

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
September 12, 2005

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 12th day of September, 2005, 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:

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

All members of the Board were present, except Director Fessler, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., General Manager 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. Lisa Sagstetter, Community Relations Coordinator 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 Turner Collie & Braden ("TCB"), Engineer Manager for the Authority; Mr. Wayne Ahrens, P.E. of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Larry Barfield, P.E. of Binkley & Barfield, Inc., on-call engineers for the Authority; Mr. Tom Matkin, P.E. of AEI Engineering, Inc. ("AEI"), on-call engineers for the Authority; Mr. Mike Bagstad, P.E. of Carter & Burgess, Inc., a subcontractor to AEI for Authority Projects 6 and 6A; Messrs. Sanjay Ram, P.E. and Chetan Vyan, P.E. of ARCADIS G&M, Inc., on-call engineers for the Authority; Mr. Kyle Bertrand, P.E. of Cobourn Linseisen & Ratcliff, Inc., on-call engineers for the Authority; Mr. David Scholler, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Timothy J. Talaga, P. E. of Jones & Carter, Inc., on-call engineers for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to TCB and project representative for Projects 1A and 1C; Mr. Mark Breeding of Andrews Kurth LLP, right-of-way ("ROW")/easement acquisition attorneys for the Authority; Mr. Mike Voinis of Cobb Fendley & Associates, Inc., ROW/easement acquisition consultants for the Authority; Ms. Kentesheia L. Dockery, staff writer for The 1960 Sun; Mr. Jason King, staff writer for The Houston Chronicle; Ms. Nikki Wynn, author of Journey to Pansophigus; Mr. Daniel Shaw, illustrator of Journey to Pansophigus; Messrs. Gary Mechler, Jim Gilliam and Bob Smith of Severn Trent Environmental Services; and Ms. Robin S. Bobbitt and Mr. Lewis Kasner, attorneys, 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 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.

In the absence of Director Fessler, Director Graham presided over the meeting. The Board commended Ms. Payne and her team for their work on the Water Conservation Education Program and the Mobile Teaching Lab, which was on display in the parking lot prior to tonight's meeting.

## **REPORTS**

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

A copy of Ms. Payne's PowerPoint presentation for tonight's meeting and a copy of her report on the Water Conservation Education Program are attached hereto as exhibits.

Ms. Payne first reported that the Authority's website had 43,036 hits for the month of August. Ms. Payne reported that new items had been added to the [www.StoptheDrop.org](http://www.StoptheDrop.org) page of the website and encouraged people to visit the website.

Concerning the Authority's Water Conservation Education Program, Ms. Payne then offered individual thanks to the team that made the program possible and acknowledged the persons in attendance at tonight's meeting, including Ms. Wynn and Mr. Shaw, as described in further detail in Ms. Payne's PowerPoint presentation. Mr. Schindewolf again commended and expressed the Authority's appreciation to Ms. Payne, Ms. Wynn, Mr. Shaw and Ms. Sagstetter for their work on the Mobile Teaching Lab and the Water Conservation Education Program.

### **GENERAL MANAGER'S REPORT**

Mr. Schindewolf first reviewed the General Manager's Report with the Board, a copy of which is attached hereto. Mr. Schindewolf then read a congratulatory statement from Director Fessler regarding Ms. Payne, Ms. Sagstetter and the team of individuals who produced the Water Conservation Education Program, a copy of which is attached hereto.

### **PREPARATION OF 2006 BUDGET-CAPITAL IMPROVEMENT PROGRAM (the "CIP")**

Concerning the preparation of the proposed budget for the fiscal year ending December 31, 2006 and the CIP for 2006/2007, Mr. Schindewolf reported that two (2) public meetings would be scheduled at the offices of the Authority as follows. A Budget Workshop meeting would be held on Monday, October 24, 2005, at 6:00 p.m., and a public hearing on the budget and proposed pumpage fees would be held on Monday, November 7, 2005, at 6:30 p.m. Mr. Schindewolf noted that approval of the budget and the CIP would be done at the regular meeting of the Board to be held after the public hearing on November 7<sup>th</sup> at 7:00 p.m.

Mr. Schindewolf next stated that the meeting packet contained a legislative update memo dated September 6, 2005 from Mr. Steve Bresnen, the Authority's legislative consultant, and a letter from Mr. Bresnen dated September 9, 2005 to the Honorable Kathleen Hartnett White, Chairman of

the Texas Commission on Environmental Quality, regarding water reuse and related "bed and banks" issues, copies of which are attached hereto. Mr. Schindewolf also noted that he, Mr. Bresnen, Mr. Rendl and Ms. Payne would be briefing announced candidates for Senator Jon Lindsay's position.

#### STATUS OF BUY/SELL AGREEMENTS

Mr. Schindewolf next reported that the Authority has received invitations from 23 utility districts for a representative of the Authority to attend their board meetings. Mr. Schindewolf noted that Mr. Rolan has been attending such meetings on the Authority's behalf.

