

MINUTES OF SPECIAL MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

December 23, 2000

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in special session, open to the public, at 8:00 a.m. on the 23rd day of December, 2000, at the Authority's office, 3648 FM 1960 West, 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, thus constituting a quorum. Also attending the meeting were: Mr. Ed Shackelford, General Manager for the Authority; Mr. Alan Potok of Turner Collie & Braden, Inc. ("TC&B"), alternate source study engineering consultant for the Authority; Ms. Robin S. Bobbitt of Winstead Sechrest & Minick P.C. and Mr. Andy Johnson of Johnson Radcliffe & Petrov L.L.P., attorneys for the Authority.

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.

EXECUTIVE SESSION

Director Rendl then announced at 8:15 a.m. that the Board would convene in executive session pursuant to Section 551.071(2) and 551.072 Texas Government Code, as amended, to consult with the Authority's attorneys regarding matters covered by the attorney-client privilege and to deliberate on certain matters concerning real property.

Director Rendl then reconvened the meeting in open session at 9:40 a.m. at which time the following action was taken by the Board. Upon motion by Director Burke, seconded by Director Rendl, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Mr. Shackelford and the Authority's attorneys to proceed with the preparation and finalization of a proposal to the City of Houston (the "COH") for the purchase of surface water to meet all of the needs of the Authority through the year 2030 with an average use of 65 million gallons per day. Ms. Bobbitt then stated that she would immediately begin work on the finalization of the proposal as directed by the Board.

The Board then reconvened in executive session at 10:52 a.m., pursuant to Section 551.072(2), Texas Government Code, as amended, to deliberate on certain other matters concerning real property.

Director Rendl then reconvened the meeting in open session at 11:14 a.m., at which time the following action was taken by the Board. 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 authorize Mr. Shackelford and the Authority's attorneys to proceed with the preparation and submission of a proposal to a private source for the purchase of certain real property assets.

There being no further business to come before the Board, the meeting was adjourned at 11:20 a.m.

PASSED, APPROVED AND ADOPTED this 13th day of February, 2001.

/s/Lenox A. Sigler

Secretary, Board of Directors

(SEAL)