

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

October 11, 2006

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on October 11, 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 Weppler	Director
Bruce Parker	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present except Directors Rush and Garden, 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 ("DEC"); and Jim Boone, 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 September 13, 2006, meeting. Following discussion, Director Beckendorff moved that the minutes of the September 13, 2006, meeting be approved as submitted. The motion was seconded by Director Weppler and passed by unanimous vote.

**RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC**

The Board received no questions from the public.

**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. She then presented check no. 3150 in the amount of \$160.77 payable to Karla Cannon for director fees, check no. 3151 in the amount of \$6,294.60 payable to Jones & Carter for engineering work, check no. 3152 in the amount of \$2,692.26 payable to Precision Printing for brochures, and check no. 3153 in the amount of \$1,093.25 payable to Advantage Water Management for moving the conservation trailer. 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 by a vote of five for the motion with Directors Postle and Wepler abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

## **DISCUSS WEBSITE**

Ms. Payne reported that the water conservation trailer has been traveling through the Cypress-Fairbanks Independent School District.

Ms. Payne reported that the water conservation brochures are being distributed. She stated that the construction brochures for Contracts 7B, 8, and 9 are being printed. Ms. Payne requested that the operators forward address labels for the brochures.

## **CONSIDER ADOPTING RESOLUTION ESTABLISHING AN ADDITIONAL MEETING PLACE**

The Board next considered adopting a Resolution Establishing an Additional Meeting Place. Director Cannon moved that the District adopt the Resolution establishing 20111 Saums Road, Katy, Texas 77449, as a meeting place inside the boundaries of the Authority. The motion was seconded by Director Postle and passed 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 is approximately 102% of that at this time last year.

Mr. Ahrens reported that the updated version of the Authority's Monitoring Plan has received verbal approval from the Texas Commission on Environmental Quality ("TCEQ"). He stated that the TCEQ's contractor completed DPBs sampling for the Authority. Director Wepler suggested that the Authority conduct backup sampling. Mr. Van Dyke stated that he would work on this matter.

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

Mr. Ahrens stated that the Texas Water Conservation Association meeting is scheduled for October 18-20, 2006, in San Antonio, Texas.

Mr. Ahrens reported that the development of the GIS database is substantially complete.

Mr. Ahrens reviewed correspondence from Harris County Municipal Utility District No. 163 with an update regarding its conversion to surface water. He then reviewed correspondence from Pate Engineers with an update of Harris County Municipal Utility District No. 130's conversion to surface water.

Mr. Ahrens reported that meetings would be scheduled with the North Harris County Regional Water Authority and the North Fort Bend Water Authority to share information and discuss possible joint projects and route analysis for possible alignment of the extension of the North Harris County Regional Water Authority's Beltway 8 line.

Mr. Ahrens reported that DEC is updating the water system computer modules with updated population/flow data.

Mr. Ahrens reported that he met with Harris County Municipal Utility District No. 127's engineer regarding possible water quality/quantity problems.

Mr. Ahrens then reported that the water pumpage/usage questionnaires have been mailed to the districts anticipated to be converted by 2010.

Mr. Ahrens stated that he attended a meeting with the Coastal Water Authority regarding the Luce Bayou project.

Mr. Ahrens reported that the pump station no. 1 contractor is in the process of obtaining appropriate permits and has begun clearing the site.

Mr. Ahrens reported that the permit applications for districts that are receiving surface water from the Authority were submitted for groundwater and surface water usage, but the HCSD issued permits only for groundwater usage. He requested that the Authority authorize him to sign permit amendments to add surface water usage and on a one-time basis pay the additional fees for the amendments because the Authority will receive over conversion credits. Following discussion, Director Cannon moved that the Board authorize Mr. Ahrens to sign the permit amendments and the Authority to pay the additional fees for the amendments. Director Parker seconded the motion, which carried by a vote of six for the motion with Director Weppeler voting against the motion.

## **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 Prime Controls has been working on resolving issues with the SCADA system.

## **DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY**

The Board took no action on this matter.

## **DISCUSS PURCHASE OF HGSD CONVERSION CREDITS**

Mr. Ahrens reported that 213 kits for the schools have been purchased.

