

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
SEPTEMBER 12, 2000

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in workshop session, open to the public, at 6:00 p.m. followed by a regular session, open to the public, at 7:00 p.m. on the 12th day of September, 2000, at the Ponderosa Fire Station, 17061 Rolling Creek, Houston, Texas; whereupon, the roll was called of the duly constituted officers and members of the Board, to-wit:

Alan J. Rendl	-	President
Jim Burke	-	Vice President
Lenox A. Sigler	-	Secretary
Jim Pulliam	-	Treasurer
Dwight "Clint" Moore	-	Assistant Secretary

All members of the Board were present except Director Moore. Also attending the meeting were: Mr. Ed Shackelford, General Manager for the Authority; Mr. Joseph T. Wozny, P.E. of WSBC Civil Engineers, Inc. ("WSBC"), Program Manager for the Authority; Mr. Mike Baugher, of Turner Collie & Braden Inc. ("TCB"), engineering consultant for the Authority; Mr. Jim Dannenbaum, P. E, of Dannenbaum Engineering Corporation, on-call engineering consultant for the Authority; Ms. Barbara Payne of Payne Communications, communications coordinator for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Winstead Sechrest & Minick P.C. ("WSM") and Mr. Andy Johnson of Johnson Radcliffe & Petrov L.L.P., attorneys for the Authority. Numerous members of the public were also present at the meeting. A copy of the sign-in sheets for those in attendance is 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.

PUBLIC COMMENT

Director Rendl then opened the floor for public comments; however, no comments were received.

STATUS REPORT BY IMPORT FEE COMMITTEE

The Board first recognized Mr. Shackelford, who reported that the Import Fee Committee had met several times recently and that a recommendation from the Committee would be forthcoming. Mr. Shackelford further reported that Mr. Johnson was in the process of drafting proposed regulations governing the import fees which will ultimately be included in an amendment to the Authority's order establishing pumpage fees. Mr. Shackelford added that a public hearing will

be held on the proposed import fees and related regulations. Director Rendl suggested that the Authority post the proposed import fees and regulations on the website once they are finalized.

### CONSENT AGENDA

Director Rendl then briefly reviewed with the Board the items reflected on the Consent Agenda. Director Rendl explained that this portion of the agenda will deal with routine matters of the Board and that no separate discussion of such items will occur unless a Board member or a member of the public requests that an item be moved to the regular portion of the agenda.

Upon motion by Director Burke, 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 August 8, 2000, as presented.

Approval of the minutes of the June 20, 2000 executive session and the August 12, 2000 special workshop meeting was deferred.

### BOOKKEEPER'S REPORT

The Board next recognized Ms. Bobbitt, who on behalf of Myrtle Cruz, Inc., presented the Bookkeeper's Report, financial statements and bills to be approved for payment, copies of which are attached hereto. Ms. Bobbitt noted that Ms. Jarmon had included a budget comparison in the Report for the Board's review. Director Burke noted that based on the budget comparison, it appears the Authority will be under budget at the end of the current fiscal year. Upon motion by Director Burke, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and the payment of the checks reflected therein.

Director Rendl then announced that the Authority's budget workshop meetings have been scheduled for Wednesday, September 20, 2000, and Thursday, September 21, 2000, at 6:00 p.m. at the Ponderosa Fire Department. Director Rendl added that it is anticipated that the Authority's budget for the fiscal year ending December 31, 2001 will be adopted at the Board's October 10, 2000 meeting.

### STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

The Board next recognized Ms. Payne, who reported that in the last 40 days, the Authority's website had 12,735 visits, 1,659 of which were individual users. Ms. Payne reported that a water conservation article and a kid's page had been added to the website and stated that she was working on an archive system for the website. Ms. Payne next reported that the Authority will begin publishing an eight (8) page quarterly newsletter which would be available at Authority meetings and that a smaller two (2) page monthly action report will be direct mailed to all district directors and well owners located within the Authority.

Ms. Payne then reported that three (3) out of the five (5) Town Hall meetings had been held with a total of approximately 150 people attending such meetings. Ms. Payne added that the informational flyers for the Town Hall meetings scheduled for September 14th, September 28th and October 5th were available at the back of the room and encouraged attendees at the meeting to take as many flyers as they needed. Ms. Payne then requested that the Board members and consultants submit their comments regarding the Authority's new informational brochure to her as soon as possible. A copy of Ms. Payne's report is attached hereto.

