He stated that a formal request for reservation of 10 million gallons per day of additional water capacity was submitted to the City of Houston on March 3, 2006.

DISCUSS APPROVING ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that the engineers for Contract Nos. 13A, 13B, 13D, and 14A have been given Notice to Proceed.

OPERATOR'S REPORT

Mr. Van Dyke reported that no water complaints have been received.

ADOPT ORDER ADOPTING WATER CONSERVATION PLAN; PROVIDING FOR IMPLEMENTATION AND ENFORCEMENT THEREOF; AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT

The Board considered adopting an Order Adopting Water Conservation Plan; Providing for Implementation and Enforcement Thereof; and Containing Other Provisions Related to the Subject ("Order"). Upon a motion made by Director Parker and seconded by Director Garden, the Board voted unanimously to adopt the Order as presented. The Order, thus adopted, is attached to and shall be considered a part of these minutes.

UPDATE ON STATUS OF GRP PARTICIPATION AGREEMENTS

The Board received no update on this matter.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of water line easements from Harris County Municipal Utility District No. 155 and the YMCA of the Greater Houston Area, Inc. Following discussion, Director Garden moved that the Board authorize acceptance of the easements. Director Burnett seconded the motion, which carried unanimously.

ADOPT RESOLUTIONS AUTHORIZING CONDEMNATION

The Board considered adopting Resolutions Authorizing Condemnation for water line easements. Following discussion, Director Garden moved that the Board adopt the Resolutions. Director Parker seconded the motion, which carried unanimously.

RECEIVE UPDATE REGARDING REAL ESTATE, DESIGN, FINANCE, AND COMMUNICATIONS COMMITTEES

Mr. Boone reported that the finance committee and design committee have been meeting.

RECEIVE UPDATE ON OPERATOR ADVISORY COUNCIL MEETINGS

Mr. Boone reported that the operator advisory council would be meeting in the near future.

ADOPT ORDER DECLARING DIRECTORS ELECTED AND CANCELING DIRECTORS APPOINTMENT PROCESS

The Board next considered adopting an Order Declaring Directors Elected and Canceling Directors Appointment Process for Director Precincts 1, 2, 4, 5, and 9. Mr. Boone stated that Larry Weppler, Bruce Parker, Stacey Burnett, Karla Cannon, and Malcolm Beckendorff have been appointed directors of the Authority to serve until May, 2010. Director Cannon moved that the Board adopt the Order. Director Burnett seconded the motion, which passed unanimously. The Order, thus adopted, is attached as an exhibit to these minutes.

ASSOCIATION OF WATER BOARD DIRECTORS' SUMMER CONFERENCE

Mr. Boone informed the Board that the Association of Water Board Directors will hold its summer conference on June 29-July 1, in Galveston, Texas. Following discussion, Director Garden moved that the Board authorize any interested board members to attend the Association of Water Board Directors' summer conference. Director Burnett seconded the motion, which carried unanimously.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that he attended a Region H meeting on March 1, 2006.

ATTORNEY'S REPORT

Mr. Boone stated that he had nothing additional to report.

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

Assistant Secretary, Board of Directors

(SEAL)

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