

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 11, 2010

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 August, 2010, at 15300 Falmouth, Houston, Texas, inside the boundaries of the Authority, and the roll was called of the members of the Board:

Bruce Parker	President
George L. Rush, Jr.	Vice President
Douglas (Cam) Postle	Secretary
Stacey L. Burnett	Assistant Vice President
Eric Hansen	Assistant Secretary
Mark Janneck	Director
Larry Wepler	Director
Karla Cannon	Director
John Nelson	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 and Glynda Cross of Dannenbaum Engineering Corporation ("DEC"); Erin Garcia of Myrtle Cruz, Inc; Barbara Payne of Payne Communications; Jim Boone, Katie Dorfman, 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 14, 2010, meeting. Following discussion, Director Burnett moved to approve the minutes of the July 14, 2010, meeting as submitted. The motion was seconded by Director Cannon and passed by unanimous vote.

RECEIVE QUESTIONS AND FEEDBACK FROM THE PUBLIC

In response to a question regarding the approval of engagement letters for legal services for realty interest acquisition, Director Postle stated that the legal fees are consistent with market rates and are negotiated.

RECEIVE CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

There was no action on this matter.

DISCUSS WEBSITE

Ms. Payne introduced Lynne Smythe, who is helping her with communications.

Ms. Payne updated that Board on the educational materials for Cypress-Fairbanks Independent School District.

She reported that that the second Dime Novel is now available.

The Board then discussed a possible November townhall meeting.

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 2010 through June is approximately 88% of that for last year at this date. Mr. Ahrens reported that approximately 16.98 million gallons per day ("MGD) of surface water was purchased from the City of Houston (the "City") during July.

Mr. Ahrens reported that the application for the renewal of the aggregated water well permit is scheduled to be filed with the Harris Galveston Subsidence District by August 31, 2010.

Mr. Ahrens reported that the 25th Annual WaterReuse Symposium will be held September 12-15, 2010, in Washington, D.C., the 20th Annual Texas Water Law Conference will be held on September 16-17, 2010, in Austin, Texas, the Texas Water Conservation Association Fall meeting will be held on October 13-15, 2010 in San Antonio and the American Water Works Association, Texas Section Basic Water Utility Management Institute will be held on November 1-3, 2010, in Arlington, Texas. Following discussion, Director Cannon moved to authorize any interested board members to attend the conferences. Director Burnett seconded the motion, which carried unanimously.

Mr. Ahrens reviewed an August 5, 2010, letter from Harris County Municipal Utility District No. 173's attorney regarding water quality issues. He stated that the water quality issues appear to be from MUD 173's facilities not from the surface water provided by the Authority.

Mr. Ahrens reported that the Program Manager attended the August 11, 2010, Coastal Water Authority Board meeting.

Mr. Ahrens then reported that DEC is obtaining estimates for the installation of an automatic meter reading system.

Mr. Ahrens also reported that environmental studies for the Second Source re-pump station have been completed.

Mr. Ahrens stated that DEC is coordinating the surveying and abstracting for the Second Source Line and that he has been attending meetings with elected officials to discuss the Second Source Line.

Mr. Ahrens reported that the Advisory Committee meeting with the City was held on July 29, 2010.

Mr. Ahrens stated that DEC attended the City Water Resources Management Committee meeting on August 5, 2010.

APPROVE REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

Mr. Ahrens reported that DEC has received a request from Harris County Municipal Utility District No. 172 for reimbursement for chloramines conversion modifications, which is still under review.

Mr. Ahrens then reported that DEC has received a request from Remington Municipal Utility District No. 1 for reimbursement for chloramines conversion modifications, which is still under review.

Mr. Ahrens reported that Harris County Municipal Utility District No. 136 has resubmitted its request for reimbursement for chloramines conversion modifications, which is still under review.

Mr. Ahrens reported that the sale of 1,562,000 gallons of Type A credits and 1,100,000 gallons of Type B credits to Green Caye Golf Course in the amount of \$9,157.50 has been finalized.

