

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

March 12, 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 12th day of March, 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, 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 Shelnett of Myrtle Cruz, Inc.; Mike Harrington of American Enerpower, Inc.; 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 February 13, 2008, meeting. Following discussion, Director Beckendorff moved to approve the minutes of the February 13, 2008, meeting as submitted. 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

The Board did not receive a report regarding the website.

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 Smith, Murdaugh, Little & Bonham, L.L.P. forwarded a letter on behalf of Harris County Municipal Utility District No. 185 ("MUD 185") requesting reimbursement in the amount of \$7,939.12 for unauthorized water usage and certain damages to MUD 185's facilities caused by the contractor for Contract 13B, C, and D.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2008 through January is approximately 92.0% of that for last year at this date. Mr. Ahrens reported that approximately 4.78 million gallons per day of surface water was purchased from the City of Houston during February.

Mr. Ahrens reported that the Texas Commission on Environmental Quality will hold an Environmental Trade Fair and Conference April 29-May 1, 2008 in Austin and the Annual Water Reuse and Desalination Research Conference will be held May 5-6, 2008, in Denver. Following discussion, Director Rush moved to authorize any interested board members to attend. Director Garden 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. He stated that approval will be considered at the March 25, 2008, meeting.

Mr. Ahrens reported that DEC is working on evaluating the alternatives for delivery of the future source of surface water from the City of Houston to the Authority.

Mr. Ahrens reported that DEC is working with the North Fort Bend Water Authority ("NFBWA") on joint facilities that will serve the Authority and the NFBWA.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

Mr. Ahrens reported that DEC is proceeding with preliminary efforts on the early delivery of surface water to 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 no water conservation kits were purchased.

Mr. Ahrens reported that the enforcement date for the 2010 conversion will be the permit renewal date, which is December 1, 2010, for the Authority. He also reported that the HGSD verified that Type B water conversion credits are good for 20 years from the date of purchase.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 7B (Huff & Mitchell) power was installed for the cathodic protection and system survey is in progress; Contract 8 (Bearden Contracting) started delivery of water to Harris County Municipal Utility District No. 257 on March 5, 2008; Contract 9 (C.E. Barker, Ltd.) is awaiting start-up of Harris County Municipal Utility District No. 144; Contract 13A (Reliance Construction) is complete; Contract 14A (Huff & Mitchell) has completed the water main installation and testing is in progress; pump station no. 1 (T&C Construction) is progressing toward delivery of surface water; Contract 13B, C, and D (Metro City Construction) is working on finalizing wire terminations for the related water plants; Contract 14B (Texas Sterling) began installing the small diameter lines to Remington Municipal Utility District No. 1 and installing the 36-inch line along the Harris County Flood Control District strip in the vicinity of West Road; Contract 7A (Texas Sterling) is currently installing the 36-inch line along the former Exxon easement near Concord Bridge; and Contract 18 (D.L. Elliott) is installing a 12-inch water line along Tanner Road to Harris County Municipal Utility District No. 341.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens reported that DEC is reviewing a request for reimbursement from Harris County Municipal Utility District No. 70.

DISCUSS WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Director Sallee reported that negotiations are continuing with the City of Houston regarding Luce Bayou.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Edminster, Hinshaw, Russ and Associates, the engineer for Contract 15A, will receive bids April 8, 2008; Sander Engineering, the engineer for Contract 12B, will receive bids April 1, 2008; Jones & Carter, Inc., the engineer for Contract 17A, will receive agency signatures and will advertise in approximately two

weeks; Binkley & Barfield, Inc., the engineer for Contract 11, is expected to submit bid-ready plans by May 1, 2008; Brown & Gay Engineers, Inc., the engineer for Contract 20, submitted 75% plans for review on February 28, 2008; Van De Wiele Engineering Corp., the engineer for Contract 21, submitted 90% plans for review on February 15, 2008; and LJA Engineering and Surveying, Inc., the engineer for Contract 23, submitted 90% plans for review on February 15, 2008.

Mr. Ahrens discussed the amendment to the contract with Brown & Gay Engineers, Inc. ("B&G") for Contract 20 in the amount of \$8,195.00. Following review and discussion, Director Beckendorff moved to approve the above-mentioned amendment to the B&G contract. Director Rush seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

DISCUSS CAPITAL IMPROVEMENTS PLAN

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

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 12 in the amount of \$243,090.76 for Contract 14A and Pay Estimate No. 1 in the amount of \$89,563.50 for Contract 7A, Pay Estimate No. 9 in the amount of \$65,956.87 for Contract 13A, Pay Estimate No. 12 in the amount of \$243,090.76 for Contract 14A, Pay Estimate No. 1 in the amount of \$288,105.80 for Contract 14B, Pay Estimate No. 1 in the amount of \$112,402.58 for Contract 18, Pay Estimate No. 19 in the amount of \$522,503.76 for pump station No. 1 Contract, and Change Order No. 4 in the amount of \$57,288.11 for pump station no. 1. Upon a motion made by Director Beckendorff and seconded by Director Cannon, the Board voted unanimously to approve the above mentioned pay estimates and change order.

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. 4096 in the amount of \$157.46 payable to Stacey Burnett, check no. 4097 in the amount of \$471.12 payable to Karla Cannon, check no. 4098 in the amount of \$1,872.12 payable to Gurrola Reprographics, check no. 4099 in the amount of \$1,214.40 payable to One Call Systems, Inc., and check no. 4100 in the amount of \$40,380.00 payable to JM Texas Land Fund No. 1, L.P. 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 seven for the motion with Directors Postle and Wepler 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.

UPDATE ON STATUS OF GROUNDWATER REDUCTION PLAN

Mr. Ahrens stated that he had nothing 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 Addicks Utility District, JM Texas Land Fund No. 1, Jong Ik Won and Jong Kuk Won, and Harris County Municipal Utility District No. 136 ("MUD 136") and granting an encroachment to Mount Houston Road Municipal Utility District. Following discussion, Director Cannon moved to authorize acceptance of the water line easements from Addicks Utility District, JM Texas Land Fund No. 1, Jong Ik Won and Jong Kuk Won, and Harris County Municipal Utility District No. 136 and granting an encroachment to Mount Houston Road Municipal Utility District. Director Parker seconded the motion, which carried unanimously.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens stated that the next meeting of the Region H Water Planning Group will be held on May 7, 2008, at 10:00 a.m.

DISCUSS PURCHASE OF ELECTRICITY

Director Sallee reported that he executed a three-month spot contract for electricity for the Authority with Sempra Energy Solutions, LLC.

ADOPT ORDER DECLARING DIRECTORS ELECTED AND CANCELING DIRECTORS APPOINTMENT PROCESS

The Board next considered adopting an Order Declaring Directors Elected and Canceling Directors Appointment Process for Director Precincts 3, 6, 7, and 8. Mr. Boone stated that Art Garden, Douglas Postle, Skipper Rush, and Dan Sallee have been appointed directors of the Authority to serve until May, 2012. Director Cannon moved that the Board adopt the Order. Director Parker seconded the motion, which passed unanimously.

DISCUSS CRISIS MANAGEMENT MEDIA RELATIONS PLAN

Director Sallee reviewed with the Board the Crisis Management Media Relations Plan, a copy of which is attached. Following discussion, Director Beckendorff moved to

approve the Crisis Management Media Relations Plan. Director Rush seconded the motion, which carried unanimously.

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.

Secretary, Board of Directors

(SEAL)

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