

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

March 11, 2009

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 11th day of March, 2009, 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
Bruce Parker	Assistant Secretary
Art Garden	Director
Larry Weppler	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present except Directors Sallee and Parker, thus constituting a quorum.

Also present at the meeting were Rick Van Dyke of SWWC Services, Inc. ("SWWC"); Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Barbara Payne of Payne Communications; Erin Garcia of Myrtle Cruz, Inc.; Jim Boone and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the February 11, 2009, meeting. Following discussion, Director Beckendorff moved to approve the minutes of the February 11, 2009, meeting as submitted. The motion was seconded by Director Burnett 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 AND CONSERVATION TRAILER

Ms. Payne reported that the Texas Water Development Board's seminar held February 10-12, 2009, regarding water conservation plans received many compliments.

Ms. Payne reported that Cypress-Fairbanks Independent School District has ordered 8,000 copies of the Journey to Panosophigus.

Ms. Payne then reported that sixth grade teachers are using a Teachers Activity Guide-Texas Water Origins and Destinations.

Ms. Payne also reported that the new conservation trailer is at the outfitter.

The Board took no action regarding approval of a water conservation trailer agreement with the North Harris County Regional Water Authority ("NHCRWA").

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 a memorandum regarding the odor and taste issue with Harris County Municipal Utility District No. 172's water. He pointed out that the water quality testing at Harris County Municipal Utility District No. 155 indicated that surface water being delivered by the Authority is within the Texas Commission on Environmental Quality's recommended parameters.

Mr. Ahrens reported that DEC approved work authorization No. 1 for Jones & Carter, Inc., in the amount of \$10,000 for sub-consultant coordination services for Contract 22A-2.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2009 through January is approximately 91.2% of that for last year at this date. Mr. Ahrens reported that approximately 8.56 million gallons per day of surface water was purchased from the City of Houston (the "City") during February.

Mr. Ahrens reported that SWWC is preparing the Operation and Maintenance Manual for Pump Station No. 1, which will be submitted to the Texas Commission on Environmental Quality ("TCEQ") before March 21, 2009, to meet the compliance date. Mr. Ahrens reported that DEC submitted the Authority's annual Storm Water Quality Management Report and the permit renewal application on March 11, 2009.

Mr. Ahrens reported that the Authority Program Management staff members are continuing to work on the Surface Water Supply Evaluation to the Mission Bend municipal utility districts. He stated that the study would address financial aspects of

the Mission Bend Water Supply options as well as the financial aspects of future Authority projects.

Mr. Ahrens reported that on March 9, 2009, the City, the Authority, the North Harris County Regional Water Authority, and the NFBWA met to discuss upcoming legislation that might affect the City and Authorities.

Mr. Ahrens reported that a workshop was held on March 3, 2009, for the stakeholders in the Luce Bayou project to discuss alternative delivery methods, project scheduling, and the financial impacts of the delivery alternatives.

Mr. Ahrens reviewed a letter dated February 12, 2009, to Elliott Enterprises, Inc. on behalf of the Board of Directors of the Lakes on Eldridge North Community Association thanking them for the professionalism during the Contract 18 construction project.

Mr. Ahrens reviewed a letter dated February 19, 2009, from Huitt-Zollars, Inc. on behalf of Harris County Municipal Utility District No. 250 ("MUD 250") requesting additional reimbursement for the chloramine disinfection system. He stated that based on the Authority's current Conversion Reimbursement Standards, MUD 250 is not eligible for additional reimbursement.

Mr. Ahrens then reported that Severn Trent Services, Inc., the operator for Harris County Municipal Utility District No. 163 ("MUD 163"), is requesting reimbursement for 2,600,000 gallons of water lost due to a malfunction in the Authority's facilities at the MUD 163 water plant. Mr. Ahrens stated that ST stated that MUD 163 has been receiving surface water with high chloramine and free ammonia levels. Mr. Ahrens reported that SWWC tested the surface water delivered to MUD 163 and the levels are within the TCEQ recommended parameters.

Mr. Ahrens reviewed a letter dated January 26, 2009, from Randal Ward on behalf of Harris County Municipal Utility District No. 102 requesting clarification regarding districts being required to take 100% surface water. Mr. Ahrens stated that districts should exercise their wells on a regular basis and will be expected to use their wells to meet peak demands.

Mr. Ahrens reviewed a letter dated March 2, 2009, from Bradley Jenkins on behalf of Harris County Municipal Utility District No. 183 ("MUD 183") requesting reimbursement for 3,881,000 gallons of water lost due to a malfunction in the Authority's facilities at MUD 183's water plant.

Mr. Ahrens reported that DEC has initiated working with the districts receiving surface water and those that will be receiving surface water by 2010 to develop Hurricane Preparedness Procedures.

Mr. Ahrens reviewed the Incident Report regarding an attempted hacking incident.

Mr. Ahrens reported that the Harris County Flood Control District (“HCFCD”) is requesting confirmation that the Authority is participating in the NFBWA Line Segments 1 and 0 before it will approve the NFBWA’s plans. Following discussion, Director Garden moved to authorize Mr. Ahrens to send a letter to the HCFCD confirming the Authority’s participation. Director Cannon seconded the motion, which carried unanimously.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

The Board took no action on this matter.

