

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

January 10, 2007

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on January 10, 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:

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|----------------------|--------------------------|
| 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 Weppler, 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 and Glenda Cross 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 December 13, 2006, meeting. Following discussion, Director Beckendorff moved that the minutes of the December 13, 2006, meeting be approved as submitted. 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 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. 3321 in the amount of \$45,546.78 payable to E.P. Brady, Ltd. for Contract 3. Following discussion, Director Parker moved that the Board approve the bookkeeper's report and the checks presented for payment. Director Rush seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

DISCUSS WEBSITE

Ms. Payne reported that the website received approximately 89,000 hits for the month. She stated that additional copies of the water conservation brochures have been requested. Ms. Payne stated that the waterworks newsletter is in the process of being distributed, but that she needs help in verifying that the mailing addresses are correct.

Ms. Payne reported that there have been approximately 733 requests for the powerpoint townhall presentation.

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 2006 is approximately 99.4% through November of that at this time last year.

Mr. Ahrens reported that the TRWA/TWCA Water Law Seminar is scheduled for January 18-19, 2007, in Austin, Texas.

Mr. Ahrens 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 the Houston Chronicle published an article regarding the Authority's purchase of the Exxon/Mobil pipeline easement.

Mr. Ahrens also reported that DEC has been coordinating with the North Fort Bend Water Authority regarding a possible joint project.

Mr. Ahrens reported that DEC is preparing a route analysis and probable construction cost estimates for possible extension of the North Harris County Regional Water Authority's Beltway 8 water line.

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

Mr. Ahrens reported that DEC is evaluating the extension to the Authority's pump station site building as part of the T&C contract.

Mr. Ahrens reported that the pump station no. 1 project has made progress to cast panels and walls for the concrete tank.

Director Sallee reported that he met with Jeff Taylor with the City of Houston to discuss a joint project with the North Fort Bend Water Authority.

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 reported that 269 kits have been purchased.

DISCUSS STATUS OF WATER LINE PROJECT TO COPPERFIELD AREA DISTRICTS

Mr. Ahrens reported that Contracts 3 and 6 are substantially complete except the start-up of Harris County Municipal Utility District No. 163. He stated that Contract 7B (Huff & Mitchell) has received delivery of 36-inch pipe, Contract 8 (Bearden Contracting) is installing 24-inch line along West Little York, Contract 9 (C.E. Barker, Ltd.) is installing 24-inch pipe, Contract 10 (Triple B Services, L.L.P.) is 95% complete with the plant work and distribution piping and Contract 12A (D.L. Elliott Enterprises) is on schedule. He stated that Contracts 13B, C and D received 90% review comments from Harris County and have been forwarded to the Texas Commission on Environmental Quality.

REVIEW BIDS AND AWARD CONTRACT

Mr. Ahrens reported that the Authority received bids for the construction of Contract 13A. He stated that DEC had reviewed the bids and recommended award of the construction contract to the low bidder, Reliance Construction Services, L.P., in the amount of \$1,354,722.35. After discussion, Director Cannon made a motion that was seconded by Director Garden and the Board voted unanimously to award the contract in the amount of \$1,354,722.35 to Reliance Construction Services, L.P., for construction of Contract 13A because, in the Board of Directors' judgment, the contract will be the most advantageous to the Authority and result in the most economical completion of the Authority's facilities, subject to review and approval of the contractor's payment and performance bonds by the Authority's attorney.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Ms. Cross reported that Spencer Road Public Utility District ("Spencer Road") has requested reimbursement in the amount of \$225,222.54 for two water plants. Following discussion, Director Cannon moved that the Board approve the reimbursement, subject to Spencer Road executing a document acknowledging the payment. Director Garden seconded the motion, which carried unanimously.

DISCUSS WATER SUPPLY CONTRACT WITH CITY OF HOUSTON

Mr. Ahrens reported that DEC is conducting an investigation of the purchase of City of Houston surplus water 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 \$350,000 to \$450,000. Following discussion, Director Parker moved that the Board approve the amendment. Director Burnett seconded the motion, which carried unanimously.

Mr. Ahrens discussed the contract with V&A Consulting Engineers, Inc. ("V&A") for Cathodic Protection System Maintenance for Contract 14B in the amount of \$29,825.00. Following review and discussion, Director Parker moved that the Board approve the V&A contract. Director Garden seconded the motion, which carried unanimously.

Mr. Ahrens requested that the Board approve the contract with PBS&J for surveying work. Following review and discussion, Director Garden moved that the Board approve the PBS&J contract. Director Rush seconded the motion, which carried by a vote of 7 for the motion, with Director Postle abstaining.

Mr. Ahrens reported that Klotz Associates, Inc., the engineer for Contract 7A, will submit 30% plans for review the week of January 22, 2007, Brown & Gay, the engineer for Contract 14B, will submit 30% plans for review the week of January 29, 2007, Klotz Associates, Inc., the engineers for Contract 18, will submit 30% plans for review by mid February, Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, has received preliminary approval of the new pipeline alignment.

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.

Director Garden requested that the operator's report include the total percentage of conversion.

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 took no action on this matter.

ADOPT RESOLUTIONS AUTHORIZING CONDEMNATION

The Board took no action on this matter.

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

Director Postle reported that the real estate committee will be discussing procedures regarding acquisition of easements.

DISCUSS REGION H WATER PLANNING GROUP

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

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.

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

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