

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 12, 2007

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on the 12th day of December, 2007, at 15300 Falmouth, Houston, Texas, inside the boundaries of the Authority, and the roll was called of the members of the Board:

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 Cannon and Weppler, thus constituting a quorum.

Also present at the meeting were Rick Van Dyke of ECO Resources, Inc. ("ECO"); Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Mark McGrath of Null-Lairson, P.C.; Debbie Gibson of McCall, Gibson & Company, PLLC; 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 November 14, 2007, meeting. Mr. Ahrens requested that the minutes be revised to reflect that the Board approved the amendment to the contract with Sander Engineering Corporation. Following discussion, Director Garden moved to approve the minutes of the November 14, 2007, meeting as revised. The motion was seconded by Director Parker and passed by unanimous vote.

PAY ESTIMATES

Mr. Ahrens recommended approval of Pay Estimate No. 17 in the amount of \$485,231.16 for pump station no. 1, Pay Estimate No. 14 in the amount of \$23,313.00 for Contract 7B, Pay Estimate No. 9 in the amount of \$593,830.40 for Contract 14A, Pay Estimate No. 5 in the amount of \$6,955.78 for Contract 13B, C, and D, and Pay Estimate No. 11 and Final in the amount of \$105,255.17 for Contract 12A. He then recommended

that the Board approve acceptance of Contract 12A. Upon a motion made by Director Burnett and seconded by Director Rush, the Board voted to approve the above mentioned pay estimates and acceptance of Contract 12A, which passed unanimously.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report, the investment report, a budget comparison, and the bills in the bookkeeper's report submitted for the Authority's review. The Board also considered approval of check no. 3940 in the amount of \$797.53 payable to Larry Wepler, and check no. 3941 in the amount of \$12,090.08 payable to Harris County Municipal Utility District No. 179. Following discussion, Director Parker moved to 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 Director Postle abstaining. A copy of the bookkeeper's report is attached.

Mr. Garcia requested that the Board authorize the transfer of funds from the Improvement Fund to the Coverage Fund as required by Section 512 of the Master Indenture of Trust. Following discussion, Director Garden moved to authorize the transfer of funds from the Improvement Fund to the Coverage Fund as required by Section 512 of the Master Indenture of Trust. Director Rush seconded the motion, which carried unanimously.

DISCUSS BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2008

Ms. Garcia presented a draft of the budget for fiscal year ending December 31, 2008, and reviewed it with the Board. Following discussion, Director Beckendorff moved to approve the budget for fiscal year ending December 31, 2008. Director Rush seconded the motion, which carried unanimously.

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 Garcia 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 that are less than or equal to \$100,000. After discussion, Director Garden moved to adopt the Resolution Authorizing Bookkeeper to Sign Certain Disbursements. The motion was seconded by Director Beckendorff and carried by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

Mr. Ahrens responded to a question regarding design criteria of chloramine disinfection systems for district water plants.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

The Board did not receive any customer appeals.

ENGAGE AUDITOR TO PREPARE AUTHORITY FINANCIAL STATEMENTS

Mr. McGrath reviewed with the Board a proposal from Null-Lairson, P.C. He pointed out that the estimated cost to prepare the Authority's financial statements would not exceed \$18,500. Following discussion, Director Parker moved to engage Null-Lairson, P.C. to prepare the Authority's financial statements. Director Rush seconded the motion, which carried unanimously.

DISCUSS WEBSITE

Ms. Payne reported that the newsletter has been sent out. She stated that the conservation trailer has been in Cypress Fairbanks Independent School District for the past eight weeks.

Ms. Payne stated that the online reporting of the pumpage should be available the first of the year.

ENGINEER'S REPORT

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

Mr. Ahrens reported that there have been ongoing discussions regarding the wells in the Fort Bend Subsidence District that are included in the Groundwater Reduction Plan. He stated that DEC is working on obtaining the early conversion credits for the 2007 permit year. Mr. Ahrens also reported that DEC is providing comments to the Harris-Galveston Subsidence District proposed rule changes to Section 8 metering.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2007 through October is approximately 86.5% of that for last year at this date. Mr. Ahrens reported that approximately 4.43 million gallons per day of surface water was purchased from the City of Houston during November.

Mr. Ahrens reported that the 2008 TWCA/TRWA Water Law Seminar will be held January 31, 2008, through February 1, 2008, in Austin, Texas.

Mr. Ahrens reported that by mid-December he expects certain districts and developers to inform the Authority if they are interested in participating in the Authority's early delivery of surface water program.

Mr. Ahrens reported that Van De Wiele Engineering, Inc. forwarded a letter on behalf of Ricewood Municipal Utility District (“Ricewood MUD”) stating that Ricewood MUD will discontinue its emergency interconnect with Clay Road Municipal Utility District.

Mr. Ahrens reported that the Authority and the North Fort Bend Water Authority have been working together on the selection of pipeline alternatives that would be shared by both.