DISCUSS POTENTIAL TEXAS WATER DEVELOPMENT BOARD ("TWDB") FINANCING

Mr. Ahrens reported that the Program Manager submitted the TWDB abridged package for Water Infrastructure Fund ("WIF") funding for the Second Source Line on July 16, 2010.

DISCUSS STATUS OF WATER LINE PROJECTS

Mr. Ahrens provided an update regarding the status of Contract 14A and Contract 20 and the hot box repairs and the ground storage tanks' contracts.

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 7 in the amount of \$780,120.00 for the ground storage tanks' project and Pay Estimate No. 2 in the amount of \$133,447.50 for the hot box repairs. Upon a motion made by Director Weppler and seconded by Director Cannon, the Board voted unanimously to approve the above mentioned pay estimates.

WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON

Mr. Ahrens reported that he had nothing new to report on the Water Supply Contract.

DISCUSS ENGINEERING SERVICES CONTRACTS AND WORK AUTHORIZATIONS

Mr. Ahrens reported that 10% design phases, environmental site assessments, and geotechnical reports have been completed for Contracts 25, 26, and 27.

Mr. Ahrens reported that Klotz Associates, Inc. submitted 90% plans for review on August 9, 2010 for Contract 19A.

Mr. Ahrens reported that LAN, the engineer for Contract 22A-1, has received agency signatures, Sander Engineering, the engineer for Contract 22B, has received agency signatures and Jones & Carter, Inc, the engineer for Contract 22A-2, has received agency signatures, but the project has been delayed.

Mr. Ahrens discussed Addendum No. 9 to the contract with Weisser Engineering, Addendum No. 2 to the contract with Cobb, Fendley & Associates, Inc, and Addendum No. 1 to Lina T. Ramey & Associates, Inc. Director Rush moved to approve Addendum No. 9 to the contract with Weisser Engineering, Addendum No. 2 to the contract with Cobb, Fendley & Associates, Inc, and Addendum No. 1 to Lina T. Ramey & Associates, Inc. Director Cannon 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. 1 for Lina T. Ramey & Associates, Inc. in the amount of \$4,902.50 for surveying services and work authorization no. 52 for Weisser Engineering Company in the amount of \$2,100.00 for surveying and drafting services.

Mr. Ahrens then requested approval of work authorization no. 1 for Courthouse Specialists, Integrity Title Company, LLC in the amount of \$15,000.00 to provide abstracting services for 50 parcels along the Second Source Line, work authorization no. 1 for Mustang Engineering, LP in the amount of \$25,200.00 to provide abstracting services for 72 parcels along the Second Source Line, and work authorization no. 1 for Rapid Research, Inc. in the amount of \$13,006.98 to provide abstracting services for 38 parcels and five street rights-of-way along the Second Source Line. Following

discussion, Director Postle moved to approve work authorization no. 1 for Courthouse Specialists, Integrity Title Company, LLC, and work authorization no. 1 for Mustang Engineering, LP, and work authorization no. 1 for Rapid Research, Inc. Director Wepler seconded the motion, which carried unanimously.

Mr. Ahrens then requested approval of work authorization no. 2 for Lina T. Ramey & Associates, Inc. in the amount of \$207,584.00 to provide a Category 2, Condition 2 route survey from Peek Road to Greenhouse Road, work authorization no. 22 for Cobb, Fendley & Associates, Inc. in the amount of \$240,956.00 to provide Category 2, Condition 2 route survey from Hempstead Highway to Veterans Memorial, and work authorization no. 53 for Weisser Engineering Company in the amount of \$255,200.00 to provide Category 2, Condition 2 route survey from Veterans Memorial Drive to Homestead Road. Following discussion, Director Wepler moved to approve work authorization no. 2 for Lina T. Ramey & Associates, Inc., work authorization no. 22 for Cobb, Fendley & Associates, Inc., and work authorization no. 53 for Weisser Engineering Company. Director Cannon seconded the motion, which carried by a vote of eight for the motion with Director Postle abstaining.

