

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY  
March 6, 2006

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 6<sup>th</sup> day of March, 2006, 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, thus constituting a quorum. Also attending the meeting were: Mrs. Kelly Fessler; 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. Barbara Payne of Payne Communications, communications coordinator for the Authority; Messrs. Tom Rolan, 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. Charles Shumate, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Jay Chapman, P. E. of AEI Engineering, Inc. ("AEI"), on-call engineers for the Authority; Messrs. Buddy Barnes, P.E. and Michael Bagstad, P.E. of Carter & Burgess, Inc., a subcontractor to AEI for Projects 6A and 15A; Mr. David Krukewitt, P.E. of Jones & Carter, Inc., on call engineers for the Authority; Mr. Dave Scholler, P. E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Ralph Cox, P.E. of Klotz Associates, on-call engineers for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to TCB and project representative on several Authority projects; Mr. Mark Breeding of Andrews Kurth LLP, right-of-way ("ROW")/easement acquisition attorneys for the Authority; Mr. Mike Voinis, P.E. of Cobb Fendley & Associates, Inc., ROW/easement acquisition consultants for the Authority; Mr. Leroy Mensik of Severn Trent Environmental Services, Inc. ("Severn Trent"), operators for the Authority; Ms. Robyn M. German, election services consultant for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, general 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 at the meeting 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.

## BOARD MEMBER COMMENTS

Director Pulliam reported that he attended the Texas Water Conservation Association Conference in The Woodlands last week. Director Pulliam briefly reviewed several of the topics of sessions that he attended while at the Conference. Director Pulliam urged people to contact their State representatives to encourage them to focus on developing new water supplies in Texas.

Director Graham reminded those in attendance to vote in the primary election tomorrow.

## STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

A copy of Ms. Payne's PowerPoint presentation for the meeting is attached hereto.

Ms. Payne first reported that the Authority's website had 48,223 hits for the month of February. Ms. Payne also reported that the Lake Houston Trash Bash will be held on March 25, 2006, and that the Mobile Teaching Lab will be at the event. Ms. Payne stated that additional information on the Lake Houston Trash Bash will be posted on the Authority's website.

Ms. Payne went on to report that the school districts in the area are continuing to request the Journey to Pansophigus educational materials for distribution to their schools. Ms. Payne added that the number of utility districts sponsoring the Journey to Pansophigus program is continuing to increase. Ms. Payne added that Water Is Life, a coloring and activity book, will be available next month to introduce the Journey to Pansophigus characters to first and second graders.

Ms. Payne next reported that Ms. Melanie Strand of Thornton Middle School in the Cy-Fair Independent School District ("ISD") and Ms. Donna Price of the Science Department in the Humble ISD are the Educators of the Month.

Ms. Payne then announced that the Authority's water education and conservation program that includes, but is not limited to, the Mobile Teaching Lab and The Journey to Pansophigus book, received The Watermark Award for Communications Excellence from the Water Environment Association of Texas and the Texas Section of the American Water Works Association.

## GENERAL MANAGER'S REPORT

Mr. Schindewolf then reviewed the General Manager's Report with the Board, a copy of which is attached hereto.

Mr. Schindewolf remarked that he received favorable comments from Mr. Jeff Taylor and several other City of Houston representatives following their recent meeting with Director Rendl and Ms. Payne concerning water conservation matters.

Mr. Schindewolf also reported that the meeting packet included an article by Ms. Kim Jackson regarding the Authority's completion of the water line along Louetta Road and on Bammel N. Houston Road, a copy of which is attached hereto. Ms. Payne added that Ms. Jackson had recently given birth to a baby boy.

## 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 easement acquisition process for Project 6 is extremely close to being completed and further noted that there are only five (5) pending condemnation cases remaining.

Mr. Breeding stated that the ROW/Easement Acquisition Team will next begin work on the easement acquisitions for Project 15A.

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

Mr. Schindewolf next called on Mr. Rolan to review the status of the various Groundwater Transfer Program ("GTP") projects, 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 first noted that Mr. Mensik of Severn Trent, operators for the Authority, had joined the other consultants at the table and reported that Severn Trent is busy with the operation of the Authority's new water lines.

Mr. Rolan next reported that the Project 1A-2 contractor, Triple B Services, L. L. P. ("Triple B"), has substantially completed the project and acceptance of the project by the Authority is on tonight's agenda.

Mr. Rolan further reported that Project 1A, Project 1B and Project 6 are now substantially complete.

Mr. Rolan then reported that R&B Group, Inc. has completed a portion of Project 1C-2, which is now in service, and continues to do site work and is in the process of completing the chlorination building.