#### STATUS OF ROW/EASEMENT ACQUISITIONS

Mr. Breeding was then called upon by Mr. Schindewolf to present a brief status report on the various ROW/easement acquisitions by the Authority.

Mr. Breeding reported that the ROW/Easement Acquisition Team had acquired all parcels for Project 7C.

Mr. Breeding noted that all parcels had been acquired for Project 6-B-1 with one (1) pending litigation case on one (1) parcel. Concerning Project 6B-2, Mr. Breeding stated that the acquisition process for this project is proceeding well, and that several condemnation cases had been filed, with others more than likely to be filed in the near future.

Concerning Project 7A-1, Mr. Breeding reported that three (3) of the four (4) major parcels had been acquired and that acquisition of the fourth parcel was very near closing. He also noted that there are five (5) pending litigation cases, two (2) of which have reached verbal agreements, and the remaining three (3) cases are hopefully to be resolved with favorable findings for the Authority.

#### NORTHEAST WATER TREATMENT PLANT

Mr. Schindewolf then read a letter dated August 22, 2005 from Mr. Jeff Taylor, Deputy Director of the Public Utilities Division of the City of Houston (the "City") announcing the commencement of operations of Phase 1 of the City's Northeast Water Treatment Plant ("NEWTP") on August 1, 2005. A copy of such letter is attached hereto.

Mr. Schindewolf noted that Phase 2 of the NEWTP is scheduled be completed by January, 2006.

#### UPDATE ON 2010 WATER DISTRIBUTION AND TRANSMISSION SYSTEM-PHASE 1 GROUNDWATER TRANSFER PROJECTS

Mr. Schindewolf then called on Mr. Rolan to review the status of the various Groundwater Transfer Projects (the "GTP"), as outlined below.

## ENGINEER MANAGER'S REPORT

Mr. Rolan then presented the Engineer Manager's Report, a copy of which is attached hereto. Mr. Rolan noted that Project 1A-1 is being recommended for acceptance by the Authority, and a recommendation of contract award for Project 5B is on the agenda for tonight's meeting.

Concerning Project 1A, Mr. Rolan reported that Jalco, Inc. ("Jalco") has installed approximately 15,900 feet of large diameter pipe to date, and the tunnel installation is now complete on such project. Mr. Rolan noted that the contractor is continuing with cleanup and testing of the water line.

Mr. Rolan went on to report that the contractor for Project 1B, Huff & Mitchell, Inc., has installed 10,663 feet of water line and is in the process of testing the lines.

Mr. Rolan then reported that R&B Group, Inc. has completed the plan submittal process and is awaiting delivery of the ground storage tank and generator for Project 1C-2.

Concerning Project 4, Mr. Rolan reported that Texas Sterling Construction L.P. has completed the installation of 14,620 feet of pipe and is currently working on completing various punchlist items.

Mr. Rolan went on to report that the Project 5A contractor has completed the test hole for the water well in the Jasper Aquifer and completed the installation of the 18-inch conductor casing, 12-inch blank liner and 12-inch screen for the well installation. Mr. Rolan added that the contractor is currently developing the well. Mr. Rolan also reported that the contractor has completed one (1) water sample at a depth of 1,113 feet on the second well located in the Evangeline Aquifer.

Mr. Rolan then noted that the Project 6 contractor, D.L. Elliott Enterprises, Inc. ("D.L. Elliott"), has completed installation of pipe and testing of the line and is working on clean-up items for such project. Mr. Rolan noted that the contractor has begun work on the tunnel to permit installation of the dual 60-inch lines under Louetta Road.

Concerning Project 6A, Mr. Rolan reported that C.E. Barker, Ltd. has installed 1,720 feet (95%) of 12-inch pipe, completed a total of 650 feet of tunneling and installed a total of 3,351 feet of 36-inch pipe to date on such project. Mr. Rolan added that the contractor has begun construction of the 30-inch water line.

Mr. Rolan reported that E. P. Brady Ltd. has begun tunnel construction for the 42-inch water line along Louetta Road for Project 6B-1.

Concerning Project 7A, Mr. Rolan reported that Calco Contracting Ltd. ("Calco") has now completed the installation of the 24-inch water line, the 16-inch water line and the 20-inch water line on such project. Mr. Rolan noted that 1,529 feet (85%) of 30-inch water line has been installed to date on such project.

Mr. Rolan then reported that D.L. Elliott, the contractor for Project 7B, has completed 1,747 feet of tunneling, installed 98% of the 48-inch water line and installed 50% of 42-inch water line on such project.

Mr. Rolan went on to report that Jalco, the contractor for Project 7C, Contract 1, has installed 93% of 54-inch water line, 82% of 36-inch water line and completed a total of 2,006 feet (85%) of tunneling on such project.

