

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
March 5, 2007

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, at 7:00 p.m. on the 5th day of March, 2007, at the Authority's office located at 3648 FM 1960 West, Houston, Texas, a public meeting place within the boundaries of the Authority; whereupon, the roll was called of the duly constituted officers and members of the Board, to-wit:

Alan J. Rendl	President
Kelly P. Fessler	Vice President
Lenox A. Sigler	Secretary
James D. Pulliam	Treasurer
Ron Graham	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mrs. Kelley Fessler; Mr. Paul Nelson, Planning and GIS Coordinator for the Authority; Mr. Anthony Crisci, P.E., Construction Coordinator for the Authority; Mr. Showri Nandagiri, P.E., Engineering Coordinator for the Authority; Ms. Cynthia Plunkett, Financial Assistant for the Authority; Ms. Lisa Randecker, Executive Assistant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Tom Rolen, P.E. and Curtis Villarreal, P.E. of TCB INC. ("TCB"), Program Manager for the Authority; Mr. Chetan Vyas, P.E. of ARCADIS G & M, Inc., on-call engineers for the Authority; Ms. Charles Shumate, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Wayne Ahrens, P.E. of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Tom Matkin, P.E. of AEI Engineering, Inc. ("AEI"), on-call engineers for the Authority; Messrs. Buddy Barnes, P.E., Michael Bagstad, P.E. and Hoyt Brown, P.E. of Carter & Burgess, Inc., a subcontractor to AEI for Projects 6A and 15A; Mr. John Seifert, P.E. of LBG-Guyton Associates, on-call engineers for the Authority; Mr. Sam Khazzoum, P.E. of Edwards and Kelcey, Inc. (formerly Epsilon Engineering, Inc.), on-call engineers for the Authority; Mr. Pardha Namuduri, P.E. of Klotz Associates, Inc., on-call engineers for the Authority; Mr. Scott A. Sulski of Fugro Consultants, Inc. provider of material engineering laboratory services to the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to TCB and project representative on several Authority projects; Mr. Leroy Mensik of Severn Trent Environmental Services, Inc., operators for the Authority; Mr. Mark Breeding of Andrews Kurth LLP, right-of-way ("ROW")/easement acquisition attorneys for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, general counsel and co-bond counsel for the Authority. Numerous members of the public and other consultants to the Authority were also present at the meeting. Copies of the sign-in sheets for those in attendance at the meeting are attached hereto.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

Director Rendl reported that Mr. Schindewolf had broken his leg over the weekend and would not be in attendance at tonight's meeting. Director Rendl noted that Mr. Rolen would give the General Manager's Report in Mr. Schindewolf's absence.

REPORTS

STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

A copy of Ms. Payne's PowerPoint presentation for the meeting is attached hereto.

Ms. Payne first reported that the Authority's website had 45,026 hits for the month of February.

Ms. Payne went on to report that the Authority has continued to receive additional requests for water conservation brochures from home schooling parents and individual teachers, as well as reservations for the Mobile Teaching Lab.

Ms. Payne also reported that the Mobile Teaching Lab and costumed characters had participated in the Harris County Precinct 4 Nature Fest at Jesse Jones Park on March 3, 2007.

Ms. Payne further noted that the Authority has received a new shipment of water conservation brochures and encouraged utility districts to distribute them to their residents to promote water conservation.

Director Rendl commented that the Authority's water conservation program and activities continue to grow and will require additional sponsorship and support. Director Rendl noted that House Bill 4 regarding water conservation requirements and guidelines had recently been filed.

Ms. Payne next reported that Katy Independent School District is going to introduce the Journey to Pansophigus educational materials into 29 elementary schools, and that the West Harris County Regional Water Authority and the North Fort Bend Regional Water Authority will provide funding for the program.

Director Sigler then entered the meeting at 7:10 p.m.

GENERAL MANAGER'S REPORT

Mr. Rolen then reviewed the General Manager's Report with the Board, a copy of which is attached hereto, and noted that miscellaneous correspondence was included in the Board's meeting packet.

STATUS OF ROW/EASEMENT ACQUISITIONS

Mr. Rolen then called on Mr. Breeding to give the status report on the various ROW/easement acquisitions by the Authority.

Mr. Breeding reported that the ROW/Easement Acquisition Team has secured a settlement agreement for the final parcel needed for Project 15A, which will run along Louetta Road and connect Projects 4 and 7C-1.

