

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

June 8, 2011

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 June, 2011, 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, except Directors Cannon and Nelson, 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"); Lori Buckner of Myrtle Cruz, Inc; Barbara Payne of Payne Communications; and Alex Garcia, Katie Sherborne, 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 11, 2011, meeting. Following discussion, Director Burnett moved to approve the minutes of the May 11, 2011, meeting as submitted. The motion was seconded by Director Hansen and passed by unanimous vote.

QUESTIONS AND FEEDBACK FROM THE PUBLIC

There was no discussion on this matter.

CUSTOMER APPEALS REGARDING PAYMENT, SERVICE, OR OTHER MATTERS

There was no discussion on this matter.

WEBSITE AND CONFERENCE

Ms. Payne reported that the generator for the Water is Life trailer has been installed at a cost of \$7,000.00, of which the Authority's cost would be \$3,500.00 and the North Harris County Regional Water Authority's cost would be \$3,500.00. Following discussion, Director Burnett moved to authorize the Authority's bookkeeper to sign a check for the Authority's share in an amount not to exceed \$3,500.00. Director Hansen seconded the motion, which carried unanimously.

Ms. Payne reported that the workshops for the teachers will begin at the end of the month.

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 2011 through April is approximately 113% of that for last year at this date. Mr. Ahrens reported that approximately 27.70 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during May.

Mr. Ahrens reported that the Program Manager submitted an updated Monitoring Plan to the Texas Commission on Environmental Quality on May 20, 2011.

Mr. Ahrens reported that the Program Manager attended the June 8, 2011, Coastal Water Authority ("CWA") meeting. He stated that the next CWA meeting is scheduled for July 13, 2011.

Mr. Ahrens then reported that the Program Management staff is in the process of determining the easement parcels to be acquired for the Second Source Pipeline project and the Capital Improvement Plan ("CIP") project.

Mr. Ahrens also reported that the Program Management staff is planning a workshop in late June or early July, 2011 for operators and engineers of the districts currently receiving surface water from the Authority.

Mr. Ahrens reported that the 2011 Drinking Water Needs Survey was submitted to the Texas Water Development Board ("TWDB") on May 17, 2011.

Mr. Ahrens also reported that the sale of 2,000,000 gallons of Type A credits to Kingwood Cove Golf Club in the amount of \$7,500.00 has been finalized.

REIMBURSEMENT TO DISTRICTS FOR SURFACE WATER CONVERSION COSTS

There was no discussion on this matter.

TWDB FINANCING

There was no discussion on this matter..

STATUS OF WATER LINE PROJECTS

Mr. Ahrens provided an update regarding the status of Contract 19A and the hot box repairs, the ground storage tanks' and Pump Station No. 1 Security/CCTV contracts.

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Pay Estimate No. 2 in the amount of \$338,894.80, Change Order No. 1 in the amount of \$21,687.00 and the request for a 14-day extension of time for Contract 19A, Pay Estimate No. 11 and Final in the amount of \$32,413.99 for the hot box repairs, Pay Estimate No. 16 and Final in the amount of \$423,361.00 for the ground storage tanks, and Pay Estimate No. 7 and Final in the amount of \$47,040.00 for Pump Station No. 1 Security/CCTV. He then recommended that the Board accept the hot box repairs, the ground storage tanks' and Pump Station No. 1 Security/CCTV contracts. Upon a motion made by Director Weppeler and seconded by Director Janneck, the Board voted unanimously to approve the above mentioned pay estimates and change order and accept the hot box repairs, the ground storage tanks' and Pump Station No. 1 Security/CCTV contracts.

WATER SUPPLY CONTRACT WITH THE CITY OF HOUSTON ("CITY")

Mr. Ahrens reported that the Program Manager and Construction Manager met with the City Public Utilities Drinking Water Operations staff on May 24, 2011, to discuss the Authority's operation matters. He stated that the City has been providing the contract amount of 28.25 MGD of surface water to Pump Station No. 1.

ENGINEERING SERVICES CONTRACTS AND WORK AUTHORIZATIONS

Mr. Ahrens reported that Contracts 22A-1, 22A2, 22B, and 22C are expected to be advertised on July 1, 2011.

Mr. Ahrens discussed Addendum No. 2 to the contract with Sanders Engineering Corporation and Addendum No. 11 to the contract with Weisser Engineering Company. Director Janneck moved to approve Addendum No. 2 to the contract with

Sanders Engineering Corporation and Addendum No. 11 to the contract with Weisser Engineering Company. Director Hansen seconded the motion, which carried by a vote of six for the motion with Director Postle abstaining.

Mr. Ahrens reported that the Program Manager approved work authorization no. 3 for Sander Engineering Corporation in the amount of \$2,533.34 for revisions to the vertical alignment of a segment of the Contract 22B surface water transmission pipeline and work authorization no. 8 for Terracon Consultants, Inc. in the amount of \$9,500.00 for environmental services.