Mr. Rolan then reported that Ramos Industries, Inc., contractor for Project 7C, Contract 2, has installed approximately 7,616 feet (97%) of 24-inch water line and has completed 288 feet (70%) of the tunneling work on such project to date.

Mr. Rolan next reported that six bids (6) bids were received on September 1, 2005 ranging from \$210,785.00 to \$373,355.00 for construction of Project 5B and reported that the low bidder on such project was Calco with a bid of 210,785.00. Mr. Rolan noted that Mr. Schindewolf would discuss the matter further later in the meeting.

Concerning other activities, Mr. Rolan reported that engineering design efforts continue on Projects 1A-2, 3, 4A, 5C, 6B-2, 15A and the 2010 transmission line. Mr. Rolan stated that during the prior month, the Engineer Manager has also performed other efforts, such as assisting with ROW/easement acquisitions, providing construction administration and project representatives on construction projects, attending various utility district meetings to discuss the status of the GTP, continuing efforts to gather information for the Buy/Sell Agreements and submitting draft Buy/Sell Agreements to four (4) additional utility districts.

Concerning the Greens Road Water Line Project, Mr. Rolan reported that the installation of pipe has begun on all four (4) segments of such project and that to date, approximately 70% of the pipe has been installed on such project. Mr. Rolan noted that the City continues to report that the projects are progressing on or very close to schedule.

#### ATTORNEY'S REPORT

Ms. Bobbitt reported that she had sent a letter dated August 24, 2005 to Mr. David Beirne, Director of Public Affairs of the Harris County (the "County") Clerk's Office, advising him that due to recent changes in the Texas Election Code, the Authority's 2006 Directors Election will be held on May 13, 2006, rather than the first Saturday of February, 2006, and requesting a proposed Election Services Agreement from the County to conduct the Authority's 2006 Directors Election. In addition, Ms. Bobbitt noted that the Authority will be required to use electronic voting equipment in the 2006 Directors Election. A copy of Ms. Bobbitt's letter is included in the meeting packet and is attached hereto.

Director Pulliam inquired if the Authority would have the proposal or proposed contract from the County prior to adopting the Authority's 2006 budget. Ms. Bobbitt stated that she is hopeful that the County will respond prior to the November 7<sup>th</sup> meeting.

## **REGULAR AGENDA**

### **APPROVAL OF THE MINUTES**

Director Graham then asked for approval of the minutes of the regular meeting of August 1, 2005, previously distributed to the Board. 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 approve the minutes of the regular meeting of August 1, 2005, as written.

### **FINANCIAL ASSISTANT'S REPORT**

Director Graham 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 the month ending July 31, 2005, a copy of which is attached hereto. Ms. Plunkett stated that the budget comparison for seven (7) months reflects that the Authority is approximately \$836,529 under budget for the fiscal year ending December 31, 2005.

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.

## **GENERAL MANAGER'S ACTION ITEMS**

### **AWARD CONTRACT FOR CONSTRUCTION OF PROJECT 5B**

Mr. Schindewolf next reported that six (6) bids were received on September 1, 2005 for construction of the proposed 16-inch water line from the Authority's Louetta Regional Water Plant to Charterwood Municipal Utility District Water Plant. Mr. Schindewolf reported that the low bidder for such project was Calco with a bid in the amount of \$210,785.00. Copies of the bid tabulations and Mr. Schindewolf's letter recommending award of contract to Calco are attached hereto. 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 award the construction contract for Project 5B to Calco.

### **ACCEPTANCE OF PROJECT 1A-1**

Mr. Schindewolf then recommended that the Board authorize final acceptance of the work performed by Triple B Services, L.L.P. ("Triple B") under their contract with the Authority for Project 1A-1 for construction of the 12/16-inch water transmission line on Veterans Memorial Drive from Bammel N. Houston to Sableridge Drive and Falling Creek from Bammel N. Houston to FM 1960, at a final contract amount of \$1,008,580.11. Mr. Schindewolf noted that the initial contract bid was in the amount of \$1,165,279.50. Mr. Schindewolf also stated that the one (1) year warranty period for such began on April 24, 2005, the date of the contractor's substantial completion of the project. Upon motion by Director Pulliam, seconded by Director Rendl, after full discussion and the question being put to the Board, the Board voted unanimously to authorize final acceptance and approval of Pay Estimate No.8 and Final to Triple B. Copies of Mr. Schindewolf's letter and Pay Estimate No. 8 and Final are attached hereto.

CONFIRM UPCOMING MEETING DATES

Director Graham then stated that the next regular meeting of the Board would be held on Monday, October 3, 2005.

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

PASSED, APPROVED AND ADOPTED this 3<sup>rd</sup> day of October, 2005.

/s/Alan J. Rendl

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Secretary, Board of Directors

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