## **DISCUSS STATUS OF WATER LINE PROJECT TO COPPERFIELD AREA DISTRICTS**

Mr. Ahrens reported that E.P. Brady is working on the completion of Contracts 3 and 6. He stated that Contract 3 should be completed by the end of October and that delivery of water to Harris County Municipal Utility District No. 163 should be completed this week. Mr. Ahrens reported that all of the pipe for Contract 6 has been installed and delivery of water to Spencer Road Public Utility District plant no. 1 is scheduled for this week. He stated that Contract 7B (Huff & Mitchell) has received delivery of 24-inch pipe installation and will start installation next week, Contract 8 (Bearden Contracting) has installed 3,870 feet of 24-inch line, Contract 9 (C.E. Barker, Ltd.) has installed 1,830 feet of 12-inch and 24-inch pipe, Contract 10 (Triple B Services, L.L.P.) has installed 9,134 feet of 24-inch, 30-inch, and 36-inch pipe and Contract 12A (D.L. Elliott Enterprises) has installed 1,575 feet of 12-inch and 16-inch pipe. Mr. Ahrens reported that Contract 7A is on hold pending acquisition of certain easements. Mr. Ahrens reported that the engineers for Contracts 13A and 14A are progressing on schedule. He stated that Contract 13A should have completed plans this week, Contracts 13B, C and D should have completed plans in approximately three months, and Contract 14A plans have been completed.

Mr. Ahrens recommended approval of Change Order No. 1 in the amount of \$42,414.28 submitted by Huff & Mitchell for Contract 7B to add an additional flow meter and pressure sensor at the delivery point of water from the City of Houston. After discussion, Director Parker moved that the Board approve Change Order No. 1 in the amount of \$42,414.28 for Contract 7B. The motion was seconded by Director Cannon and carried by unanimous vote.

## **APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS**

Mr. Ahrens reported that no requests for reimbursement have been received.

## **DISCUSS WATER SUPPLY CONTRACT WITH CITY OF HOUSTON**

Mr. Ahrens reported that he is continuing to work on several possible surplus City of Houston facilities.

## **DISCUSS APPROVING ENGINEERING SERVICES CONTRACTS**

Mr. Ahrens then requested that the Board approve an amendment to the Weisser Engineering contract for surveying which increases the contract from \$200,000 to \$300,000. Following discussion, Director Wepler moved that the Board approve the Amendment. Director Cannon seconded the motion, which carried by a vote of six for the motion, with Director Postle abstaining.

Mr. Ahrens reported that the design committee recommended that the Board authorize negotiating with Brown & Gay Engineers, Inc. as the engineers for Contract 14B, Klotz Associates, Inc. as the engineer for Contract 18, and Edminster, Hinshaw, Russ and Associates, Inc. as the engineer for modified Contract 16. Following discussion, Director Wepler moved that the Board authorize negotiations with Brown & Gay Engineers, Inc. for Contract 14B, Klotz Associates, Inc. as the engineer for Contract 18, and Edminster, Hinshaw, Russ and Associates, Inc. as the engineer for modified Contract 16. Director Burnett seconded the motion, which carried by a vote of six for the motion with Director Postle abstaining.

## **DISCUSS CAPITAL IMPROVEMENTS PLAN**

Mr. Ahrens stated that he had nothing new to report regarding the capital improvements plan.

## **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.

## **UPDATE ON STATUS OF GROUNDWATER REDUCTION PLAN**

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

## **PURCHASE AND SALE AGREEMENT AND TERRACON AGREEMENT**

The Board considered the Purchase and Sale Agreement (“PSA”) between the Authority and Exxon Mobil Corporation that the Board had previously approved. The Board also considered an agreement with Terracon (“Terracon Agreement”) regarding environmental review of the property to be acquired under the PSA. Following discussion, Director Wepler moved that the Board re-approve the PSA and that the Board approve the Terracon Agreement, all subject to final review by Director Sallee with consultation with the Design Committee. Director Cannon seconded the motion, which carried unanimously.

## **ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS**

The Board discussed acquisition of water line easements from Harris County Municipal Utility District No. 183, Harris County Municipal Utility District No. 264, and Cypress-Fairbanks Independent School District. Following discussion, Director Postle moved that the Board authorize acceptance of the easements. Director Parker seconded the motion, which carried unanimously.

## **ADOPT RESOLUTIONS AUTHORIZING CONDEMNATION**

The Board took no action on this matter.

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

The Board received no update regarding the real estate, design, finance, and communications committees.

## **DISCUSS ANY DELINQUENT RATE PAYER(S)**

The Board took no action on this matter.

## **DISCUSS REGION H WATER PLANNING GROUP**

Mr. Ahrens stated that he had nothing new to report regarding the Region H Water Planning Group.

## **RENEW AUTHORITY INSURANCE**

Mr. Garcia reported that the Texas Water Conservation Association Risk Management Fund submitted insurance proposals, but the Finance Committee had noted that the coverage amounts were not equal to the level of coverage that the Texas Municipal League provides. The Board reviewed the insurance proposals from the Texas Municipal League Intergovernmental Risk Pool (“TML”). The Board discussed the consultants bond, property, boiler and machinery, directors bond, directors and

officers liability, general liability, auto liability and travel accident insurance. Following discussion, Director Burnett moved that the Board accept the proposals from TML. Director Parker seconded the motion, which carried unanimously. Copies of the accepted proposals are attached as exhibits to these minutes.

**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.

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Secretary, Board of Directors

(SEAL)

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