

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
June 20, 2005

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 7:00 p.m. on the 20th day of June, 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; Ms. Cynthia Plunkett, Financial Assistant for the Authority; Ms. Lisa Randecker, Executive Assistant for the Authority; Mr. Anthony Crisci, P.E., Construction Coordinator for the Authority; Ms. Barbara Payne of Payne Communications, communications coordinator for the Authority; Mr. Tom Rolen, P.E. of Turner Collie & Braden, Engineer Manager for the Authority; Mr. David Scholler, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Messrs. John Peyton, P. E. and Kyle Bertrand, P. E. of Cobourn, Linseisen & Ratcliff, Inc., on-call engineers for the Authority; and Ms. Robin S. Bobbitt 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.

Director Graham chaired the meeting in the absence of Director Fessler.

GENERAL MANAGER'S REPORT

Mr. Schindewolf reported that the Authority's bill, Senate Bill 331, had been signed by Governor Perry on Saturday, June 18, 2005. Mr. Schindewolf also reported that Governor Perry had vetoed House Bill 2667.

AWARD CONTRACT FOR CONSTRUCTION OF PROJECT 1C-2

Mr. Schindewolf reported that four (4) bids were received on March 28, 2005 for construction of the proposed Northwest Harris County Municipal Utility District No. 24 water plant improvements, known as Project 1C-2 of Phase 1 Groundwater Transfer Program (the "GTP"). Mr. Schindewolf then recommended award of the construction contract to R&B Group, Inc.

("R&B") in the amount of \$1,124,270.00 for Project 1C-2 of the GTP. Copies of Mr. Schindewolf's letter recommending award of the contract and the bid tabulation 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 contract for Project 1C-1 to R&B.

AWARD CONTRACT FOR CONSTRUCTION OF PROJECT 6B-1

Mr. Schindewolf next reported that six (6) bids were received on June 16, 2005 for construction of the proposed water line along Louetta Road to Malcomson Road Utility District, known as Project 6B-1 of the GTP. Mr. Schindewolf recommended award of the construction contract to E. P. Brady Ltd. ("E.P. Brady") in the amount of \$3,456,398.00 for Project 6B-1 of the GTP. Copies of Mr. Schindewolf's letter recommending award of the contract and the bid tabulation 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 contract for Project 6B-1 to E. P. Brady.

AUTHORIZE GENERAL MANAGER TO APPROVE CHANGE ORDER TO THE CONSTRUCTION CONTRACT FOR PROJECT 1A

Mr. Schindewolf first explained that on December 8, 2003, the Board adopted a resolution that included authorization for the General Manager to implement and administer construction contracts on behalf of the Authority and included the review and approval of change orders whose aggregate value does not exceed five percent (5%) of the construction contract amount. Mr. Schindewolf went on to explain that Mr. Rolen, by letter dated June 16, 2005, a copy of which is attached hereto, recommended that the Board increase the aggregate value of change orders that the General Manager is authorized to approve from five percent (5%) to ten percent (10%) of the construction contract amount in connection with Project 1A, as a result of the issues and delays that have arisen in connection with such construction 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 increase the aggregate value of change orders the General Manager is authorized to approve from five percent (5%) to ten percent (10%) of the construction amount in connection with Project 1A.

MISCELLANEOUS MATTERS

It was then noted that the next regular meeting of the Board is scheduled for Monday, July 11, 2005, as a result of the July 4th holiday.

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

PASSED, APPROVED AND ADOPTED this 1st day of August, 2005.

/s/Alan J. Rendl

Secretary, Board of Directors

(SEAL)

S:\NHCRWA\Minutes\2005\06-20-05-Special.DOC