

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

October 1, 2008

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in special session, open to the public, on the 1st day of October, 2008, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside 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
Bruce Parker	Assistant Secretary
Art Garden	Director
Larry Wepler	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present except Directors Wepler and Rush, thus constituting a quorum.

Also present at the meeting were Terrell Palmer of First Southwest Company; Bill Walker of Harco Insurance Services; Ryan O'Hara and Jan Bartholomew of RBC Capital Markets; Scott McIntyre of First Southwest Asset Management, Inc.; Chris DeBow of RBC Public Fund Services; Gerald Smith and Cyril Theccanat of Smith, Graham & Company; Dan McDonald of Anco-McDonald Waterworks Insurance Services, L.L.C.; Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Mary Jarmon of Myrtle Cruz, Inc.; and Jim Boone, Alex Garcia, and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR").

RECEIVE PRESENTATIONS FROM INVESTMENT ADVISORY FIRMS

Mr. McIntyre reviewed investment services provided by First Southwest Asset Management, Inc.

Mr. DeBow reviewed investment services provided by RBC Public Fund Services.

Mr. Smith and Mr. Theccanat reviewed investment services provided by Smith, Graham & Company.

Discussion ensued regarding engaging an investment advisory firm. Upon a motion made by Director Beckendorff and seconded by Director Burnett, the Board voted unanimously to authorize Director Sallee to sign a contract for services with First Southwest Asset Management, Inc. for six months with a provision for termination without cause, subject to final review and approval by Director Sallee.

Ms. Jarmon discussed renewing a \$20,000,000 certificate of deposit at Texas State Bank.

AMENDMENTS TO ORDINANCES FROM THE CITY OF HOUSTON AND CITY OF KATY

Mr. Palmer discussed with the Board proposed amendments to ordinances from the City of Houston and City of Katy regarding variable rate bonds. Following discussion, Director Garden moved to authorize negotiations with the City of Houston and the City of Katy to obtain amendments to such ordinances to allow the Authority to issue variable rate bonds. Director Beckendorff seconded the motion, which carried unanimously.

DISCUSS PURCHASE OF ELECTRICITY

Director Sallee reviewed a proposed addendum to the Authority's electricity contract with Sempra Energy Solutions. Following discussion, Director Parker moved to authorize Director Sallee to approve and execute the addendum. Director Cannon seconded the motion, which carried unanimously.

RENEW AUTHORITY INSURANCE

Mr. Walker reviewed with the Board the insurance proposals from the Texas Municipal League Intergovernmental Risk Pool ("TML"). Mr. McDonald reviewed with the Board insurance proposals from Anco-McDonald Waterworks Insurance Services, L.L.C. ("Anco"). Discussion ensued regarding the public employee blanket bond, property, boiler and machinery, directors bond, directors and officers liability, general liability, auto liability, pollution liability, workers compensation insurance and travel accident insurance. Following discussion, Director Beckendorff moved to accept the proposals from Anco including directors and officers liability in the amount of \$5,000,000, umbrella liability in the amount of \$5,000,000, and the public employee blanket bond in the amount of \$500,000. Director Garden seconded the motion, which carried 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

None

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