#### GENERAL MANAGER'S REPORT

The Board next recognized Mr. Shackelford, who presented the General Manager's Report, a copy of which is attached hereto.

Mr. Shackelford first reported that the Texas Water Development Board (the "TWDB") had approved the Authority's regional planning facilities grant application in the amount of \$181,500 and that a draft of the proposed contract for such grant is being reviewed and must be executed by the Authority no later than November 15, 2000. A copy of the proposed contract is attached hereto. Mr. Shackelford stated that the TWDB grant will help fund the Authority's GIS data collection study, the Drought Contingency Plan and the Early Action Program.

Mr. Shackelford next reported that he, Director Pulliam and Director Sigler were registered to attend the upcoming Texas Water Conservation Association Conference in San Antonio, on September 27th-29th. Mr. Shackelford further reported that the Texas Water Law conference is being held in Austin on October 23th-24th, 2000. Mr. Shackelford further noted that the Texas Rural Water Association and the Texas Water Conservation Association will hold a conference entitled "Water Allocation in Texas - The Legal Issues" on January 25th-26th, 2001, in Austin. Mr. Shackelford also stated that the Association of Water Board Directors-Texas will hold its Mid-Winter Conference on January 11th-12th, 2001, in San Antonio. Copies of the brochures for such conferences are attached hereto. Mr. Shackelford requested that the directors contact him if they would like to register for any of the upcoming conferences.

Mr. Shackelford next reminded the Board that at the Authority's meeting held on June 10, 2000, the Board had approved an annual expenditure for the purchase of 55,100 large book covers from the Walraven Company ("Walraven"), to be distributed in approximately 70 elementary and middle schools located within the boundaries of the Authority. Mr. Shackelford stated that the book covers had been received and displayed the book cover reflecting the groundwater cycle and the Authority's logo. Mr. Shackelford stated that Walraven has offered the Board an 8% discount if the Authority places an order for next year's book covers.

Mr. Shackelford then presented for the Board's review a prototype of the GIS data collection questionnaire form to be used by Cobourn Linseisen & Ratcliffe, Inc. in the assembly of the GIS data, a copy of which is attached hereto.

Mr. Shackelford next noted that the Authority's budget workshop meetings are scheduled for September 20th and September 21st, at 6:00 p.m., at the offices of the Authority. Mr. Shackelford stated that packets with the budget information would be delivered to the Board by September 15th.

#### ATTORNEY'S REPORT

Ms. Bobbitt reported that she is working with the Texas Social Security Administrator to obtain a declaration that the Authority may offer a qualified retirement plan to its employees rather than paying social security in order to initiate the Authority's retirement plan with ICMA.

#### NEXT MEETING

Director Rendl announced that the next regular meeting of the Board would be held on Tuesday, October 10, 2000, at 7:00 p.m. at the Ponderosa Fire Station.

#### PUBLIC COMMENT

Director Rendl again opened the floor to public comment, whereupon Mr. Ray Zobel inquired as to the status of the purchase of water rights by the Authority. Mr. Shackelford responded that there had been no further development on such matter and that the Authority was continuing to review all of the available alternatives.

An unidentified attendee questioned if any action would be taken by the Board following tonight's executive session. Director Rendl responded that the Board will take no action when it reconvenes in open session.

Mr. Randy Venhaus of JNS Engineers inquired when the Authority will adopt its budget for the upcoming fiscal year. Director Rendl responded that as stated earlier, it is hoped the budget can be adopted at the October 10th meeting and that a public hearing on the proposed 2001 pumpage fees will likely be held prior to such meeting.

Mr. Garey Nelson mentioned that a draft of the City's proposed contract with municipal utility districts is being circulated. Director Rendl reported that the Authority had received a copy of such contract and was in the process of reviewing it. Mr. Shackelford stated that the Authority's office would make copies of City's contract available to anyone who wanted a copy.

#### EXECUTIVE SESSION

Director Rendl then announced at 7:27 p.m. that pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code (the "Act") and, specifically, Section 551.071 of the Act, the Board would convene in executive session to consult with its attorneys regarding matters covered by the attorney-client privilege. The Board, along with Ms. Bobbitt and Mr. Johnson, then adjourned to the conference room for the executive session.

The Board then returned to open session at 8:40 p.m., at which time no action was taken by the Board.

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

PASSED, APPROVED AND ADOPTED this 10th day of October, 2000.

/s/Lenox A. Sigler

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Secretary, Board of Directors

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