

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

June 10, 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 10th day of June, 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 except Directors Cannon and Beckendorff, 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 May 13, 2009, meeting. Following discussion, Director Burnett moved to approve the minutes of the May 13, 2009, meeting as revised. The motion was seconded by Director Parker and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

There were no 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 also reported that the on-line reporting is available for use.

Ms. Payne stated that the Finance Committee discussed possible participation in the Alliance for Water Efficiency (the "Alliance"). Following discussion, Director Burnett moved to authorize participation in the Alliance and to approve payment of a \$500.00 membership fee. Director Parker seconded the motion, which carried unanimously.

Ms. Payne reported that a water conservation seminar has been scheduled for July 1 and 2, 2009.

Ms. Payne then reported that approximately 30,000 conservation brochures have been distributed in the past two months.

APPROVE WEBSITE DEVELOPMENT AND MANAGEMENT AGREEMENT

Mr. Garcia reviewed with the Board the Website Development and Management Agreement (the "Agreement"). Following review and discussion, Director Garden moved that the Board approve the Agreement. Director Burnett seconded the motion, which carried unanimously.

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 with the Board a monthly pumpage report. He pointed out that the pumpage for 2009 through April is approximately 102% of that for last year at this date. Mr. Ahrens reported that approximately 11.29 million gallons per day of surface water was purchased from the City of Houston (the "City") during May.

Mr. Ahrens reported that the Director Weppler, Mr. Garcia and he met with the Harris-Galveston Subsidence District's (HGSD) staff on May 27, 2009. He stated that the HGSD is requiring that all wells in the Authority's Groundwater Reduction Plan be aggregated under one permit in the name of the Authority effective with the 2009/2010 permit period.

Mr. Ahrens then reported that the Advisory Committee, which includes the City of Houston (the "City"), the Authority, the North Harris County Regional Water Authority (NHCRWA), and the North Fort Bend Water Authority met on June 8, 2009, to discuss the Luce Bayou Project. He stated that the Advisory Committee determined that the Coastal Water Authority should proceed on a traditional "design/bid/build" process and not a "construction manager at risk" process. Mr. Ahrens also reported

that the City's participation in the Authority's Second Source Pipeline and/or portions of the NHCRWA Beltway 8 line was also discussed.

Mr. Ahrens reviewed a letter dated June 3, 2009, from the City which included the projected operation and maintenance rates for the fiscal year 2010.

Mr. Ahrens reviewed a letter from Renn Road Municipal Utility District requesting that the Authority allow them to convert to surface water prior to the scheduled 2012 conversion date.

Mr. Ahrens reported that DEC is working with SWWC to develop Hurricane Preparedness Procedures.

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.

Mr. Ahrens reported that he approved work authorization No. 17 for Cobb Fendley & Associates, Inc. in the amount of \$9,300.00 for surveying services as revisions to survey drawing 22C-6, 22C-7A, 22C-7B, and 22C-8 based on Harris County's proposed widening of Cypress Creek. Mr. Ahrens also reported that he approved work authorization No. 3 for Jones & Carter, Inc. ("J&C"), in the amount of \$7,000.00 for sub-consultant coordination service as part of Contract 22A-2.

APPROVE 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, 12B, 17A, 11, 23, 20, 21 and Pump Station No. 1.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens reported that Harris County Municipal Utility District No. 250 ("MUD 250") has requested additional reimbursement in the amount of \$136,784.55. Lengthy discussion ensued. Director Burnett moved that the Board deny MUD 250's request, Director Garden seconded the motion, with Directors Postle and Weppeler abstaining and Director Salle voting against the motion. The motion failed due to lack of a majority vote.

DISCUSS ENGINEERING SERVICES CONTRACTS

Mr. Ahrens reported that Lockwood, Andrews & Newnam, Inc., the engineer for Contract 22A-1, submitted 75% plans for review during the fourth week in May, 2009 and the first week in June, 2009, Sander Engineering, the engineer for Contract 22B, submitted 75% plans for review during the fourth week in May, 2009 and the first week in June, 2009, J&C, the engineer for Contract 22A-2, submitted 75% plans for review during the fourth week in May, 2009 and the first week in June, 2009, and Costello, Inc., the engineer for Contract 22C, submitted 75% plans for review during the fourth week in May, 2009 and the first week in June, 2009.