APPROVE AMENDMENT TO AGREEMENT WITH BERG OLIVER ASSOCIATES, INC.

The Board considered approving a First Amendment to the Master Services Agreement with Berg Oliver Associates, Inc. (the "Amendment") for environmental services. Following discussion, Director Weppler moved to approve the Amendment. Director Rush seconded the motion, which carried unanimously.

CAPITAL IMPROVEMENT PLAN

There was no discussion on this matter..

ENCROACHMENTS OF EASEMENTS OR OTHER REALTY INTERESTS, INCLUDING ACCEPT CONVEY, MODIFY, OR RELEASE ENCROACHMENT AGREEMENTS

The Board then discussed granting an encroachment to Harris County Municipal Utility District No 276 ("MUD 276") to install a concrete box storm sewer and 12-inch water line across the Authority's easements. Director Weppler moved to authorize granting an encroachment to MUD 276, contingent upon execution of the encroachment agreement. Director Janneck seconded the motion, which carried unanimously.

The Board then discussed granting an encroachment to Texas American Water Company to install a six-inch diameter water line within Foy Lane between Sagebrush Drive and Wardmont Street across the Authority's easement. Director Weppler moved to authorize granting an encroachment to Texas American Water Company, contingent upon execution of the encroachment agreement. Director Rush seconded the motion, which carried unanimously.

APPROVE LEGAL CONFLICTS WAIVERS

Mr. Garcia reviewed with the Board a legal conflict waiver regarding representation by ABHR of the Authority and Harris County Municipal Utility District No. 188 regarding a consent to encroachment and a legal conflict waiver regarding representation by ABHR of the Authority and Harris County Municipal Utility District No. 501 regarding a consent to encroachment. Following review and discussion,

Director Postle moved to authorize execution of the legal conflict waivers. Director Hansen seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

Ms. Sherborne reported that the Authority would be acquiring the approximate 17-acre Bybee tract and stated that the wire is reflected in the bookkeeper's report as "Wire to Infinity Title Solutions Escrow/Land Purchase."

Ms. Buckner 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. Director Burnett moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and the monthly investment report. Director Hansen seconded the motion, which carried by a vote of five for the motion with Directors Postle and Wepler abstaining. A copy of the bookkeeper's report is attached.

APPROVE AMENDED BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2011

Ms. Buckner reviewed an amended budget for the fiscal year ending December 31, 2011, with the Board of Directors. After discussion, Director Wepler moved to approve the amended budget for the fiscal year ending December 31, 2011. Director Rush seconded the motion, which passed unanimously.

DISCUSS PUMPAGE FEE EXCEPTION REPORT

Ms. Buckner reviewed with the Board 2010 pumpage fee exception reports and stated that invoices have been sent. Upon a motion made by Director Burnett and seconded by Director Janneck, the Board voted unanimously to take no action on accounts that have a credit or payment of less than \$2,500.

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

There was no discussion 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 delivery of surface water to districts with adequate groundwater facilities has been temporarily reduced in order to deliver surface water to districts with inadequate ground water facilities.

REVIEW CRITICAL LOAD SPREADSHEET FOR AUTHORITY'S FACILITIES

Mr. Garcia reviewed the critical load spreadsheet for the Authority's facilities. Upon a motion made by Director Hansen and seconded by Director Rush, the Board voted unanimously to make no changes at this time.

ADOPT RESOLUTION AUTHORIZING ACQUISITION OF REALTY INTERESTS

The Board took no action on this matter.

STATUS OF GROUNDWATER REDUCTION PLAN ("GRP")

The Board took no action on this matter.

REALTY INTEREST ACQUISITION AND CONVEYANCE, INCLUDING ACCEPT, CONVEY, MODIFY, OR RELEASE EASEMENTS, EASEMENT AGREEMENTS, ASSIGNMENTS OF EASEMENTS, AND DEEDS

The Board discussed accepting conveyance of a drainage easement and a Special Warranty Deed from John Clinton Bybee, Jr. and Mary Elizabeth Bybee Brown. Director Rush moved to accept conveyance of a drainage easement and a Special Warranty Deed from John Clinton Bybee, Jr. and Mary Elizabeth Bybee Brown. Director Postle seconded the motion, which carried unanimously.

REGION H WATER PLANNING GROUP

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

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 related to the Authority's bond issues. After review and discussion, and upon a motion made by Director Hansen and seconded by Director Janneck, the Board voted unanimously to approve the annual report and authorize filing of same.

CONVENE EXECUTIVE SESSION TO DISCUSS THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY AND CONSULTATION WITH ATTORNEY REGARDING ANY PENDING OR CONTEMPLATED LITIGATION OR SETTLEMENT OFFERS

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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