

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 23, 2009

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in special session, open to the public, on the 23rd day of September, 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
Vacant	Director
Larry Wepler	Director
Karla Cannon	Director
Malcolm Beckendorff	Director

and all of the above were present, except Director Rush, thus constituting a quorum.

Also present at the meeting were Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Ryan O'Hara and Jan Bartholomew of RBC Capital Markets; Terrell Palmer of First Southwest Company; Jim Boone, Alex Garcia and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"); and Dan McDonald of Anco-McDonald Waterworks Insurance Services, L.L.C. via telephone conference. Also present at the meeting were those persons included on the attached list.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM REVENUE BONDS, SERIES 2009; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION OF A FIFTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS; APPROVING A BOND PURCHASE AGREEMENT; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE AUTHORITY; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

The Board next considered the above Resolution Authorizing the Issuance, Sale, and Delivery of the West Harris County Regional Water Authority Water System Revenue Bonds, Series 2009 ("Resolution"). Mr. O'Hara presented and discussed the attached materials regarding the pricing of the Authority's Water System Revenue Bonds, Series 2009 (the "Bonds"). Mr. Garcia then reviewed with the Board the Resolution and the various documents authorized and approved by the Resolution. After review and discussion, Director Burnett moved that the Board adopt the

Resolution and authorize the issuance of the Bonds. Director Parker seconded the motion, which was approved by unanimous vote.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Mr. Garcia explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the interest rates and debt service requirements. After discussion, Director Parker moved that the Board approve the Official Statement. Director Beckendorff seconded the motion, which was approved by unanimous vote.

AUTHORIZE PAYMENT OF ISSUANCE AND CLOSING COSTS FOR WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM REVENUE BONDS, SERIES 2009

After discussion, Director Beckendorff moved that the Board approve payment of the issuance and closing costs associated with the Bonds. Director Weppler seconded the motion, which was approved by unanimous vote.

EXECUTION OF DOCUMENTS RELATED TO AUTHORITY BONDS

Mr. Garcia next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. He requested that the Board authorize the President and Secretary to execute documents necessary in connection with the transaction and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser. Director Beckendorff moved that the Board authorize execution of documents related to the sale and delivery of the Bonds and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Bonds. Director Weppler seconded the motion, which was approved by unanimous vote.

DISCUSS ENGINEERING, ENVIRONMENTAL, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, OPERATOR, AND APPRAISAL SERVICES CONTRACTS, INCLUDING APPROVAL OF CONTRACTS, NOTICES TO PROCEED, AND CHANGE ORDERS

Mr. Ahrens recommended approval of work authorization No. 7 for Right-of-Way Solutions, LLC in the amount of \$18,400.00 for Contract No. 25, work authorization No. 8 for Right-of-Way Solutions, LLC in the amount of \$22,800.00 for Contract No. 26, and work authorization No. 9 for Right-of-Way Solutions, LLC in the amount of \$4,400.00 for Contract No. 27. Director Beckendorff moved to approve work authorization Nos. 7, 8, and 9 to Right-of-Way Solutions, LLC. Director Cannon seconded the motion, which carried unanimously.

Mr. Ahrens then recommended approval of work authorization No. 46 for Weisser Engineering Company in the amount of \$740.00 to determine Exxon fee tracts

located between Homestead Road and Peek Road. Director Weppler moved to approve work authorization No. 46 to Weisser Engineering Company. Director Parker seconded the motion, which carried by a vote of six for the motion with Director Postle abstaining.

The Board then considered approving an amended engagement letter with Gary E. Grote regarding acquisition of property interests from Exxon. Following discussion, Director Postle moved that the Board approve such amended engagement letter. Director Weppler seconded the motion, which carried unanimously.

Mr. Ahrens reported that the contract with Van De Wiele & Vogler, Inc. for Contract 27 has been revised as a flat-fee contract in the amount of \$72,897.00 instead of a fee curve contract in the amount of \$113,834.00. Director Weppler moved to approve the revised contract with Van De Wiele & Vogler, Inc. for Contract 27 in the amount of \$72,897.00. Director Beckendorff seconded the motion, which carried unanimously.

DISCUSS DIRECTOR APPOINTMENT PROCESS TO FILL VACANCY OF DIRECTOR ART GARDEN'S POSITION (PRECINCT 3) AND APPROVE RESOLUTION ADOPTING RULES FOR APPOINTMENT PROCESS FOR PRECINCT 3 DIRECTOR

Mr. Garcia reported that Art Garden informed him that on September 9, 2009, Mr. Garden sold his house in the Authority and is no longer qualified to serve on the Board. Mr. Garcia stated that the Resolution Adopting Rules for Appointment Process for Precinct 3 Director ("Resolution") provides that by November 3, 2009, districts/municipalities must submit their nominees for Precinct 3; if more than one candidate is nominated, then by December 15, 2009, a resolution must be submitted from each district/municipality voting for a candidate; and the Board will declare the results of such votes by December, 23, 2009. Following discussion, Director Parker moved to adopt the Resolution as presented. Director Beckendorff seconded the motion, which carried unanimously.

DISCUSS ENCROACHMENT INTO THE AUTHORITY'S EASEMENT (INCLUDING PARCEL 30A) AND APPROVE RELATED LETTER AND ENCROACHMENT AGREEMENT

The Board discussed sending a demand letter and granting an encroachment to Timber Creek Lodging Group, L.L.C for a hotel encroachment, contingent upon execution of the encroachment agreement by same and Director Weppler's review and approval. Director Parker moved to authorize sending the demand letter and granting an encroachment to Timber Creek Lodging Group, L.L.C for the hotel encroachment, contingent upon execution of the encroachment agreement by same and Director Weppler's review and approval. Director Beckendorff seconded the motion, which carried unanimously.

RENEW AUTHORITY INSURANCE

The Board reviewed the insurance proposals from Anco-McDonald Waterworks Insurance Services, L.L.C. ("Anco"). Discussion ensued regarding the premium for boiler and machinery insurance. In response to a question from Director Weppler regarding the premium for boiler and machinery insurance, Mr. McDonald stated that the cost is based on the mechanical replacement parts. Mr. McDonald also stated that if the structures listed do not have any mechanical parts then the premium could be decreased. The Board concurred that there were mechanical components. Following discussion, Director Weppler moved to accept the proposals from Anco for public employee blanket bond, property, boiler and machinery, directors bond, directors and officers liability, general liability, auto liability, pollution liability, umbrella, workers compensation insurance and travel accident insurance. Director Burnett seconded the motion, which carried unanimously.

DISCUSS BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2010

The Board reviewed a draft of the budget for fiscal year ending December 31, 2010. The Board deferred action on this matter.

PUMPAGE FEE/SURFACE WATER FEE INCREASE AND AUTHORIZE SENDING RELATED NOTICE

The Board discussed taking action at its December 9, 2009, meeting to increase the Authority's groundwater pumpage rate and surface water rate by \$0.30 per 1,000 gallons effective January 1, 2010, and distribution of a notice providing for same. Following discussion, Director Burnett moved to approve distribution of such notice. Director Parker seconded the motion, which carried unanimously.

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

Secretary, Board of Directors

(SEAL)

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