

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

February 13, 2008

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 13th day of February, 2008, 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 Director Garden, 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"); Kim Shelnutt of Myrtle Cruz, Inc.; 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 January 9, 2008, meeting. Ms. Sotirake stated that she has revised the minutes to reflect the pumpage for 2007 through November as recommended by Mr. Ahrens. Following discussion, Director Beckendorff moved to approve the minutes of the January 9, 2008, meeting as revised. The motion was seconded by Director Parker and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

The Board did not receive any questions from the public.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

The Board did not receive any customer appeals.

DISCUSS WEBSITE

Ms. Payne reported that the construction brochures for Contract 7A and 18 have been sent out. She stated that Fred Bohoff with Kellogg Brown & Root is also a sponsor of the conservation trailer.

Ms. Payne stated that she has been working with Ms. Jarmon and Mr. Ahrens regarding the online reporting of the pumpage.

ALLIANCE FOR WATER EFFICIENCY

Director Burnett stated that the Finance Committee is recommending that the Authority not participate in sponsoring the Alliance for Water Efficiency. He explained that the Finance Committee did not at this time see a benefit to the Authority.

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 AEI Engineering, Inc. forwarded a letter on behalf of Harris County Municipal Utility District No. 102 ("MUD No. 102") requesting as-built drawings of the Authority's equipment on the water plant sites and the Authority contractor to post-televiser the recently installed 12-inch storm sewer at water plant no. 2.

Mr. Ahrens then reported that a town hall meeting was held on January 23, 2008, with the property owners along the Contract 7A water transmission main alignment.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2007 through December is approximately 89.3% of that for last year at this date. Mr. Ahrens reported that approximately 4.36 million gallons per day of surface water was purchased from the City of Houston during January.

Mr. Ahrens reported that the 2008 TWCA Convention will be held March 5-7, 2008 in The Woodlands and Texas Water 2008 will be held March 25-28, 2008, in San Antonio. Following discussion, Director Cannon moved to authorize any interested board members to attend. Director Rush seconded the motion, which carried unanimously.

Mr. Ahrens reported that the Coastal Water Authority ("CWA") has submitted a request for WIF funding to the Texas Water Development Board for the Luce Bayou project.

Mr. Ahrens reported that DEC has received and is reviewing the report from the North Harris County Regional Water Authority on the proposed Beltway 8 transmission main.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

Mr. Ahrens reported that the Authority has received requests for early delivery of surface water from Harris County Municipal Utility Districts Nos. 418, 433, 435, and 500.

APPROVE WATER SUPPLY AGREEMENT

The Board took no action on this matter.

DISCUSS PURCHASE OF HARRIS-GALVESTON SUBSIDENCE DISTRICT ("HGSD")
CONVERSION CREDITS

Mr. Ahrens stated that ten water conservation kits were purchased.

Mr. Ahrens reported that he received a revised version of the HGSD proposed rule changes to Section 8 metering and that he has no comments at this time.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) is awaiting power to be installed for the cathodic protection and system check; Contract 8 (Bearden Contracting) is awaiting start-up of Harris County Municipal Utility District No. 257; Contract 9 (C.E. Barker, Ltd.) is awaiting start-up of Harris County Municipal Utility District No. 144, Contract 13A (Reliance Construction) has surface water available to 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; pump station no. 1 (T&C Construction) has completed distribution piping and received water from the City on February 1, 2008, to start complete testing and disinfection with distribution in March, 2008; Contract 13B, C, and D (Metro City Construction) is working on the installation of piping and electrical for the related water plants; Contract 14B (Texas Sterling) began installing the small diameter lines and received large diameter material at the end of January; Contract 7A (Texas Sterling) is currently in the submittal process and is expected to receive pipe at the end of February; and Contract 18 (D.L. Elliott) mobilized for clearing and grubbing on January 28, 2008.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens stated that there were no requests for reimbursement.

DISCUSS WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that a subcommittee of the City Advisory Committee will meet on February 15, 2008.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, will submit plans to Harris County for signatures by February 19, 2008 and bid-ready plans are anticipated by mid-March, 2008; Sander Engineering, the engineer for Contract 12B, will submit plans to the City of Houston for signatures on February 21, 2008 and bid-ready plans are anticipated by March 6, 2008; Jones & Carter, Inc., the engineer for Contract 17A, will submit plans to the City for signatures on February 21, 2008 and bid-ready plans are anticipated by March 6, 2008; Binkley & Barfield, Inc., the engineer for Contract 11, is expected to submit 90% plans for review on February 15, 2008; Brown & Gay Engineers, Inc., the engineer for Contract 20, is expected to submit 75% plans for review by February 14, 2008; Van De Wiele Engineering Corp., the engineer for Contract 21, is expected to submit 90% plans for review on February 15, 2008, and LJA Engineering and Surveying, Inc., the engineer for Contract 23, is expected to submit 90% plans for review on February 15, 2008.

