

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 14, 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 14th day of November, 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 Wepler	Director
Bruce Parker	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present except Directors Sallee and Wepler, 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"); 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 October 10, 2007, meeting. Mr. Ahrens requested that the minutes be revised to reflect that the Region H meeting was held on October 31, 2007. Following discussion, Director Parker moved to approve the minutes of the October 10, 2007, meeting as revised. The motion was seconded by Director Beckendorff 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.

## DISCUSS WEBSITE

In Ms. Payne's absence, Mr. Ahrens reported that the newsletter will be printed next Monday. Mr. Ahrens then reported that the conservation trailer would be at Bleyl Middle School.

Mr. Boone reported that a townhall meeting is being scheduled for November 19, 2007, at 6:30 p.m. at the Fry Road Municipal Utility District building.

## 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 Authority's Groundwater Reduction Plan. He stated that a meeting will be held on November 15, 2007, to discuss this matter further.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2007 through September is approximately 84.1% of that for last year at this date. Mr. Ahrens reported that approximately 5.19 million gallons per day of surface water was purchased from the City of Houston during October.

Mr. Ahrens reported that under the agreement to be executed with Harris County/Harris County Flood Control District (collectively, "the County"), the County has requested an increase in the allowed pumpage from 100 million gallons per year ("MGY") to 150 MGY. Following discussion, Director Postle moved to approve the request. Director Garden seconded the motion, which carried unanimously.

Mr. Ahrens reported that the Texas Water Development Board will conduct workshops November 13, 2007 through December 11, 2007. He also 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 DEC attended a meeting with the districts desiring to receive early delivery of surface water on November 13, 2007.

Mr. Ahrens reported that shrubs have been planted to camouflage the vent piping along the Contract 13D route.

Mr. Ahrens reported that Pate Engineers forwarded a letter on behalf of Mayde Creek Municipal Utility District ("Mayde Creek MUD") stating that Mayde Creek MUD will discontinue its emergency interconnect with Harris County Municipal Utility District No. 238 and defer conversion to chloramines disinfection until the Authority is ready to deliver surface water to Mayde Creek MUD.

## DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

The Board took no action on this matter.

## APPROVE WATER SUPPLY AGREEMENT

Mr. Boone reviewed with the Board a Water Supply Agreement with Harris County Municipal Utility District No. 70 (the "Agreement"). Following discussion, Director Parker moved to approve the Agreement. Director Garden seconded the motion, which carried unanimously.

## DISCUSS PURCHASE OF HGSD CONVERSION CREDITS

Mr. Ahrens stated that 1239 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 on September 26, 2007, 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 10 (Triple B Services, L.L.P.) is complete and close-out is recommended, Contract 12A (D.L. Elliott Enterprises) is awaiting start-up of Barker Cypress water plant nos. 2 and 3, and Contract 13A (Reliance Construction) is awaiting start-up of Harris County Municipal Utility District No. 149, Contract 14A (Huff & Mitchell) has completed installation of the 24-inch water main along the CenterPoint easement to Harris County Municipal Utility District No. 15, the pump station no. 1 (T&C Construction) is anticipating power to the site this week, and Contract 13B, C, and D is awaiting the installation of piping and electrical for all of the water plants.

He recommended approval of Pay Estimate No. 13 and Final in the amount of \$272,441.69 for Contract 10. Mr. Ahrens then recommended to accept the project effective November 27, 2007. Director Beckendorff moved to approve Pay Estimate No. 13 and Final in the amount of \$272,441.69, and based upon Mr. Ahren's recommendation, accept the project. Director Garden seconded the motion, which carried unanimously.

He then recommended approval of Change Order No. 1 in the amount of \$193,011.54 and Pay Estimate No. 16 in the amount of \$1,563,219.57 for pump station no. 1, Pay Estimate No. 13 in the amount of \$182,332.25 for Contract 7B, Pay Estimate No. 8 in the amount of \$3,890.42 for Contract 14A, and Pay Estimate No. 4 in the amount of \$320,901.77 for Contract 13B, C, and D. Upon a motion made by Director Beckendorff and seconded by Director Parker, the Board voted to approve the above mentioned change order and pay estimates, which passed unanimously.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens reported that no districts have requested reimbursement.

DISCUSS WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that the City Advisory Committee will meet on November 16, 2007.

REVIEW BIDS AND AWARD CONTRACT FOR WATER LINE FOR CONTRACT 7A

Mr. Ahrens reported that six bids were received for construction of the water line for Contract 7A. He recommended that the Board accept the low bid in the amount of \$3,938,574.00 submitted by Texas Sterling Construction Company. The Board concurred that award of a contract to Texas Sterling Construction Company will be most advantageous to the Authority and will result in the best and most economical completion of the Authority's facilities. After discussion, Director Garden moved to accept the low bid in the amount of \$3,938,574.00 submitted by Texas Sterling Construction Company for construction of the water line for Contract 7A. Director Cannon seconded the motion, which carried unanimously.

