

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 12, 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 12th day of August, 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, 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 July 8, 2009, meeting. Following discussion, Director Beckendorff moved to approve the minutes of the July 8, 2009, meeting as submitted. The motion was seconded by Director Weppler 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

Ms. Payne reported that the on-line reporting is available for use.

Ms. Payne then reported that the sequel to Journey to Panosophigus is at the printer.

Ms. Payne stated that she is working on the invitation to directors for the tour of the pump station scheduled for September 15, 2009.

Ms. Payne reported that an Outreach meeting has been scheduled for the last week in September at the North Harris County Regional Water Authority to discuss water conservation.

Ms. Payne also reported that a townhall meeting will be scheduled for October.

AUTHORITY BOND ISSUE, SERIES 2009

Mr. Garcia discussed the tentative schedule for the sale of the Authority's Series 2009 Bonds.

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 June is approximately 106.4% of that for last year at this date. Mr. Ahrens reported that approximately 14.51 million gallons per day of surface water was purchased from the City of Houston (the "City") during July.

Mr. Ahrens reported that the North Fort Bend Water Authority ("NFBWA") and the Authority will jointly share waterline capacity in the Authority's Precinct 1 area. He then reviewed the attached letter from the Harris County Flood Control District ("HCFCD") regarding use of HCFCD right-of-way.

Mr. Ahrens reviewed a list of terms for the Authority and NFBWA Interlocal Agreement for joint participation in the Second Source Pipeline and associated booster pump stations.

Mr. Ahrens reported that he, and other Authority Program Manager staff, met with the Harris Galveston Subsidence District (HGSD) on July 29, 2009, to discuss the HGSD's process regarding the aggregation of the Authority's well permits and the materials that the Authority will be required to submit to the HGSD for the 2009-2010 permit term.

Mr. Ahrens discussed the attached July 2009 Coastal Water Authority Luce Bayou Interbasin Project Status Report. He stated that the Luce Bayou Project Team prepared a conceptual report on the direct connection from the Luce Bayou project to the Northeast water plant.

Mr. Ahrens reported that Senator Kip Averitt will sponsor a water event November 4-5, 2009, in Dallas.

Mr. Ahrens reviewed a letter from Mischer Investments, LP, dated July 15, 2009, indicating that Harris County Municipal Utility District Nos. 433 and 435 have delayed their need for surface water until the third quarter of 2011.

Mr. Ahrens then reported on a series of emails involving a customer in Rolling Creek Utility District regarding chloramines.

Mr. Ahrens reviewed an email from Ben Agee, dated July 23, 2009, on behalf of Harris County Utility District Nos. 163 and 264 reflecting the lab data tests for chloramines and free ammonia. He stated that the results were in a range recommended by the TCEQ.

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 also reported that the DEC is continuing work on expanding the Authority GIS System.

Mr. Ahrens then requested that the Board approve a letter to the North Harris County Regional Water Authority ("NHCRWA") from the Authority stating that the Authority does not object to the NHCRWA communicating with NRG Texas LLC regarding acquisition of a pump station site. Director Postle moved that the Board approve the letter to the NHCRWA and authorize execution by Director Sallee. Director Wepler seconded the motion, which carried unanimously.

Mr. Ahrens reported that the Authority sent letters to permit holders regarding the HGSD's aggregation of permits and the Authority's payment of permit fees. He also stated that such letters included permit renewal forms. He stated that the deadline for submitting the permit renewal forms to the Authority is September 1, 2009.

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, 17A, 11, 23, 20, and 21.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

The Board took no action on this matter.

WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that the City of Houston began increasing the water supply to the Authority on July 23, 2009.

DISCUSS ENGINEERING SERVICES CONTRACTS AND WORK AUTHORIZATIONS

Mr. Ahrens reported that Lockwood, Andrews & Newnam, Inc., the engineer for Contract 22A-1, submitted plans to the TCEQ for review in July, 2009, and is expected to receive agency signatures by the end of August, 2009, Sander Engineering, the engineer for Contract 22B, submitted plans to the TCEQ for review in July, 2009, and is expected to receive agency signatures by the end of August, 2009, Jones & Carter, Inc, the engineer for Contract 22A-2, submitted plans to the TCEQ for review in July, 2009, and is expected to receive agency signatures by the end of August, 2009, and Costello, Inc., the engineer for Contract 22C, submitted plans to the TCEQ for review in July, 2009, and is expected to receive agency signatures by the end of August, 2009.

