

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

June 13, 2007

The Board of Directors of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on June 13, 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 except Directors Sallee and Cannon, 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 May 9, 2007, meeting. Following discussion, Director Beckendorff moved that the minutes of the May 9, 2007, 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. 3606 in the amount of \$3,300.00 payable to Langham Colony, Ltd. for easements, check no. 3607 in the amount of \$14,230.00 payable to Elevation 112, LLC for an easement and check no. 3608 in the amount of \$26,250.00 payable to Storguard Investors, LLC for an easement. Following discussion, Director Burnett 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 five for the motion with Directors Postle and Weppler abstaining. The bookkeeper's report is attached as an exhibit to these minutes.

DISCUSS PUMPAGE FEE EXCEPTION REPORT

Ms. Garcia reviewed with the Board 2006 pumpage fee exception reports and stated that invoices have been sent. Discussion ensued regarding accounts that owe less than \$1,000 and accounts that have a credit of less than \$1,000. Upon a motion made by Director Burnett and seconded by Director Weppler, the Board voted unanimously to take no action on accounts that have a credit or payment of less than \$1,000 until the accumulated amount reaches \$1,000.

DISCUSS WEBSITE

Ms. Payne reported that approximately 2,200 students attended the City of Houston (the "City") Water Festival this year.

Ms. Payne reported that the mobile trailer has additional sponsorship this year.

Ms. Payne then reported that work on the data entry for reporting pumpage electronically could begin in July with implementation in September, 2007. Following discussion, Director Garden moved that the Board authorize the implementation of the electronic pumpage reporting. Director Burnett seconded the motion, which carried 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 for 2007 through April is approximately 87.9% of that for last year at this date.

Mr. Ahrens then reported that the Authority received correspondence from Terra Associates on behalf of Harris County Municipal Utility District No. 257 stating that the contract for conversion to chloramines has been awarded to W.W. Payton Corporation.

Mr. Ahrens then reported that correspondence was received from Huitt-Zollars, Inc. requesting that the Authority provide a partial advancement of funds to install its chloramine disinfection system at Harris County Municipal Utility District No. 250. The Board deferred action on this matter.

Mr. Ahrens reported that the Harris-Galveston Subsidence District is currently working on the over conversion credits for 2006.

Mr. Ahrens reported that alternative alignments that could potentially be shared with the North Harris County Regional Water Authority and the North Fort Bend Water Authority are being studied.

Mr. Ahrens reported that DEC has met with potential electrical power brokers for the Authority.

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

Mr. Ahrens reported that work is continuing to expand the GIS system by adding certain construction related information.

Mr. Ahrens then reported that DEC is continuing coordination with the districts that would be receiving water by 2010.

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 615 kits have been purchased.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) is working on the installation of the 36-inch pipe, Contract 8 (Bearden Contracting) has clean surface water to Harris County Municipal Utility District Nos. 257 and 276 and Langham Creek, Contract 9 (C.E. Barker, Ltd.) has clean surface water to Harris County

Municipal Utility District No. 144, Contract 10 (Triple B Services, L.L.P.) has clean surface water to Harris County Municipal Utility District Nos. 173, 264, and 70, Contract 12A (D.L. Elliott Enterprises) has clean surface water to Barker-Cypress water plants nos. 2 and 3, Contract 14A (Huff & Mitchell) is installing the 24-inch water main along the Kinder Morgan easement at West Road, Contract 13A (Reliance Construction) has clean surface water to Harris County Municipal Utility District No. 149, and pump station no. 1 (T&C Construction) is working on the installation of underground power to the building foundations. He then recommended approval of Pay Estimate No. 11 in the amount of \$62,761.01 for Contract 8, Pay Estimate No. 4 in the amount of \$123,884.55 for Contract 13A, Pay Estimate No. 9 in the amount of \$118,626.41 for Contract 12A, Pay Estimate No. 11 in the amount of \$23,095.42 for Contract 9, Pay Estimate No. 10 in the amount of \$36,724.24 and Change Order No. 2 in the amount of \$10,426.50 for Contract 7B, Pay Estimate No. 3 in the amount of \$139,257.81 for Contract 14A, and Pay Estimate No. 11 in the amount of \$1,863,051.30 for pump station no. 1. Upon a motion made by Director Parker and seconded by Director Burnett, the Board voted to approve the above mentioned pay estimates and change order which passed by a vote of 6 for the motion with Director Postle abstaining.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

The Board took no action on this matter.