Mr. Ahrens discussed Addendum No. 1 to the contract with V & A Consulting Engineers, Inc., which increases the maximum amount of fees from \$100,000 to \$200,000. Following review and discussion, Director Weppler moved to approve Addendum No. 1 to the contract with V & A Consulting Engineers, Inc. Director Garden seconded the motion, which carried unanimously.

DISCUSS CAPITAL IMPROVEMENTS PLAN

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

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 5 in the amount of \$123,511.05 for Contract 21, Pay Estimate No. 12 in the amount of \$52,837.20 on Contract 17A, Pay Estimate No. 8 in the amount of \$27,899.08 for Contract 23, Pay Estimate No. 8 in the amount of \$267,182.10 for Contract 11, Pay Estimate No. 7 in the amount of \$389,235.31 for Contract 20, Pay Estimate No. 17 in the amount of \$272,352.44 for Contract 14A, Pay Estimate No. 5 in the amount of \$123,511.05 for Contract 21, and Pay Estimate No. 27 and Final in the amount of \$194,476.52 and Change Order No. 8 for Pump Station No. 1. He then recommended that the Board accept the Pump Station No. 1 project. Upon a motion made by Director Weppler and seconded by Director Parker, the Board voted unanimously to approve the above mentioned pay estimates and change order and accept the Pump Station No. 1 project.

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. 4907 in the amount of \$40,457.48 payable to Costello, Inc., check no. 4908 in the amount of \$1,320.00 payable to Accutest Lab, and check no. 4909 in the amount of \$900.00 payable to Seaback Maintenance. Following discussion, Director Rush moved to approve the bookkeeper's report, the above-mentioned checks, the disbursements reflected in the bookkeeper's report except the check to J&C, and the monthly investment report. Director Burnett

seconded the motion, which carried by a vote of five for the motion, with Directors Postle and Sallee abstaining. Following discussion, Director Burnett moved to approve the check payable to J&C. Director Rush seconded the motion, which carried by a vote of six for the motion with Director Wepler abstaining. A copy of the bookkeeper's report is attached.

DISCUSS PUMPAGE FEE EXCEPTION REPORT

Ms. Garcia reviewed with the Board the attached 2008 pumpage fee exception report. She pointed out that 21 accounts need to be invoiced and 12 accounts are due credits because of overpayment. Following discussion, Director Garden moved to take no action on accounts that have a credit or payment of less than \$1,500 until the accumulated amount reaches \$1,500. Director Parker seconded the motion, which carried by a vote of six for the motion, with Director Wepler 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.

Mr. Van Dyke reported that the City is not providing 10,000 gallons per minute of surface water. Mr. Ahrens stated that the Authority needs to pay the next raw water fee payment in the near future.

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 took no action on this matter.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that the Program Manager has been coordinating with and providing information to the Regional H consultants to verify that the Authority is included in the updated Regional Water Plan in order to be eligible for Texas Water Development Board funding.

UPDATE REGARDING 2009 LEGISLATIVE SESSION

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

APPROVE ANNUAL REPORT IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION AGREEMENT

Mr. Garcia reminded the Board that the District is required to file an annual report in accordance with the Continuing Disclosure of Information Agreement. Upon a motion made by Director Parker and seconded by Director Burnett, the Board voted unanimously to approve the annual report and authorize filing of same.

TOUR OF PUMP STATION

Mr. Garcia reported that Harris County Municipal Utility District No. 264 ("MUD 264") has requested a tour of the Authority's pump station. Following discussion, Director Burnett moved to authorize Ms. Payne to coordinate the tour for the directors of districts served by the Authority. Director Weppler seconded the motion, which carried unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.072, TEXAS GOVERNMENT CODE, TO DISCUSS PURCHASE AND VALUE OF TRACTS FOR WATER LINE EASEMENTS/RIGHTS-OF-WAY, AND CONSULTATION WITH ATTORNEY REGARDING LITIGATION INVOLVING SUCH TRACTS AND EASEMENTS

The Board did not convene in executive session.

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

Secretary, Board of Directors

(SEAL)

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