Mr. Ahrens discussed Addendum No. 3 to the contract with Survcon, Inc., which recognizes the name change by merger from Survcon, Inc., to AECOM USA Group, Inc., and the Fourth Amendment to the contract with SPS Stephenson Properties, Inc., which assigns the contract to Right-of Way Solutions, LLC. Director Cannon moved to approve Addendum No. 3 to the contract with Survcon, Inc. and the Fourth Amendment to the contract with SPS Stephenson Properties, Inc., subject to approval by the District's attorney. Director Beckendorff seconded the motion, which carried unanimously.

The Board discussed negotiating with Sander Engineering Corporation as the engineers for Contract 25, Huitt-Zollars, Inc. as the engineers for Contract 26 and Van De Wiele & Vogler, Inc. as the engineers for Contract 27. Following discussion, Director Parker moved to authorize negotiation with Sander Engineering Corporation as the engineers for Contract 25, Huitt-Zollars, Inc. as the engineers for Contract 26 and Van De Wiele & Vogler, Inc. as the engineers for Contract 27. Director Beckendorff seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

Mr. Ahrens reported that he approved work authorization No. 9 for Prime Controls, LP in the amount of \$3,020.00 for installing a new AirLink Cellular Modem for communications between the master station and Harris County Municipal Utility District No. 14.

Mr. Ahrens then recommended approval of work authorization No. 14 for AECOM USA Group, Inc. in the amount of 18,604.00 for surveying services to provide eight survey control monuments along Contract Nos. 25, 26, and 27. Director Weppler moved to approve work authorization No. 14, subject to approval by the District's attorney of Addendum No. 3 to the Survcon, Inc. contract. Director Beckendorff seconded the motion, which carried by a vote of eight for the motion with Director Postle abstaining.

AUTHORIZE ENGAGEMENT OF JOYCE MCFARLAND & MCFARLAND

The Board next considered the engagement of Joyce McFarland & McFarland for condemnation services. After discussion, Director Postle moved to authorize execution of the agreement with Joyce McFarland & McFarland. Director Garden seconded the motion, which was approved by unanimous vote.

DISCUSS CAPITAL IMPROVEMENTS PLAN

Mr. Ahrens stated that he is working on the 2020 Capital Improvements Plan.

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 10 in the amount of \$2,508.00 for Contract 23, Pay Estimate No. 10 in the amount of \$846,037.35 for Contract 11, Pay Estimate No. 18 in the amount of \$67,761.47 for Contract 14A, and Pay Estimate No. 7 in the amount of \$131,664.31 for Contract 21. Upon a motion made by Director Garden and seconded by Director Beckendorff, the Board voted unanimously to approve the above mentioned pay estimates.

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. 5018 in the amount of \$877.00 payable to Advantage Water. She reported that she would void check no. 4996 to Anco McDonald Waterworks until the insurance is renewed. Ms. Garcia also reported that check no. 4967 should be in the amount of \$850,719.21. Director Burnett moved to approve the bookkeeper's report, the above-mentioned checks, the disbursements reflected in the bookkeeper's report, and the monthly investment report. Director Beckendorff seconded the motion, which carried by a vote of six for the motion, with Directors Postle, Weppler, and Sallee 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.

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 a water line easement from Roland L. Wise, Individually and as Co-Trustee of the Trust created under the Last Will and Testament of Raymond James Wise, deceased, and Eileen Frances White, Individually and as Co-Trustee of the Trust created under the Last Will and Testament of Raymond James Wise, deceased, and Roland L. Wise and Eileen Frances White as Independent Co-Executors of the Estate of Rose Marie Wise, deceased. Director Postle moved to authorize approving the water line easement. Director Cannon seconded the motion, which carried unanimously.

DISCUSS REGION H WATER PLANNING GROUP

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

DISCUSS PURCHASE OF ELECTRICITY

Director Sallee requested that the Board authorize him to approve and execute a contract for electricity for the Authority. Following discussion, Director Beckendorff moved to authorize Director Sallee to approve and execute a contract for electricity for the Authority. Director Parker seconded the motion, which carried unanimously.

APPROVE FOURTH AMENDMENT TO OFFICE LEASE AGREEMENT

Mr. Garcia discussed a Fourth Amendment to Lease (the "Amendment") for the Authority's construction office. Following discussion, Director Cannon moved to approve the Amendment. Director Garden seconded the motion, which carried unanimously.

AUTHORIZE ATTENDANCE OF BOARD MEMBERS AT ASSOCIATION OF WATER BOARD DIRECTORS' WINTER CONFERENCE

The Board next considered authorizing Board members to attend the Association of Water Board Directors' winter conference. After discussion, Director Garden moved to authorize any interested Board member to attend the conference on behalf of the Authority. This motion was seconded by Director Cannon and 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)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of persons present at the August 13, 2009, meeting.....	1
engineer's report	1
bookkeeper's report	4
operator's report.....	5