DISCUSS WATER SUPPLY CONTRACT WITH CITY OF HOUSTON

Mr. Ahrens reported that the City Advisory Committee meeting has been scheduled for July 13, 2007.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Klotz Associates, Inc., the engineer for Contract 7A, expects to submit 75% plans for review on May 18, 2007, Brown & Gay, the engineer for Contract 14B, expects to submit 90% plans for review on July 18, 2007, Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, submitted 50% plans on May 21, 2007 and Klotz & Associates, Inc., the engineer for Contract 18, is expected to submit 75% plans for review on June 25, 2007.

Mr. Ahrens reported that Binkley & Barfield, Inc., the engineer for Contract 11, Sander Engineering, Inc., the engineer for Contract 12B and Jones & Carter, Inc., the engineer for Contract 17A are expected to submit 30% plans for review the first week in July, 2007.

Mr. Ahrens discussed the amendment to the contract with Binkley & Barfield, Inc., which decreases the amount of the contract due to a change in scope of work. He then recommended that the Board approve a rate increase to the Dannenbaum

Engineering Contract contract. Following review and discussion, Director Parker moved that the Board approve the amendment to the contract with Binkley & Barfield, Inc. and the Lockwood, Andrews & Newnam, Inc. contract. Director Weppler seconded the motion, which carried by a vote of 6 for the motion with Director Postle abstaining.

The Board discussed negotiating with Brown & Gay Engineers, Inc. as the engineers for Contract 20, Van De Wiele Engineering, Inc. as the engineers for Contract 21, and LJA Engineering & Surveying, Inc. as the engineers for Contract 23. Following discussion, Director Parker moved that the Board authorize negotiations with Brown & Gay Engineers, Inc., for Contract 20, Van De Wiele Engineering, Inc. for Contract 21, and LJA Engineering & Surveying, Inc. for Contract 23. Director Burnett seconded the motion, which carried by a vote of five for the motion with Directors Postle and Weppler abstaining.

REVIEW BIDS AND AWARD CONTRACT

Mr. Ahrens reported that the Authority received six bids for the construction of the surface water lines Contracts 13B, C, and D. He stated that DEC had reviewed the bids and recommended award of the construction contract to the low bidder, Metro City Construction LP, in the amount of \$1,995,859.33. After discussion, Director Garden made a motion that was seconded by Director Parker and the Board voted unanimously to award the contract in the amount of \$1,995,859.33 to Metro City Construction LP for construction of surface water lines Contracts 13B, C, and D 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.

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.

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 Langham Colony, Ltd., Daniel and Sonia Montemayor, Liner Development, L.P., Konstantinos and Lilliania Lagou, Harris County Municipal Utility District No. 370, and Brenwood Estates, Ltd. Following discussion, Director Postle moved that the Board authorize acceptance of the easements. Director Wepler seconded the motion, which carried unanimously.

ADOPT RESOLUTION AUTHORIZING CONDEMNATION

The Board considered adopting a Resolution Authorizing Condemnation for Contract 18. Following discussion, Director Garden moved that the Board adopt the Resolution. Director Parker seconded the motion, which carried unanimously. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

DISCUSS REGION H WATER PLANNING GROUP

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

ADOPT RESOLUTION ADOPTING POLICY ON EARLY CONSTRUCTION OF SURFACE WATER LINES DUE TO DEVELOPER REQUESTS

The Authority considered adopting a Resolution Adopting Policy on Early Construction of Surface Water Lines Due to Developer Requests. Mr. Garcia pointed out that the Resolution establishes the policy for the construction of surface water lines earlier than scheduled when the Authority receives a request from a developer. After discussion, Director Beckendorff moved that the Authority adopt the Resolution Adopting Policy on Early Construction of Surface Water Lines Due to Developer Requests. The motion was seconded by Director Parker and carried by a vote of 6 for the motion with Director Rush abstaining. The Resolution, thus adopted, is attached to and shall be considered as part of these minutes.

AUTHORIZE CONSULTANTS TO PREPARE ANNUAL REPORT AND APPROVE ANNUAL REPORT IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION AGREEMENT

Mr. Garcia reminded the Board that the District is required to file an annual report in accordance with the Continuing Disclosure of Information Agreement. Upon a motion made by Director Garden and seconded by Director Parker, the Board voted unanimously to authorize preparation of the annual report and to approve the annual report prepared in accordance with the Continuing Disclosure of Information Agreement.

AUTHORIZE APPROPRIATE ACTION REGARDING APPROVAL AND FILING OF EMERGENCY RESPONSE PLAN

Director Parker moved that the Board authorize Director Rush to review and approve an Emergency Response Plan for the Authority. Director Weppler seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

Mr. Garcia reviewed with the Board certain legislative bills.

Director Weppler requested that E.P. Brady, Ltd., be contacted regarding Harris County Municipal Utility District No. 186.

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

Secretary, Board of Directors

(SEAL)

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