

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

April 8, 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 8th day of April, 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 Wepler	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 SWWC Services, Inc. ("SWWC"); Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Barbara Payne of Payne Communications; Erin Garcia of Myrtle Cruz, Inc.; Alex Garcia 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 March 11, 2009, meeting. Following discussion, Director Garden moved to approve the minutes of the March 11, 2009, meeting as revised. The motion was seconded by Director Rush and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

Mr. Scholes stated that the Authority would be receiving a letter from Renn Road Municipal Utility District regarding early conversion.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

The Board did not receive any customer appeals.

RECEIVE REPORTS REGARDING SEMI-ANNUAL TEST OF CONSULTANT CONTRACTS

The Board reviewed the report regarding the semi-annual test of consultant contracts for the period April 1, 2008, to September 30, 2008.

DISCUSS WEBSITE AND CONSERVATION TRAILER

Ms. Payne reported that there are funds remaining from the Texas Water Development Board's seminar that was held February 10-12, 2009, regarding water conservation plans. She recommended that the funds be used for the next seminar scheduled for June.

Ms. Payne reported that the on-line reporting is being finalized.

Ms. Payne then reported that the operators have requested 30,000 copies of the three water conservation brochures. Following discussion, Director Parker moved to authorize printing and distribution of the brochures at a cost not to exceed \$8,000. Director Garden seconded the motion, which carried unanimously.

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").

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.

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 the Program Manager approved work authorization No. 15 for Cobb Fendley & Associates, Inc. in the amount of \$15,000 for expert opinion and testimony and work authorization no. 1 for Costello, Inc. in an amount not to exceed \$14,000 for sub-consultant coordination. Mr. Ahrens then discussed work authorization no. 1 for DEC in the amount of \$36,880.00 for enhancing, updating, and maintaining the Authority's GIS. Following discussion, Director Weppler moved to approve work authorization no. 1 to DEC. Director Postle seconded the motion, which carried by a vote of eight for the motion with Director Sallee abstaining.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2009 through February is approximately 98.3% of that for last year at this date. Mr. Ahrens reported that approximately 9.62 million gallons per day of surface water was purchased from the City of Houston (the "City") during March.

Mr. Ahrens reported that DEC submitted an update on the status of projects and a list of upcoming projects to the Texas Commission on Environmental Quality ("TCEQ").

Mr. Ahrens reported that a conference call was held on March 31, 2009 with the Coastal Water Authority ("CWA"), the City, the four water authorities, and the CWA's consultants for the Luce Bayou project to discuss the status and upcoming issues. He stated that conference calls would be scheduled every month. Mr. Ahrens then reported that AECOM would post a status report on the Luce Bayou website. He then stated that the CWA would be establishing a Luce Bayou Technical Review Committee and that the Design Committee recommends that Mr. Ahrens be appointed to the Committee. Following discussion, Director Rush moved to appoint Mr. Ahrens to the Committee. Director Weppeler seconded the motion, which carried unanimously.

Mr. Ahrens reported that the 9th Annual Statewide Water Conference would be held April 17, 2009, in Austin, Texas, and that the Water Reuse and Desalination Conference would be held May 18-19, 2009, in Huntington Beach, California.

Mr. Ahrens reported that the North Fort Bend Water Authority's ("NFBWA") design of the pump station in the Mission Bend area is on hold until the Authority responds regarding the participation in the capacity of the NFBWA's pump station. He stated that the Design Committee is evaluating alternatives.

Mr. Ahrens reported that DEC is working with SWWC to develop Hurricane Preparedness Procedures and worked with SWWC to develop the TWDB utility profile.

Mr. Ahrens then reported that DEC is working with the Finance Committee and the Authority's financial advisors regarding the sizing, timing, and funding of the next bond issue.

DISCUSS REQUESTS FOR SURFACE WATER AVAILABILITY

The Board took no action on this matter.

APPROVE AMENDMENT TO WATER SUPPLY AGREEMENT

The Board took no action on this matter.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens provided an update regarding the status of Contracts 14A, 14B, 7A, 12B, 15A, 17A, 11, 23, 20, 21 and Pump Station No. 1.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens recommended that Harris County Municipal Utility District No. 341 be reimbursed in the amount of \$549,551.49. Following discussion, Director Weppler moved to approve the reimbursement costs. Director Beckendorff seconded the motion, which carried unanimously.

Mr. Ahrens recommended that Harris County Municipal Utility District No. 370 be reimbursed in the amount of \$307,500.00. Following discussion, Director Weppler moved to approve the reimbursement costs. Director Beckendorff seconded the motion, which carried unanimously.