Concerning Project 4, Mr. Rolan reported that Texas Sterling Construction, L. P. has substantially completed such project, and that a recommendation for the Authority to accept such project will be provided soon.

Mr. Rolan went on to report that the Project 5A contractor, W. W. Payton Corporation, has completed both water wells and is working on final site cleanup. Mr. Rolan added that approval has been received from the Texas Commission on Environmental Quality to place both wells in service.

Mr. Rolan next reported that E. P. Brady, Ltd. ("E. P. Brady"), contractor for Project 5C, has completed the clearing and grubbing work on such project, and has begun the installation of the 60-inch water line.

Concerning Project 6A, Mr. Rolen reported that C.E. Barker, Ltd. has substantially completed the project and that the final walkthrough for the project is being scheduled.

Mr. Rolen next reported that E. P. Brady has substantially completed Project 6B, Contract 1, that the line is now in service and that the final walkthrough is being scheduled.

Concerning Project 7A, Mr. Rolen reported that Calco Contracting Ltd. ("Calco") has substantially completed the project and is working on punchlist items noted during the final walkthrough.

Mr. Rolen went on to report that in connection with Project 7A-1, Calco has completed 2,104 feet of 16-inch water line, completed all of the auger construction and is working on the remaining pipe installation within the water plant site, the connection to the plant and site cleanup work.

Mr. Rolen then reported that D.L. Elliott Enterprises, Inc., the contractor for Project 7B, has substantially completed the construction and is working on project cleanup.

Mr. Rolen then reported that Jalco, Inc., the contractor for Project 7C, Contract 1, has completed installation of the water line, tested approximately 99% of the water line, is working on site cleanup and that a walkthrough is being scheduled.

Mr. Rolen next stated that Ramos Industries, Inc., the contractor for Project 7C, Contract 2, has substantially completed construction and site cleanup and that a walkthrough is being scheduled.

Mr. Rolen then reported that the Authority's Supervisory Control and Data Acquisition ("SCADA") system contractor, Mercer Controls, Inc., has begun installation of the conduits and pads at various locations and continues with the submittal process and coordination efforts with telephone and power companies.

Mr. Rolen noted that to date, the Authority has installed a total of 27.6 miles of pipe ranging in size from 12-inch to 60-inch.

Concerning other activities, Mr. Rolen reported that engineering design efforts continue on Projects 3, 6B-2, 10, 15A, and the 2010 transmission line. Mr. Rolen stated that during the prior month, the Engineer Manager has also worked on other items, such as assisting with ROW/easement acquisitions, providing construction administration and project representation on construction projects, monitoring the operation of the GTP South System, coordinated and assisted with projects in the GTP West System, continued efforts to finalize the remaining Buyer/Seller contracts and assisting the Authority in negotiating an agreement to purchase the former Hewlett Packard water well.

Director Pulliam then stated that he had heard there had been a problem with one (1) of the water wells in connection with Project 5A. Mr. Rolen responded that the pump was replaced on the Jasper well, and that the problem has been resolved.

#### ATTORNEY'S REPORT AND ELECTION AGENDA

Mr. Schindewolf then stated that it was good to have Ms. Bobbitt back at the meeting so quickly after her surgery.

Mr. Schindewolf noted that at the February meeting, the Board had authorized him to proceed with efforts to engage an election services consultant to coordinate the Authority's May 13, 2006 Directors Election. Mr. Schindewolf went on to explain that Ms. Beverly Kaufman, Harris County (the "County") Clerk, had recommended that the Authority consider Ms. Robyn M. German, who had served as the Assistant Administrator of Elections in the County for the past six (6) years. Mr. Schindewolf then introduced Ms. German and asked her to address the Board.

Ms. German briefly summarized her work on the Authority's Directors Election matters since beginning work with the Authority on February 21, 2006. Ms. German stated that she had contacted Klein ISD, Cy-Fair ISD, Spring ISD, Tomball ISD and the City of Tomball about entering into joint election agreements. Ms. German reported that Cy-Fair ISD was the only entity interested in entering into a joint election agreement with the Authority. Ms. German noted, however, that the other school districts are willing to allow the Authority to use their polling places on election day. Ms. German also reported that she has been in contact with the County's Elections Department and the Harris County Tax Assessor/Collector's office to discuss the County voting precincts that are located within the Authority's single-member voting Districts 1, 2 and 4 and to identify what polling places the Authority would require in the event that elections are held within all three (3) single-member voting Districts.

Ms. Bobbitt next reported that Tab 4 of the meeting packet contains a draft of the Authority's Order Calling Directors Election for the Board's adoption, a copy of which is attached hereto.

