

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
September 10, 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 10th day of September, 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:

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

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., General Manager for the Authority; Mr. Paul Nelson, Planning and GIS Coordinator for the Authority; Mr. Showri Nandagiri, P.E., Engineering Coordinator for the Authority; Mr. Anthony Crisci, P.E., Construction 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 engineer 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., on-call engineers for the Authority; Mr. Carl McConnell, P.E. of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Scott Fair of CLR, Inc., on-call engineers for the Authority; Mr. John Nelson, P.G. of LBG-Guyton Associates, on-call engineers for the Authority; Mr. Tobin Synatschk, 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 on several Authority projects; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operators for the Authority; Mr. Mark Breeding of Andrews Kurth LLP, right-of-way ("ROW")/easement acquisition attorneys for the Authority; and Ms. Robin S. Bobbitt and Mr. Jonathan D. Polley, attorneys, 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 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 Pulliam then explained that during the last few weeks, he has been teaching hurricane preparedness classes at his wife's church. Director Pulliam further stated that anyone who would like a copy of the information that he had presented may contact him by email. A copy of Director Pulliam's remarks is attached hereto.

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 provided a report of the activity on the Authority's website during the month of August and the first ten (10) days in September, as previously requested by the Board. Ms. Payne reported that during the reporting period, there had been 50,954 hits with an average of 1,300 hits per day for the past year.

Ms. Payne next reported that the new education web page is now in use by teachers and that two (2) new videos are now available. Ms. Payne added that the new videos and CDs for educators were generously sponsored by the following contributors: the Authority; Cypresswood Utility District; