

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

September 13, 2006

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on September 13, 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 Director Rush, 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 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 August 9, 2006, meeting. Following discussion, Director Garden moved that the minutes of the August 9, 2006, meeting be approved as submitted. The motion was seconded by Director Burnett 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. 3097 in the amount of \$8,212.03 payable to the City of Houston for purchase of water, check no. 3098 in the amount of \$114.04 payable to Jones & Carter for engineering work, check no. 3099 in the amount of \$28,769.00 payable to Huitt-Zollars for engineering work, and check no. 3100 in the amount of \$275.00 payable to Barbara Payne for the conservation video. Following discussion, Director Parker moved that the Board approve the bookkeeper's report and the checks presented for payment. Director Garden seconded the motion, which carried by a vote of six for the motion with Directors Postle and Weppler abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

Ms. Garcia stated that she would hold check no. 3084 in the amount of \$25,843.95 payable to E.P. Brady, Ltd. for Contract 3, subject to approval by Mr. Ahrens and check no. 3095 in the amount of \$231.66 payable to One Call should be reflected in the operating account. Following discussion, Director Weppler moved that the Board approve check no. 3084 presented for payment, subject to approval by Mr. Ahrens. Director Cannon seconded the motion, which carried unanimously.

ANNUAL REVIEW OF DISTRICT'S INVESTMENT POLICY

The Board reviewed the District's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. Upon a motion made by Director Burnett and seconded by Director Cannon, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy. A copy of the Resolution is attached to these minutes.

DISCUSS WEBSITE

Ms. Payne reported that the Authority received approximately 77,000 hits for the month.

Ms. Payne reported that she has a meeting with a group of Cypress-Fairbanks Independent School District parents regarding the water conservation trailer.

Ms. Payne then presented three different water conservation brochures for review. She stated that a number of districts have requested the brochures. Ms. Payne requested that the Board authorize printing 5,000 of each brochure. She stated that she would forward the costs of printing to the communications committee. Following discussion, Director Parker moved that the Board authorize printing of 5,000 of each brochure. Director Garden seconded the motion, which carried unanimously.

Ms. Payne stated that Turner Collie Braden ("TCB"), Harris County Municipal Utility District No. 24 and Kleinwood Municipal Utility District are now sponsors of the water conservation program.

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 was forwarded to the Texas Commission on Environmental Quality in August.

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

Mr. Ahrens stated that the Texas Water Law Conference is scheduled for September 28-29, 2006, in Austin, Texas and 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 in progress.

Mr. Ahrens reviewed a letter 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 reviewed letters from TCB on behalf of Harris County Municipal Utility District Nos. 162 and 208 requesting an extension for submitting a request for reimbursement for conversion costs. Following discussion, Director Beckendorff moved that the Board grant a six-month extension. Director Wepler seconded the motion, which carried unanimously.

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 then reported that the Contract 7B plans are being revised.

Mr. Ahrens stated that DEC is negotiating a change order to add a flow meter at the delivery point of water from the City because the City will not allow a signal from the existing meter.

Mr. Ahrens also reported that DEC has refiled the plat for the pump station no. 1 site.

Mr. Ahrens discussed an amendment to the construction office lease that renews the lease for one year at a cost of \$1,300 per month. Following discussion, Director Beckendorff moved that the Board approve the amendment to the lease. Director Cannon seconded the motion, which carried unanimously.

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

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 553 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 7B (Huff & Mitchell), Contract 8 (Bearden Contracting), Contract 9 (C.E. Barker, Ltd.) and Contract 10 (Triple B Services, L.L.P.) are under construction and on schedule. Mr. Ahrens reported that Contract 7A is on hold pending acquisition of certain easements. Mr. Ahrens then stated that D.L. Elliott Enterprises, Inc. (Contract 12A) was issued the notice to proceed on August 21, 2006. Mr. Ahrens reported that the engineers for Contracts 13A, 13B, 13D and 14A are progressing on schedule. He stated that Contract 13A should have completed plans in approximately two months, Contracts 13B, C and D should have been completed plans in approximately four months, and Contract 14A should have completed plans next week.

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 a meeting of the Advisory Committee was held on August 14, 2006, and that a meeting was held with the City of Houston on September 11, 2006 to discuss several possible surplus City of Houston facilities.

DISCUSS APPROVING ENGINEERING SERVICES CONTRACTS

Mr. Ahrens stated that he had no engineering services contracts for approval.

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.

APPROVE EASEMENT RELOCATION AGREEMENT

Mr. Garcia reviewed an Easement Relocation Agreement ("Agreement") with Willow Development Corporation ("Willow") and the new water line easement, consent to encroachment, and partial abandonment of water line easement documents provided for in the Agreement. Mr. Garcia also noted that pursuant to the Agreement, the Authority has received a \$45,000 check from Willow and that a lien release for the new water line easement is needed from Sterling Bank. Following discussion, Director Postle moved that the Board approve such Agreement, accept such new water line easement, approve such consent to encroachment, and approve such partial abandonment of water line easement, subject to the \$45,000 check clearing the bank and the release of the lien by Sterling Bank being received. Director Weppeler seconded the motion, which carried by a vote of seven for the motion with Director Sallee abstaining.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of a water line easement from Harris County Municipal Utility District No. 173, Norma. D. Lima, Linear Development, L.P. and Copperfield Community Association, Inc. and an encroachment agreement from Seminole Pipeline Company. Following discussion, Director Postle moved that the Board authorize acceptance of the easements and approve the encroachment agreement. Director Cannon 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.

DISCUSS RENEWAL OF INSURANCE

Mr. Garcia reported that the Texas Water Conservation Association Risk Management Fund has requested that the Authority consider reviewing insurance proposals from them. Discussion ensued regarding insurance renewal. The Board concurred that the finance committee should solicit proposals from the Texas Municipal League, the Texas Water Conservation Association Risk Management Fund, and Anco-Wessendorff Insurance.

ATTORNEY'S REPORT

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

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

Secretary, Board of Directors

(SEAL)

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