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 11, 2007, Klotz & Associates, Inc., the engineer for Contract 18, received City of Houston signatures on November 12, 2007, Sander Engineering, the engineer for Contract 12B, expects to submit 90% plans for review on November 30, 2007, Jones & Carter, Inc., the engineer for Contract 17A, submitted 75% plans for review on November 1, 2007, Binkley & Barfield, Inc., the engineer for Contract 11, submitted 75% plans for review on October 26, 2007, Brown & Gay Engineers, Inc., the engineer for Contract 20 is expected to submit 30% plans for review by December 4, 2007, Van De Wiele Engineering Corp., the engineer for Contract 21, is expected to submit 30% plans for review on October 29, 2007, and LJA Engineering and Surveying, Inc., the engineer for Contract 23 is expected to submit 30% plans for review on November 7, 2007.

Mr. Ahrens discussed the amendment to the contract with Jones & Carter, Inc. for Contract 17A in the amount of \$4,537.50 and the amendment to the contract with Sander Engineering Corporation for Contract 12B in the amount of \$8,288.50. Following review and discussion, Director Beckendorff moved to approve the amendment to the contract with Jones & Carter, Inc. in the amount of \$4,537.50 and the amendment to the contract with Sander Engineering Corporation for Contract 12B in the amount of \$8,288.50. Director Garden seconded the motion, which carried unanimously.

## DISCUSS CAPITAL IMPROVEMENTS PLAN

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

## 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. 3883 in the amount of \$306.15 payable to Karla Cannon, check no. 3884 in the amount of \$831.15 payable to Arthur Garden, check no. 3885 in the amount of \$77,524.01 payable to the City of Houston, check no. 3886 in the amount of \$314.00 payable to the Department of State Health Services, check no. 3887 in the amount of \$87,337.98 payable to Brown & Gay Engineers, Inc., check no. 3888 in the amount of \$2,326.50 payable to PBS&J, check no. 3889 in the amount of \$1,393.02 payable to One Call Systems, check no. 3890 in the amount of \$293,568.97 payable to Harris County Municipal Utility District No. 173, check no. 3891 in the amount of \$59,200.00 payable to LH800 Partners, and check no. 3892 in the amount of \$43,000.00 payable to Perry Homes LLC. Following discussion, Director Garden moved to approve the bookkeeper's report and the checks presented for payment. Director Burnett 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.

## 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 AMENDMENT TO OPERATOR'S CONTRACT

Mr. Van Dyke reviewed with the Board the Amendment to the operator's contract ("Amendment"). He explained that the Amendment extends the operator's contract to December 31, 2007. Following discussion, Director Parker moved to approve the Amendment. Director Cannon seconded the motion, which carried unanimously.

## 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 Perry Homes, LLC and LH800 Partners, Ltd. Following discussion, Director Postle moved to accept conveyance of the water line easements from Perry Homes, LLC and LH800 Partners, Ltd. Director Cannon seconded the motion, which carried unanimously.

ADOPT RESOLUTION AUTHORIZING CONDEMNATION

The Board considered adopting a Resolution Authorizing Condemnation for Contract 13. Following discussion, Director Cannon moved to adopt the Resolution. Director Parker seconded the motion, which carried unanimously. A copy of the Resolution is attached.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that the Region H Water Planning Group discussed growth in the Houston area and groundwater pumpage projections at its October 31, 2007, meeting.

DISCUSS PURCHASE OF ELECTRICITY

The Board deferred action on this matter.

APPROVE LEGAL CONFLICTS WAIVER OF ATTORNEY REPRESENTING THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

Mr. Boone presented conflicts waivers regarding representation by Allen Boone Humphries Robinson LLP of the West Harris County Regional Water Authority and Harris County Municipal Utility District No. 374, Harris County Municipal Utility District No. 371, and Harris County Municipal Utility District No. 500 regarding construction of surface water lines. After discussion, Director Garden moved to authorize execution of the conflicts waivers. Director Cannon seconded the motion, which passed unanimously.

DISCUSS RECORDING AND REPORTING OF ELECTRICITY, WATER, AND NATURAL GAS CONSUMPTION

Ms. Sotirake distributed copies of a memorandum prepared by ABHR regarding recording and reporting of electricity, water, and natural gas consumption, a copy of which is attached. Mr. Boone reviewed the memorandum with the Board.

ATTORNEY'S REPORT

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

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

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Secretary, Board of Directors

(SEAL)

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