Concerning Project 10, which will run along T. C. Jester Boulevard and connect Projects 1A to Projects 7C-1 and 7C-2, Mr. Breeding reported that Harris County (the "County") has granted right-of-entry to its parcels and also reported that all of the appraisals are now completed for the needed parcels.

Mr. Breeding went on to report that the ROW/Easement Acquisition Team is in the process of obtaining the title work for the Project 17 (Segments 1-4) parcels. Mr. Breeding also reported that the ROW/easement acquisition team has begun negotiations with the County and some of the owners of the parcels needed for Project 17.

Mr. Breeding added that the *Malcomson Road Utility District vs. Newsom* lawsuit and the Authority's lawsuit regarding a parcel of land on Grant Road have been settled, and noted that two (2) other condemnation cases have been set for trial.

UPDATE ON 2010 WATER DISTRIBUTION AND TRANSMISSION SYSTEM - PHASE 1 GROUNDWATER TRANSFER PROGRAM (THE "GTP")

PROGRAM MANAGER'S REPORT

Mr. Rolen then presented the Program Manager's Report, a copy of which is attached hereto.

Mr. Rolen reported that the contractor for Project 10B has completed the clearing and grubbing for the project, is constructing the shaft for the tunnel under Cypress Creek and has begun mobilizing to begin installing pipe along Cypresswood Drive.

Mr. Rolen went on to report that all of the SCADA system sites are now connected and able to communicate with the central control station of the Authority's SCADA system.

Mr. Rolen then noted that no additional pipe was installed during the prior month and that to date, the Authority has installed a total of approximately 28.6 miles of water line ranging in size from 12-inch to 60-inch.

Concerning the Greens Road water line project, Mr. Rolen reported that the City of Houston (the "City") engineer has issued his ruling on the contractor's claim on the fourth and final project contract. Mr. Rolen stated it is anticipated that within the next month, such project should be forwarded for City Council approval.

Mr. Rolen then reported that the GTP system continues to operate effectively, and that approximately 1.75 million gallons of water per day had been sold to Buyer districts during the month of February.

Concerning other activities, Mr. Rolen reported that TCB continues to monitor engineering efforts on Projects 4C, 6A-1, 6B-2 and 15A, the 2010 transmission line (preliminary engineering) and the siting study for the Spears Road Regional Pump Station, provided information used in updating the Authority's GIS system, assisted the Authority in working with the districts to define strategies and methodologies to allow timely and effective expansion of the GTP, which will result in four (4) or more water wells not being drilled and the effective expansion of the area which will be provided surface water in 2010, and initiated development of considerations to be used in developing the draft Preliminary 2010 Surface Water Conversion Strategy.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she did not have anything to report.

REGULAR AGENDA

APPROVAL OF THE MINUTES

Director Rendl then asked for approval of the regular meeting minutes of February 5, 2007, previously distributed to the Board. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of February 5, 2007, as written.

FINANCIAL ASSISTANT'S REPORT

Director Rendl then recognized Ms. Plunkett, who reviewed the Authority's Financial Report with the Board, including the monthly investment report, the checks being presented for payment and the budget comparison for one (1) month ending January 31, 2007, a copy of which is attached hereto. Ms. Plunkett noted that the Authority operated under budget for the month ending January 31, 2007.

Upon motion by Director Sigler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Financial Report, the monthly investment report and the checks being presented for payment.

AWARD CONTRACT FOR CONSTRUCTION OF PROJECT 10A

Mr. Rolen then reported that eight (8) bids were received on February 27, 2007 for the construction of Project 10A, which includes construction of a 48-inch/42-inch water line along T. C. Jester Boulevard from Bammel North Houston Drive to Ivy Falls Drive and construction of 12-inch water line connections to the Northwest Harris County Municipal Utility District No. 20 and

Harris County Municipal Utility District No. 44 Water Plants. On behalf of Mr. Schindewolf, Mr. Rolen recommended award of the construction contract to the low bidder, Texas Sterling Construction, L. P. ("Texas Sterling"), based on a bid amount of \$7,187,464.00. Upon motion by Director Pulliam, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to award the construction contract for Project 10A to Texas Sterling. Copies of Mr. Schindewolf's and Mr. Rolen's correspondence concerning the contract award are attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Rendl then stated that the next regular meeting of the Board will be held on Monday, April 2, 2007, at 7:00 p.m. at the Authority's office.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 2nd day of April, 2007.




Secretary, Board of Directors