

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
June 4, 2007

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 4th day of June, 2007, 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:

Alan J. Rendl	President
Kelly P. Fessler	Vice President
Lenox A. Sigler	Secretary
James D. Pulliam	Treasurer
Ron Graham	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. Paul Nelson, Planning and GIS Coordinator 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 Rolen, P.E. and Curtis Villarreal, P.E. of TCB INC. ("TCB"), Program Manager for the Authority; Mr. Dave Scholler, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Tom Matkin, P.E. of AEI Engineering, Inc. ("AEI"), on-call engineers for the Authority; Messrs. Buddy Barnes, P.E. and Hoyt Brown, P.E. of Carter & Burgess, Inc. ("Carter & Burgess"), a subcontractor to AEI for Projects 6A and 15A; Mr. Joe Castronovo, P.E. of Jones & Carter, Inc., on-call engineers for the Authority; Mr. Wayne Ahrens, P.E. of Dannenbaum Engineering Corporation ("Dannenbaum"), on-call engineers for the Authority; Mr. Sanjay Ram, P.E. of ARCADIS U.S., Inc., on-call engineers for the Authority; Mr. Larry Barfield, P.E. of Binkley & Barfield, Inc., on-call engineers for the Authority; Mr. John Seifert, P.E. of LBG-Guyton 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. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operators for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("JRPB"), 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 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.

MESSAGE FROM THE PRESIDENT

Director Rendl then stated that it had been an honor and a privilege to serve again as President of the Board for the past year.

REPORTS

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 Mobile Teaching Lab had been on display at the 14th Annual City of Houston (the "City") Water Festival held on May 10, 2007 at the Aquarium, located in the downtown area, which event was attended by 2,200 students.

Ms. Payne next announced that Spring West Municipal Utility District ("MUD") has donated two (2) classroom sets of Journey to Pansophigus to Klein Independent School District ("ISD") and two (2) classroom sets to Spring ISD. Ms. Payne then reported that Cypress Creek Utility District has also donated 15 classroom sets of Journey to Pansophigus and 600 copies of the Water Is Life coloring book to Cy-Fair ISD. In addition, Ms. Payne reported that ECO Resources, Inc. has donated classroom sets for use in public schools and home schooling programs.

Concerning the Journey to Pansophigus Sponsor's Circle, Ms. Payne proudly announced sponsorships from Carter & Burgess, Dannenbaum, JRPB, the City Public Works Department and the North Fort Bend Water Authority.

Ms. Payne next reported that Klein ISD has scheduled a Journey to Pansophigus teacher workshop for 75 teachers this summer. Ms. Payne also noted that Cy-Fair ISD and Spring ISD will schedule similar teacher workshops this summer.

Director Rendl commended Ms. Payne and the Authority staff on an excellent job.

GENERAL MANAGER'S REPORT

Mr. Schindewolf also commended Ms. Payne and the Authority staff.

Mr. Schindewolf then reviewed the General Manager's Report with the Board, a copy of which is attached hereto, and noted that miscellaneous correspondence was included in the Board's meeting packet. Mr. Schindewolf reported that the 80th Legislative Session of 2007 ("Legislative Session") had concluded on May 28, 2007, and noted that there was a tremendous flurry of activity that occurred during the last several days of the Legislative Session, which resulted in a number of bills being passed at the last minute. Mr. Schindewolf stated that Mr. Steve Bresnen, the Authority's legislative lobbyist, spent a great deal of time monitoring the progress of certain bills that were of concern to the Authority, particularly House Bill 2006 (eminent domain), House Bill 3 (various water issues), House Bill 4 (water conservation) and Senate Bill 3 (omnibus water bill). Mr. Schindewolf noted that Mr. Bresnen will attend the Board's July 2, 2007 meeting to give the

Board a thorough legislative briefing, and that Ms. Bobbitt may have her firm's legislative summary ready for that meeting.

Mr. Schindewolf then announced that the North System of the Authority's Groundwater Transfer Program (the "GTP") became operational on May 21, 2007 when water delivery began at the Bridgestone MUD Water Plant No. 3. Mr. Schindewolf commended Mr. Rolan, his team and STES on an excellent job on the GTP.

STATUS OF RIGHT-OF-WAY ("ROW")/EASEMENT ACQUISITIONS

Mr. Schindewolf then stated that in the absence of Mr. Breeding, he would give the status report on the various ROW/easement acquisitions by the Authority. Mr. Schindewolf reported that easement acquisitions were moving forward with ambitious completion goals on Project 6A-1, Project 7C-3, Project 17 (Segments 1, 2, 3, and 4) and Project 4C. Concerning Projects 6, 6B-1 and 6B-2, Mr. Schindewolf noted that there is one (1) parcel in each project currently in litigation.

