

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

August 8, 2007

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on August 8, 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.

Also present at the meeting were: Erin Garcia of Myrtle Cruz, Inc.; Debbie Gibson of McCall, Gibson & Company, PLLC; Rick Van Dyke of ECO Resources, Inc. ("ECO"); Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); 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 July 11, 2007, meeting. Director Garden requested that the spelling of his name be corrected. Director Postle requested that the minutes be revised to reflect that check no. 3654 was voided and check no. 3655 was issued to American Shelter, Inc. Following discussion, Director Garden moved that the minutes of the July 11, 2007, meeting be approved as revised. The motion was seconded by Director Parker and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

The Board received no questions from the public.

RECEIVE REPORT REGARDING SEMI-ANNUAL TEST OF CONSULTANT CONTRACTS

Ms. Gibson reviewed the report regarding the semi-annual test of consultant contracts ending March 31, 2007, and pointed out that there were no adverse findings.

DISCUSS SERIES 2007 BONDS, INCLUDING ENGAGE AUDITOR FOR REPORT NECESSARY FOR ISSUANCE OF BONDS

Mr. Boone discussed the tentative schedule for the sale of the Authority's Series 2007 Bonds. The Board then considered engaging an auditor for indenture certification regarding the Bonds. Following discussion, Director Cannon moved that the Board engage McCall, Gibson & Company, PLLC for the indenture certification. Director Burnett seconded the motion, which carried unanimously.

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. 3707 in the amount of \$19,661.40 payable to PBS&J, check no. 3708 in the amount of \$22,175.00 payable to Prime Controls, check no. 3709 in the amount of \$468.92 payable to Karla Cannon, check no. 3710 in the amount of \$1,375.44 payable to One Call Systems, check no. 3711 in the amount of \$25,600.00 payable to Horsepen Bayou Municipal Utility District, check no. 3712 in the amount of \$211,044.86 payable to Harris County Municipal Utility District No. 186, and check no. 3713 in the amount of \$4,673.00 payable to R.A.C. Investments. Following discussion, Director Garden moved that the Board approve the bookkeeper's report and the checks presented for payment. Director Parker seconded the motion, which carried by a vote of seven for the motion with Directors Postle and Wepler abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

DISCUSS PUMPAGE FEE EXCEPTION REPORT

Ms. Garcia reported that Westgreen Water System has not yet paid the pumpage fees for 2006. Mr. Boone stated that ABHR would contact Westgreen Water System regarding this matter.

DISCUSS WEBSITE

Ms. Payne reported that the website received approximately 73,000 hits for the month.

Ms. Payne then reported that online data entry for reporting pumpage electronically should begin in September.

The Board then discussed scheduling a townhall meeting for November.

Ms. Payne reported that there are additional sponsors for the water conservation book.

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 June is approximately 82.4% of that for last year at this date. Mr. Ahrens reported that approximately 3.09 million gallons per day of surface water was purchased from the City of Houston.

Mr. Ahrens reported that the WaterReuse Symposium is scheduled for September 9-12, 2007, in Tampa, Florida and the Texas Water Law Conference is scheduled for September 10-11, 2007, in Austin, Texas. Following discussion, Director Beckendorff moved that the Board authorize any interested Board member to attend the conferences. Director Rush seconded the motion, which carried unanimously.

Mr. Ahrens reported that the Authority received over conversion credits for the 2006 permit year from the Harris-Galveston Subsidence District. He stated that the Harris-Galveston Subsidence District met on August 7, 2007 to discuss proposed rule changes.

Mr. Ahrens reported that on July 18, 2007, DEC attended a meeting with the North Harris County Regional Water Authority and the North Fort Bend Water Authority to discuss alternative alignments that could potentially be shared.

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

Mr. Ahrens reported that on July 19, 2007, DEC attended a meeting with the engineers and developers for the Bridgeland Development and Towne Lake Development to discuss early delivery of surface water.

Mr. Ahrens reported that in August, 2007, DEC sent letters to the districts that are currently receiving surface water and the districts that will be receiving surface water in the 2007 permit year requesting demand projections for surface water usage.

Mr. Ahrens reported that DEC is continuing coordination with the property owners along the former Exxon easement.

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 no kits were purchased.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) has surface water available at both of the Harris County Municipal Utility District No. 102's water plants, Contract 8 (Bearden Contracting), Contract 9 (C.E. Barker, Ltd.), Contract 10 (Triple B Services, L.L.P.) and Contract 12A (D.L. Elliott Enterprises) are substantially complete and surface water is available to all respective districts, Contract 14A (Huff & Mitchell) is installing the 24-inch water main along the Kinder Morgan easement at West Road, Contract 13A (Reliance Construction) has surface water to Harris County Municipal Utility District No. 149, the pump station no. 1 (T&C Construction) foundation is complete and pumps, valves and appurtenances are being installed, Contract 13B, C, and D is in the process of completing Section D along Hudson Oaks. He then recommended approval of Pay Estimate No. 6 in the amount of \$71,924.58 for Contract 13A, Pay Estimate No. 10 in the amount of \$226,073.12 for Contract 7B, Pay Estimate No. 5 in the amount of \$432,734.36 for Contract 14A, Pay Estimate No. 13 in the amount of \$454,274.45 for pump station no. 1, Pay Estimate No. 10 in the amount of \$47,390.75 for Contract 12A, Pay Estimate No. 12 in the amount of \$234,806.14 for Contract 8 and Pay Estimate No. 1 in the amount of \$100,818.54 for Contract 13B, C, and D. Upon a motion made by Director Parker and seconded by Director Burnett, the Board voted to approve the above mentioned pay estimates which passed by a vote of 7 for the motion with Directors Postle and Wepler abstaining.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens recommended that Harris County Municipal Utility District No. 186 ("MUD 186") be reimbursed the amount of \$211,044.86 for surface water conversion