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, submitted 50% plans for review on April 6, 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, submitted 50% plans for review on March 30, 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. 3 in the amount of \$110,802.60 for Contract 21, Pay Estimate No. 11 and Final in the amount of \$106,094.35 for Contract 15A, Pay Estimate No. 10 in the amount of \$110,793.93 on Contract 17A, Pay Estimate No. 6 in the amount of \$158,276.70 for Contract 23, Pay Estimate No. 6 in the amount of \$880,116.30 for Contract 11; Pay Estimate No. 5 in the amount of \$176,793.23 for Contract 20, and Pay Estimate No. 12 and Final in the amount of \$211,547.78 for Contract 7A. Upon a motion made by Director Garden and seconded by Director Rush, the Board voted unanimously to approve the above mentioned pay estimates.

Mr. Ahrens then recommended that the Board accept Contract 7A. Following discussion, Director Wepler moved to accept Contract 7A. Director Parker seconded the motion, which carried unanimously. He then recommended that the Board accept Contract 15A. Following discussion, Director Parker moved to accept Contract 15A. Director Beckendorff seconded the motion, which carried unanimously.

Mr. Wepler then suggested that the Design Committee discuss the delay of the Harris County Municipal Utility District No. 172 contract.

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

Mr. Ahrens reported that 644 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. 4795 in the amount of \$310.05 payable to Karla Cannon, check no. 4796 in the amount of \$5,400.00 payable to Integra Realty Resources, check no. 4797 in the amount of \$1,280.97 payable to Andrews Kurth, LLP, check no. 4798 in the amount of \$17,000 payable to Joyce, McFarland + McFarland LLP, check no. 4803 in the amount of \$549,551.49 payable to Harris County Municipal Utility District No. 341, and check no. 4804 in the amount of \$307,500.50 payable to Harris County Municipal Utility District No. 370. Following discussion, Director Burnett moved to approve the bookkeeper's report, the above-mentioned checks, and the disbursements reflected in the bookkeeper's report. Director Garden seconded the motion, which carried by a vote of five for the motion, with Directors Postle, Wepler, Beckendorff, and Salle abstaining. A copy of the bookkeeper's report is attached.

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.

ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board considered adopting an Order Adopting Amended and Restated Drought Contingency Plan ("Order"). Upon a motion made by Director Cannon and

seconded by Director Parker, the Board voted unanimously to adopt the Order as presented.

ADOPT ORDER ADOPTING WATER CONSERVATION PLAN

The Board considered adopting an Order Adopting Water Conservation Plan ("Order"). Director Postle moved to adopt the Order. Director Garden seconded the motion, which carried by a vote of eight for the motion with Director Wepler voting against the motion.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board discussed acquisition of water line easements from Harris County Municipal Utility District No. 433 and Douglas Wayne Swonke, Katherine Swonke Springs, Carolyn Swonke Tanner, Janice Swonke Jones, and Anna Swonke. Following discussion, Director Postle moved to authorize acceptance of the water line easements from Harris County Municipal Utility District No. 433 and the Swonkes. Director Cannon seconded the motion, which carried by a vote of seven for the motion with Directors Wepler and Beckendorff abstaining.

DISCUSS CRISIS MANAGEMENT MEDIA RELATIONS PLAN

Mr. Garcia reviewed with the Board the Crisis Management Media Relations Plan, a copy of which is attached. Following discussion, Director Rush moved to approve the Crisis Management Media Relations Plan. Director Burnett seconded the motion, which carried unanimously.

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

Director Sallee reported that, pursuant to the Board's authorization at the March 11, 2009 meeting, he approved and executed a one-year contract for electricity for the Authority.

UPDATE REGARDING 2009 LEGISLATIVE SESSION AND SUPPLEMENTAL ENGAGEMENT LETTER WITH ABHR

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

Mr. Garcia also discussed with the Board a supplemental engagement letter with ABHR for services in connection with special legislation pertaining to the Authority

during the 2009 legislative session. Following discussion, Director Rush made a motion to authorize execution of the supplemental engagement letter with ABHR. Director Cannon seconded the motion, which carried by unanimous vote.

RESOLUTION REQUESTING FINANCIAL PARTICIPATION FROM THE TEXAS WATER DEVELOPMENT BOARD AND AUTHORIZING THE FILING OF AN APPLICATION FOR FINANCIAL PARTICIPATION

The Authority considered adopting a Resolution Requesting Financial Participation from the Texas Water Development Board and Authorizing the Filing of an Application for Financial Participation ("Resolution"). After review and discussion, Director Beckendorff moved to adopt the Resolution. The motion was seconded by Director Parker and carried by a vote of eight for the motion with Director Postle voting against the motion.

EXECUTION OF DOCUMENTS RELATED TO APPLICATION TO TEXAS WATER DEVELOPMENT BOARD FOR FINANCIAL ASSISTANCE

Mr. Garcia next explained that there will be various documents related to the application to the Texas Water Development Board for financial assistance requiring execution by the directors. He requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction. Director Beckendorff moved to authorize execution of documents related to the application to the Texas Water Development Board for financial assistance. Director Burnett seconded the motion, which carried by a vote of eight for the motion with Director Postle voting against the motion.

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

Secretary, Board of Directors

(SEAL)

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