UPDATE ON 2010 WATER DISTRIBUTION AND TRANSMISSION SYSTEM - PHASE 1 GTP

Mr. Schindewolf then called on Mr. Rolan to review the status of the various GTP projects.

PROGRAM MANAGER'S REPORT

Mr. Rolan then presented the Program Manager's Report, a copy of which is attached hereto.

Mr. Rolan reported that the contractor for Project 10A has installed a total of 447 feet of primary liner for the 48-inch water line and installed and tested 1,634 feet of 16-inch water line.

Mr. Rolan went on to report that the contractor for Project 10B has installed 1,465 feet of 42-inch line and installed and tested 1,865 feet of 20-inch line along Cypresswood Drive and installed 292 feet of 16-inch line to the Cypress-Klein Utility District's Water Plant.

Concerning Project 15A, Mr. Rolan reported that a Notice to Proceed was issued to the contractor on May 14, 2007. Mr. Rolan noted that the contract specifies 335 calendar days for substantial completion of the project. Mr. Rolan stated that the contractor is currently working on submittals, that the delivery of the large diameter pipe is scheduled to begin in September, and that the tunnel crews will mobilize in early July.

Mr. Rolan went on to report that the contractor for the SCADA system continues to work with STES to test the system. Mr. Rolan noted that the contractor is working on expanding the SCADA operation control through a laptop computer.

Mr. Rolan then noted that to date, the Authority has installed a total of approximately 29.5 miles of water line ranging in size from 12-inch to 60-inch.

Concerning the Greens Road water line project, Mr. Rolan reported that the City's staff is preparing the final pay estimate and related documents on the last project.

Mr. Rolen then reported that the GTP system continues to operate effectively, and that approximately 2.11 million gallons of water per day had been sold to Buyer districts during the month of May. Mr. Rolen reiterated that the North System was placed in service on May 21, 2007, which added one (1) Buyer district and three (3) Seller districts to the GTP.

Concerning other activities, Mr. Rolen reported that during the prior month, TCB continued to monitor engineering efforts on Projects 4C, 6A-1, 6B-2, 7C-3, 16 and 17, Segment 1 design, the 2010 transmission line (preliminary engineering) and the siting study for the Spears Road Regional Pump Station; provided construction administration and project representatives on Projects 10A, 10B, 15A and SCADA; supported the acquisition of easements and finalization of acquisition efforts on several projects; provided oversight of STES operations of the Authority's GTP systems; assisted STES in readying the North System to be placed into service; secured approval from the Texas Commission on Environmental Commission (the "TCEQ") to place into service the line connecting Terranova West MUD to the North System; submitted the Monitoring Plan for the North System GTP to the TCEQ; continued interviews with utility district engineers and operators to gather information to develop the 2010-2019 Preliminary Surface Water Conversion Strategy; continued efforts to facilitate participation in the GTP and expansion of the 2010 surface water conversion area in lieu of further construction of wells and related appurtenances; and submitted the Master Storm Water Quality Management Plan 2007 Annual Report to Harris County, resulting in the renewal of the Authority's Master Storm Water Quality Permit through May 9, 2008.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she did not have anything to report.

REGULAR AGENDA

APPROVAL OF THE MINUTES

Director Rendl then asked for approval of the regular meeting minutes of May 7, 2007 and the special meeting minutes of April 23, 2007, previously distributed to the Board. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of May 7, 2007 and the special meeting of April 23, 2007, as written.

FINANCIAL ASSISTANT'S REPORT

Director Rendl next 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 four (4) months ending April 30, 2007, a copy of which is attached hereto. Ms. Plunkett noted that the Authority operated under budget for the month ending April 30, 2007.

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.

ANNUAL ELECTION OF OFFICERS

Director Rendl then opened the meeting to nominations for the officers of the Board. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board unanimously voted to elect Director Pulliam as President/Investment Officer, Director Rendl as Vice President, Director Graham as Secretary, Director Sigler as Treasurer, and Director Fessler as Assistant Secretary of the Board.

CONFIRM UPCOMING MEETING DATE

Director Rendl then stated that the next regular meeting of the Board will be held on Monday, July 2, 2007, at 7:00 p.m. at the Authority's office.

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

PASSED, APPROVED AND ADOPTED this 2nd day of July, 2007.



Secretary, Board of Directors