DISCUSS CAPITAL IMPROVEMENTS PLAN

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

APPROVE FIFTH AMENDMENT TO RIGHT OF WAY SERVICES AGREEMENT WITH RIGHT-OF-WAY SOLUTIONS, LLC

Mr. Ahrens requested that the Board approve the Fifth Amendment to the Right of Way Services Agreement ("Fifth Amendment") with Right-of-Way Solutions, LLC. Mr. Boone stated that the Fifth Amendment reflects modifications to the insurance requirements. Director Postle moved to approve the Fifth Amendment. Director Hansen seconded the motion, which carried unanimously.

APPROVE FIRST AMENDMENT TO RIGHT OF WAY SERVICES AGREEMENT WITH PAS PROPERTY ACQUISITION SERVICES, INC.

Mr. Ahrens requested that the Board approve the First Amendment to the Right of Way Services Agreement ("First Amendment") with PAS Property Acquisition Services, Inc. Mr. Boone stated that the First Amendment reflects modifications to the insurance requirements. Director Postle moved to approve the First Amendment. Director Hansen seconded the motion, which carried unanimously.

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 then reviewed check no. 5608 in the amount of \$428.57

payable to Mark Janneck, check no. 5609 in the amount of \$813.62 payable to Eric Hansen, check no. 5610 in the amount of \$11,236.98 payable to Rapid Research, Inc., check no. 5611 in the amount of \$36,008.00 payable to Larry Recker, check no. 5612 in the amount of \$16,650.00 payable to Weisser Engineering, check no. 5613 in the amount of \$5,000 payable to Top Results, and check no. 5614 in the amount of \$1,316.60 payable to Larry Weppler. 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 Hansen seconded the motion, which carried by a vote of eight for the motion with Director Postle abstaining. A copy of the bookkeeper's report is attached.

CONDUCT HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS, INCLUDING IMPOSITION OF CIVIL PENALTIES

The Board took no action on this matter.

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. Ahrens reported that the City requested that the Authority take more than 28.25 MGD so that they could perform testing.

ADOPT RESOLUTION AUTHORIZING ACQUISITION OF REALTY INTERESTS

The Board took no action on this matter.

UPDATE ON STATUS OF GROUNDWATER REDUCTION PLAN ("GRP")

The Board took no action on this matter.

ACCEPT REALTY INTERESTS IN CONNECTION WITH WATER LINE PROJECTS

The Board then discussed acquisition of water line easements from Riata Ranch Homeowners Association (19A-3, 19A-4, 19A-7, 19A-8 and 19A-9) and Larry Recker (25-6A). Director Hansen moved to authorize acceptance of the water line easements from Riata Ranch Homeowners Association and Larry Recker. Director Postle seconded the motion, which carried unanimously.

Mr. Ahrens reported that the Contract 19A waterline will cross a natural gas pipeline owned by Houston Pipeline Company, LP. He stated that Houston Pipeline Company, LP has requested that the Authority execute an Encroachment Agreement. Director Rush moved to authorize execution of the Encroachment Agreement. Director Hansen seconded the motion, which carried unanimously.

DISCUSS REGION H WATER PLANNING GROUP

Mr. Ahrens reported that the Program Manager attended the Region H Water Planning Group meeting on August 4, 2010.

CONVENE EXECUTIVE SESSION TO DISCUSS THE PURCHASE AND VALUE OF WATER LINE EASEMENTS/RIGHT-OF-WAY AND CONSULTATION WITH ATTORNEY REGARDING CONTEMPLATED LITIGATION

The Board concurred to convene in executive session to discuss the purchase or value of real property and consultation with attorney regarding any pending or contemplated litigation. The Board entered executive session at 6:45 p.m.

RE-CONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:06 p.m., the Board then reconvened in open session. The Board took no action in open session.

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

Secretary, Board of Directors

(SEAL)

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