Ms. Bobbitt added that Tab 5 contains a draft of the initial submissions letter to the United States Department of Justice (the "DOJ Submissions Letter") that will be sent to obtain approval and clearance of the change in voting procedures, such change being the use of the County voting systems for the Authority's future elections. Ms. Bobbitt noted that another DOJ Submissions Letter will also be necessary to disclose the changes in polling places.

Ms. Bobbitt went on to report that in the event that the Authority holds an election, Cy-Fair ISD will enter into a joint election agreement with the Authority, and the Authority will pay one-half (1/2) of the costs of the election equipment and the facilities used for the election. Ms. Bobbitt added that the Authority will also need to enter into an Agreement between the County and the Authority Relating to an Election and the Subsequent Runoff to be Held on May 13, 2006 (the "County's Agreement") for the lease of the County's voting systems in the polling places that are not covered by the joint election agreement with Cy-Fair ISD. A copy of the Attachment A to the County's Agreement specifying the estimated costs for the lease of the County's voting systems and related costs is attached hereto. Ms. Bobbitt reported that the County will require a \$10,085.27 deposit (60% of the total estimated cost) prior to the election. Ms. Bobbitt stated that the proposed agreements from the County and Cy-Fair ISD had not yet been submitted, but that Ms. German has requested that the proposed agreements be forwarded to Ms. Bobbitt for review.

Ms. Bobbitt then reported that the proposed Election Consultant Services Agreement by and between the Authority and Ms. German Relating to Directors Election to be Held on May 13, 2006 (the "Agreement") is located at Tab 8 of the meeting packet, a copy of which is attached hereto.

Ms. Bobbitt asked the Board to approve such Agreement and authorize its execution, subject to her final review.

Director Pulliam then asked about the tallying process for the Directors Election. Ms. Bobbitt stated that Ms. German would do the election tally herself at the Authority's office on election day.

Director Graham asked what steps would be taken to provide assistance with non-English speaking voters. Ms. Bobbitt responded that Ms. German has arranged to have two (2) translators to work on election day to provide assistance to Vietnamese and Spanish speaking voters.

Mr. Schindewolf then stated that the Authority's budget allocated \$100,000 for the Directors Election, and that his current estimate of costs for the Directors Election is between \$75,000 and \$80,000.

Upon motion by Director Rendl, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) adopt the Order Calling Directors Election; 2) authorize preparation of the DOJ Submissions Letters regarding the changes in voting procedures and any changes in polling places; 3) authorize execution of an Agreement between the County and the Authority Relating to an Election and the Subsequent Runoff to be Held on May 13, 2006 for the lease of the County voting systems, subject to final review by Ms. Bobbitt; 4) authorize execution of a joint election agreement with Cy-Fair ISD relating to the May 13, 2006 Directors Election, subject to receipt and review by Ms. Bobbitt; 5) authorize payment of a deposit in the amount of \$10,085.27 to the County for lease of the County voting systems; and 6) approve and authorize execution of the Election Consultant Services Agreement by and between the Authority and Ms. German Relating to Directors Election to be Held on May 13, 2006.

## **REGULAR AGENDA**

### **APPROVAL OF THE MINUTES**

Director Fessler then asked for approval of the minutes of the regular meeting of February 6, 2006, previously distributed to the Board. Upon motion by Director Sigler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of February 6, 2006, as written.

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

Director Fessler 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 January 31, 2006, a copy of which is attached hereto. Ms. Plunkett stated that the budget comparison for the one (1) month period ending January 31<sup>st</sup> reflects that the Authority is approximately \$991,743 under budget for the fiscal year ending December 31, 2006.

Upon motion by Director Pulliam, seconded by Director Graham, 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.

ACCEPTANCE OF PROJECT 1A-2

Mr. Schindewolf then recommended that the Board authorize final acceptance of the work performed by Triple B under their contract with the Authority for Project 1A-2 for construction of the 16-inch water transmission line from Veterans Memorial Drive to Northwest Harris County Municipal Utility District No. 23 Water Plant, with a final contract amount of \$788,263.45. Mr. Schindewolf noted that the initial contract bid was in the amount of \$830,775.00. Mr. Schindewolf also stated that the one (1) year warranty period for the project began on January 4, 2006, the date of the contractor's substantial completion of the project.

Upon motion by Director Graham, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to authorize final acceptance of Project 1A-2 and approval of Pay Estimate No.4 and Final to Triple B. Copies of Mr. Schindewolf's letter, Certificate of Completion, and Pay Estimate No. 4 and Final are attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Fessler then stated that the next regular meeting of the Board will be held on Monday, April 3, 2006, at 7:00 p.m.

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 April, 2006.

/s/Alan J. Rendl

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Secretary, Board of Directors

(SEAL)