costs and Horsepen Bayou Municipal Utility District be reimbursed the additional amount of \$25,600.00 for engineering fees. Following discussion, Director Beckendorff moved that the Board approve the reimbursement amounts recommended by Mr. Ahrens subject to execution of a receipt. Director Rush seconded the motion, which carried unanimously.

Mr. Ahrens then recommended that MUD 186 be reimbursed an additional amount of \$1,704.17 for damage to MUD 186's facilities. Following discussion, Director Beckendorff moved that the Board approve the additional reimbursement to MUD 186 subject to execution of a release. Director Rush seconded the motion, which carried by a vote of 8 for the motion and Director Weppler voting against the motion.

DISCUSS WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that the City Advisory Committee will meet on August 17, 2007.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Klotz & Associates, Inc., the engineer for Contract 7A, is expected to submit plans to the City of Houston for signatures on August 22, 2007, Brown & Gay, the engineer for Contract 14B, submitted plans to Harris County for signatures on August 1, 2007, Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, is expected to submit 90% plans on August 13, 2007, Klotz & Associates, Inc., the engineer for Contract 18, is expected to submit 90% plans for review on August 27, 2007, Sander Engineering, the engineer for Contract 12B, is expected to submit 50% plans for review on August 14, 2007, Jones & Carter, Inc., the engineer for Contract 17A, is expected to submit 50% plans for review on August 14, 2007, and Binkley & Barfield, Inc., the engineer for Contract 11, is expected to submit 50% plans for review on September 5, 2007.

Mr. Ahrens discussed the amendment to the contract with Van De Wiele Engineering, Inc. for Contract 13A in the amount of \$41,203.39, the amendment to the contract with Huitt-Zollars, Inc. in the amount of \$38,476.00 for Contract 13B, C, and D and the amendment to the contract with Sander Engineering in the amount of \$60,549.00 for additional work added because of revised routing requested by Harris County. Following review and discussion, Director Beckendorff moved that the Board approve the amendment to the contract with Van De Wiele Engineering, Inc. for Contract 13A in the amount of \$41,203.39, the amendment to the contract with Huitt-Zollars, Inc. in the amount of \$38,476.00 for Contract 13B, C, and D and the amendment to the contract with Sander Engineering in the amount of \$60,549.00. Director Garden seconded the motion, which carried by a vote of seven for the motion with Directors Postle and Weppler abstaining.

Mr. Ahrens requested that the Board approve the contracts with Van De Wiele Engineering, Inc. for Contract 21 in the amount of \$303,045.00, LJA Engineering & Surveying, Inc. for Contract 23 in the amount of \$289,506.00, contract with Kuo & Associates, Inc. in the amount of \$100,000 and contract with the Western Group Consultants in the amount of \$100,000. Following discussion, Director Beckendorff moved that the Board approve the contracts with Van De Wiele Engineering, Inc. for Contract 21 in the amount of \$303,045.00, LJA Engineering & Surveying, Inc. for Contract 23 in the amount of \$289,506.00, contract with Kuo & Associates, Inc. in the amount of \$100,000 and contract with the Western Group Consultants in the amount of \$100,000. Director Garden seconded the motion, which carried by a vote of seven for the motion with Directors Postle and Weppler abstaining.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens then reported that the CIP is being updated to reflect the latest 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.

Mr. Van Dyke stated that he sent a letter to the City of Houston regarding recalibration of its meter.

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 Remington Municipal Utility District, Greater Houston Pipe, L.C., American Shelter, Inc. and approval of the letter of no objection from Seminole Pipeline. Following discussion, Director Postle moved that the Board accept conveyance of the water line easements from Remington Municipal Utility District, Greater Houston Pipe, L.C., American Shelter, Inc. and approve the letter of no objection from Seminole Pipeline. Director Garden seconded the motion, which carried unanimously.

ADOPT RESOLUTION AUTHORIZING CONDEMNATION

The Board took no action on this matter.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that the Region H Water Planning Group met on August 1, 2007.

DISCUSS PURCHASE OF ELECTRICITY

The Board took no action on this matter.

ATTORNEY'S REPORT

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

DISCUSS NEXT BOND SALE

Mr. Boone reported that the Authority's next bond sale should occur October 10, 2007.

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

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

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