

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

September 5, 2001

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 6:00 p.m. on the 5th day of September, 2001, at the Ponderosa Fire Station, 17061 Rolling Creek, Houston, Texas, the regular 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
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, P.E., General Manager for the Authority; Mr. Michael Baugher, P.E. of Turner Collie & Braden, Inc. ("TC&B"), Program Manager and alternate source study engineering consultants for the Authority; Mr. Gary Smith, P.E. of ARCADIS WSBC, Program Manager for the Authority; Mr. Ray Zobel, a member of the City of Houston (the "COH") Regional Advisory Board; Ms. Barbara Payne of Payne Communications, communications coordinator for the Authority; Ms. Kim Canon, reporter for the Houston Chronicle; and Ms. Robin S. Bobbitt and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov LLP, 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.

REVIEW OF SINGLE-MEMBER VOTING DISTRICTS

Director Rendl then announced that tonight's meeting was being held to review and discuss the three (3) proposed alternatives for the redrawing of the Authority's single-member voting districts and for the Board to select one (1) of the alternatives. Director Rendl explained that the Authority, pursuant to H.B. 2695, is required to redraw the single-member voting districts when either 1) the boundaries of the Authority are changed and/or 2) after each decennial census. Director Rendl added that both of the triggers have occurred and, therefore, the Authority's voting districts must be redrawn. Director Rendl then stated that public comments would be taken after the presentation.

Mr. Shackelford then stated that a Fact Sheet and summary information concerning the proposed single-member voting districts had been placed on the information table. Copies of such items are attached hereto.

Mr. Smith then began his review of the three (3) proposed alternatives and explained that the team used data from the 2000 federal census received from Harris County (the "County") and broken down by voting precinct. Mr. Smith explained that the precinct data was overlaid on the Authority's boundaries and aerial photographs were also used. Mr. Smith noted that the 2000 census information reflected a population increase of 26.7% for a total of 381,420 within the boundaries of the Authority compared to the previous population of 300,355. Mr. Smith stated that the team tried to meet four (4) main criteria in preparing the voting district alternatives, including: i) an equal distribution of population within the five (5) voting districts; ii) a minimum number of directors that would be split by the redrawing of the voting districts; iii) a minimum of districts that would have split voting precincts; and iv) utilize major geographical features or major roads as dividing lines. Mr. Smith noted that the population distribution was approximately 76,000 in each single-member voting district in all three (3) of the alternatives. Mr. Smith noted that the number of utility districts split by voting district boundaries is 22 in Alternative 1, 18 in Alternative 2 and 16 in Alternative 3. Mr. Shackelford commented that if a utility district had recently annexed property into its boundaries, such information may not have been included in the data that was utilized in the preparation of the alternatives.

Director Rendl then explained that at the time of the Authority's initial director election in 2000, a major concern of the utility districts was the number of voting precincts split by the Authority's voting district lines and, therefore, the team had made every effort to avoid splitting voting precincts. Ms. Bobbitt noted that once the County redraws its voting precincts, some of the precincts may be split by the Authority's voting district lines.

Mr. Shackelford then recommended that the Board approve Alternative 3 and authorize the submission of such alternative to the U. S. Justice Department.

PUBLIC COMMENT

Director Rendl reminded the audience that, in accordance with the Authority's Policies and Procedures for Public Comment, comments would be limited to three (3) minutes per speaker and requested that all comments be directed to the Board as a whole and not to individual Board members. Director Rendl further requested that each speaker give his/her name and district.

Director Rendl first recognized Ms. Dinorah Gonzalez, attorney with Coats, Rose, Yale, Ryman & Lee, who asked what the voting population in each single-member voting district would be in Alternative 3. Mr. Smith stated that the summary sheet gave the population information for each alternative. Mr. Smith reiterated that one of the criteria for preparing the redistricting alternatives was to insure that each single-member voting district had a population of approximately 76,000.

Mr. Timothy Kiersz of Harris County Municipal Utility District No. 6 asked how often the Authority would have to redraw the single-member voting district lines. Mr. Shackelford stated that anytime there is a change that would affect voting, such as a federal census or a change in the Authority's boundaries, a redrawing of the voting districts would be required.

Mr. Garey Nelson of Bammel Utility District questioned which of the three (3) alternatives most closely matched the existing voting district lines. Mr. Smith responded that Alternatives 1 and 2 were closest to the existing voting district lines.

Mr. Kerry Simmons of Postwood Municipal Utility District questioned what would happen with the voting districts with increased development over the next ten (10) years. Mr. Shackelford indicated that Alternative 3 took future growth into account.

Ms. Kathy Ware of Fountainhead Municipal Utility District ("Fountainhead") inquired how the three (3) alternatives would affect the current Board members. Mr. Shackelford stated that each of the Board members still live within the same respective voting districts with each of the alternatives.

Mr. Larry LaHaie of Northwest Harris County Municipal Utility District No. 15 questioned if the redistricting team had tried to adhere to the voting precinct lines and major thoroughfares in preparing the three (3) alternatives. Mr. Shackelford responded that the team had taken those factors into account.

There being no further comments offered by the public, Director Rendl called for a vote on the voting district alternatives. Upon motion by Director Rendl, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve Alternative 3 for the redrawing of the Authority's single-member voting districts.

VOTING RIGHTS ACT SUBMISSION LETTER

Ms. Bobbitt then requested that the Board authorize the Authority's attorneys to proceed with the preparation of a Voting Rights Act submission letter to the U. S. Department of Justice regarding the changes in the Authority's boundaries and single-member voting districts. 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 authorize the preparation, execution and submission of the Voting Rights Act letter to the U.S. Department of Justice as outlined above.

Director Burke then asked what costs had been incurred for the redistricting process. Mr. Shackelford responded that approximately \$10,000 had been spent on engineering to date and that \$50,000 had been budgeted for the entire project, including legal fees.

APPOINTMENT OF ADDITIONAL MEMBERS TO IMPORT FEE COMMITTEE

Mr. Shackelford next explained that at the Import Fee public hearing held on September 9, 2001, several people had voiced concerns pertaining to the concept of the Authority implementing import fees. Mr. Shackelford then recommended that the Board expand the Import Fee Committee (the "Committee") to include more representatives from the utility districts within the Authority. Director Sigler interjected that when the Committee was first created, it included two (2) members of the Board, including Director Moore and himself. Director Sigler then stated that he thought it was best that Board members not serve on the Committee and stated that he was resigning from the Committee. Director Sigler stated he thought it is best left to the utility district directors to bring the recommendations from the Committee to the Board.

Director Moore then commented that following the September 9th hearing, he had suggested that the Authority Board members resign from the Committee and that a utility district representative from Voting District 5 should serve on the Committee in his place and that he had subsequently resigned from the Committee.

Mr. Shackelford explained that if import fees were not implemented, the Authority would lose projected revenues from any district that brought water in from outside the Authority's boundaries.

Ms. Ware of Fountainhead then stated that the import fees only affected the four (4) split utility districts. Mr. Shackelford stated that the Authority would be impacted by any district that imported water from outside of the Authority.

Upon motion by Director Moore, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the General Manager to expand the membership on the Committee.

NEXT MEETING DATE AND MISCELLANEOUS MATTERS

Mr. Shackelford then announced that the Board's next regular meeting will be held on Tuesday, September 11, 2001, at the Ponderosa Fire Station.

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

PASSED, APPROVED AND ADOPTED this 9th day of October, 2001.

/s/Lenox A. Sigler

Secretary, Board of Directors

(SEAL)