APPROVE AMENDMENT TO WATER SUPPLY AGREEMENT

Mr. Boone reviewed with the Board an amendment to the Water Supply Agreement with Harris County Municipal Utility District No. 70 (the “Amendment”). Following discussion, Director Weppler moved to approve the Amendment. Director Cannon seconded the motion, which carried unanimously.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens stated that Contract 12B (Pace Services) will be delivering surface water to Jackrabbit Road Public Utility District in approximately two weeks; Contract 15A (Cravens Partners) started delivery of surface water to Harris County Municipal Utility District No. 127 and Langham Creek Utility District No. 2 in the past week; Contract 14A (Huff & Mitchell) is waiting on plant work at West Harris County Municipal Utility District Nos. 14 and 15, and Harris County Municipal Utility District No. 172; pump station no. 1 (T&C Construction) is finalizing the control system, security and training; Contract 14B (Texas Sterling) is waiting on the Remington Municipal Utility District plant work; Contract 7A (Texas Sterling) is waiting on completion of final punch list items; Contract 11 (Texas Sterling) has completed installation of the 36-inch water main from Contract 17A to Beaver Hill; Contract 17A (D.L. Elliott) has completed a 36-inch water main with testing and restoration ongoing; Contract 23 (D.L. Elliott) is installing a 16-inch water line at Clay Road and Greenhouse; Contract 20 (Cravens Partners) has completed installation of a 24-inch water line along Barker Cypress north toward the connection to Contract 17A; and Contract 21 (D.L. Elliott) is installing a 16-inch water line along Cairnway.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

The Board took no action on this matter.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Lockwood, Andrews & Newnam, Inc., the engineer for Contract 22A-1, is expected to submit 50% plans for review the first and second weeks in April, 2009, Sander Engineering, the engineer for Contract 22B, is expected to submit 50% plans for review the first and second weeks in April, 2009, Jones & Carter, Inc., the engineer for Contract 22A-2, is expected to submit 50% plans for review the first and second weeks in April, 2009, and Costello, Inc., the engineer for Contract 22C, is expected to submit 50% plans for review the first and second weeks in April, 2009.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens reported that the final draft of the Second Source Water Study has been completed. He stated that copies have been sent to the NHCRWA and the North Fort Bend Water Authority.

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 2 in the amount of \$179,203.05 for Contract 21, Pay Estimate No. 10 in the amount of \$11,970.47 for Contract 15A, Pay Estimate No. 9 in the amount of \$586,315.21 on Contract 17A, Pay Estimate No. 5 in the amount of \$143,707.50 for Contract 23, Pay Estimate No. 5 in the amount of \$1,086,002.13 for Contract 11; and Pay Estimate No. 4 in the amount of \$717,501.25 for Contract 20. Upon a motion made by Director Beckendorff and seconded by Director Burnett, the Board voted unanimously to approve the above mentioned pay estimates.

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

Mr. Ahrens reported that he and Ms. Cross met with Harris Galveston Subsidence District on May 4, 2009, to discuss the requirements that the Authority must fulfill in order to receive Over-Conversion Credits for the effluent used by Hearthstone Country Club. He stated that the Authority will receive the Over-Conversion Credits if the meter on the effluent is replaced by a HGSD approved meter.

Mr. Ahrens reported that 1,036 conservation kits have been purchased.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report, the investment report, a budget comparison, and the disbursements in the bookkeeper's report submitted for the Authority's review. Ms. Garcia also reviewed check no. 4740 in the amount of \$1,407.00 payable to Bernstein-Perwien Properties, check no. 4741 in the amount of \$661.35 payable to George Rush, check no. 4742 in the amount of \$764.75 payable to One Call

Systems, Inc., and check no. 4743 in the amount of \$8,762.50 payable to Cobb Fendley & Associates, Inc. Following discussion, Director Garden moved to approve the bookkeeper's report, the above-mentioned checks, and the disbursements reflected in the bookkeeper's report. Director Burnett seconded the motion, which carried by a vote of five for the motion, with Directors Postle and Wepler abstaining. A copy of the bookkeeper's report is attached.

Ms. Garcia then presented check no. 4744 in the amount of \$166,810.00 payable to Costello, Inc. Following discussion, Director Wepler moved to approve check no. 4744. Director Burnett seconded the motion, which carried by a vote of six for the motion, with Director Beckendorff abstaining.

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.

The Board requested that Mr. Van Dyke look into the solenoid problem.

ADOPT RESOLUTIONS AUTHORIZING ACQUISITION OF REALTY INTERESTS

The Board took no action on this matter.

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 Cypress Creek Lakes Property Owners Association, Inc. and MPL Development, L.P. and approving an encroachment letter to Cypress-Fairbanks Independent School District ("CFISD"). Following discussion, Director Garden moved to authorize acceptance of the water line easements from Cypress Creek Lakes Property Owners Association, Inc. and MPL Development, L.P. and approving an encroachment letter to CFISD. Director Cannon seconded the motion, which carried by a vote of six for the motion with Director Wepler abstaining.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens stated that he had nothing new to report regarding the Region H Water Planning Group.

DISCUSS PURCHASE OF ELECTRICITY

Mr. Boone requested that the Board authorize Director Sallee to approve and execute a contract for electricity for the Authority. Following discussion, Director Garden moved to authorize Director Sallee to approve and execute a contract for electricity for the Authority. Director Burnett seconded the motion, which carried unanimously.

UPDATE REGARDING 2009 LEGISLATIVE SESSION

Mr. Boone updated the Board on the 2009 legislative session.

ADOPT FIRST AMENDED RESOLUTION AUTHORIZING APPROVAL OF WORK ORDERS AND CHANGE ORDERS

The Authority considered adopting a First Amended Resolution Authorizing Approval of Work Orders and Change Orders ("Resolution"). After review and discussion, Director Beckendorff moved to adopt the First Amended Resolution Authorizing Approval of Work Orders and Change Orders. The motion was seconded by Director Garden and carried by unanimous vote.

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

Secretary, Board of Directors

(SEAL)

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