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

Mr. Ahrens stated that no water conservation kits were purchased.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) had surface water available to the Harris County Municipal Utility District No. 102 water plant no. 2 and they are awaiting Texas Commission on Environmental Quality approval to commence receiving water, Contract 8 (Bearden Contracting) is awaiting start-up of Harris County Municipal Utility District No. 256, Contract 9 (C.E. Barker, Ltd.) is awaiting start-up of Harris County Municipal Utility District No. 144, Contract 12A (D.L. Elliott Enterprises) is complete and closeout is recommended, Contract 13A (Reliance Construction) is awaiting start-up of Harris County Municipal Utility District No. 149, Contract 14A (Huff & Mitchell) is working along West Road to complete the remainder of the 36-inch water main installation, the pump station no. 1 (T&C Construction) has been connected to the Jersey Village tank no. 2, power has been completed to each of the ongoing facilities, building finishes are being installed and the contractor is currently connecting the discharge header to the existing 42-inch distribution line, and Contract 13B, C, and D is working on the installation of piping and electrical for the related water plants.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens recommended that Harris County Municipal Utility District No. 179 be reimbursed the amount of \$12,090.80 for additional engineering fees associated with surface water conversion costs. Following discussion, Director Beckendorff moved to approve the reimbursement amount recommended by Mr. Ahrens subject to Harris

County Municipal Utility District No. 179's execution of a receipt provided by the Authority.

DISCUSS WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that the City Advisory Committee met on December 5, 2007. He stated that the application to the Texas Water District Board was approved by the Coastal Water Authority for submittal for the Luce Bayou project.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, is expected to submit plans for agency signatures by December 13, 2007, Klotz & Associates, Inc., the engineer for Contract 18, will receive bids on January 8, 2008, Sander Engineering, the engineer for Contract 12B, expects to submit bid-ready plans for review by February, 2008, Jones & Carter, Inc., the engineer for Contract 17A, is expected to submit 100% plans for review on January 8, 2008, Binkley & Barfield, Inc., the engineer for Contract 11, is expected to submit 100% plans for review on January 8, 2008, Brown & Gay Engineers, Inc., the engineer for Contract 20 is expected to submit 50% plans for review by January 8, 2008, Van De Wiele Engineering Corp., the engineer for Contract 21, submitted 50% plans for review on December 11, 2007, and LJA Engineering and Surveying, Inc., the engineer for Contract 23 submitted 50% plans for review on November 30, 2007.

Mr. Ahrens discussed the amendment to the contract with Klotz & Associates, Inc. for Contract 7A in the amount of \$64,957.00. Following review and discussion, Director Beckendorff moved to approve the amendment to the contract with Klotz & Associates, Inc. in the amount of \$64,957.00. Director Rush seconded the motion, which carried unanimously.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens stated that he had nothing new to report regarding the CIP.

ADOPT AMENDED RATE ORDER

The Board considered amending the Rate Order to increase the Authority fees. Following discussion, Director Parker moved to adopt the Amended Rate Order. Director Garden seconded the motion, which carried unanimously.

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 OPERATOR'S CONTRACT

Mr. Van Dyke reviewed with the Board the operator's contract ("Contract"). He explained that the Contract would be effective for 2 years beginning January 1, 2008. Following discussion, Director Garden moved to approve the Contract. Director Beckendorff seconded the motion, which carried unanimously.

UPDATE ON STATUS OF GROUNDWATER REDUCTION PLAN

Mr. Ahrens stated that a revised list of wells has been sent to the Harris-Galveston Subsidence District. Mr. Garcia stated that there are districts in the Authority that have boundaries split by the Fort Bend and Harris County line. He then requested that the Board authorize a letter to be sent to the Harris-Galveston Subsidence District and Fort Bend Subsidence District requesting that the wells be included in the Authority's Harris County groundwater reduction plan. Following discussion, Director Garden moved to authorize such a letter. Director Beckendorff seconded the motion, which carried unanimously.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of water line easements from the Lakes on Eldridge North Community Association, Inc., Elevation 112 LLC, Storguard Investments, LLC, and Eileen Frances White and Roland Wise. Director Postle recommended approval of payment for the White/Wise easement in the amount of \$54,525.00. Following discussion, Director Rush moved to authorize acceptance of the water line easements from the Lakes on Eldridge North Community Association, Inc., Elevation 112 LLC, Storguard Investments, LLC, and Eileen Frances White and Roland Wise, subject to confirmation by Director Postle of the owner of the White/Wise easement and approve payment for the White/Wise easement. Director Garden seconded the motion, which carried unanimously.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that the next meeting of the Region H Water Planning Group will be held February 6, 2008.

DISCUSS PURCHASE OF ELECTRICITY

The Board deferred action on this matter.

ATTORNEY'S REPORT

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

CONSIDER ADOPTING RESOLUTION ESTABLISHING AN ADDITIONAL MEETING PLACE

The Board next considered adopting a Resolution Establishing an Additional Meeting Place. Director Beckendorff moved to adopt the Resolution establishing 7215 Harms, Katy, Texas 77449, as a meeting place outside the boundaries of the Authority. The motion was seconded by Director Burnett and passed unanimously.

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>
meeting list.....	1
bookkeeper's report.....	2
engineer's report	3
operator's report.....	5