Mr. Ahrens discussed the amendment to the contract with Jones & Carter, Inc. for Contract 17A in the amount of \$3,950.00, the amendment to the contract with V&A Consultants for Contract 20 in the amount of \$19,316.00, the amendment to the contract with Weisser Engineering Company which increases the amount of work that can be authorized, and the amendment to the contract with Klotz Associates for Contract 18, which reflects a credit against the construction phase for Contract 7A. Following review and discussion, Director Beckendorff moved to approve the above-mentioned amendments to these contracts. Director Cannon seconded the motion, which carried by a vote of six for the motion, with Directors Postle and Weppler abstaining.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens stated that he had nothing new to report regarding the Capital Improvements Plan.

PAY ESTIMATES

Mr. Ahrens recommended approval of Pay Estimate No. 11 in the amount of \$140,154.34 for Contract 14A and Pay Estimate No. 7 in the amount of \$165,684.41 for Contract 13B, C, and D. Upon a motion made by Director Beckendorff and seconded by Director Weppler, the Board voted unanimously to approve the above mentioned pay estimates.

In response to a question from Director Weppler regarding the City of Houston's review of plans, Mr. Garcia stated that the contract with the City includes a provision regarding City review of Authority plans.

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. 4045 in the amount of \$1,234.92 payable to One Call Systems, Inc., check no. 4046 in the amount of \$9,302.00 payable to the Survcon Inc., and check no. 4047 in the amount of \$15,665 payable to Jong Ik Won and Jong Kuk Won. Following discussion, Director Parker 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 Directors Postle and Weppler abstaining. A copy of the bookkeeper's report is attached.

ADOPT AMENDED RESOLUTION AUTHORIZING BOOKKEEPER TO SIGN CERTAIN DISBURSEMENTS

The Authority considered adopting an amended Resolution Authorizing Bookkeeper to Sign Certain Disbursements. After review and discussion, Director Burnett moved to adopt the Resolution Authorizing Bookkeeper to Sign Certain Disbursements, a copy of which is attached to these minutes. The motion was seconded by Director Parker and carried by unanimous vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officer. Following review, Director Beckendorff moved to accept the annual disclosure statements of the bookkeeper and investment officer. Director Weppler seconded the motion, which was approved by unanimous vote.

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 reported that DEC has submitted over conversion credit applications for the permit term 2006-2007. He stated that the request is for a total of 1.29 billion gallons of credit.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of water line easements from Covenant Lutheran Church, William S. O'Donnell, Trustee, and Harris County Utility District No. 6 ("UD 6"); granting encroachments to Liner Development, L.P., SSI West Road, LLC, and Harris County Municipal Utility District No. 130; and approving a Conveyance of Water Line Easement Without Warranty from Harris County (the "County") and an Interlocal Agreement between the County, the Authority and Harris County Flood Control District. Mr. Garcia noted that UD 6 is represented by ABHR. Following discussion, Director Wepler moved to authorize acceptance of the water line easements from Covenant Lutheran Church, William S. O'Donnell, Trustee, and UD 6; granting encroachments to Liner Development, L.P., SSI West Road, LLC, and Harris County Municipal Utility District No. 130; and approving a Conveyance of Water Line Easement Without Warranty from the County and an Interlocal Agreement between the County, the Authority and Harris County Flood Control District. Director Parker seconded the motion, which carried unanimously.

ADOPT RESOLUTIONS AUTHORIZING CONDEMNATION

The Board considered adopting Resolutions Authorizing Condemnation for Contracts 17A and 21. Following discussion, Director Rush moved to adopt the Resolutions. Director Postle seconded the motion, which carried unanimously. A copy of the Resolutions are attached.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens stated that he had nothing new to report regarding Region H.

DISCUSS PURCHASE OF ELECTRICITY

Director Sallee requested that the Board authorize him to approve and execute a contract for electricity for the Authority upon terms determined acceptable by Director Sallee. Following discussion, Director Wepler moved to authorize Director Sallee to approve and execute a contract for electricity for the Authority upon terms determined acceptable by Director Sallee. Director Cannon seconded the motion, which carried unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS' SUMMER CONFERENCE

Mr. Garcia informed the Board that the Association of Water Board Directors will hold its summer conference on July 17-19, 2008, in San Antonio, Texas. Following discussion, Director Cannon moved to authorize any interested board members to attend the Association of Water Board Directors summer conference. Director Parker seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

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

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

Secretary, Board of Directors

(SEAL)

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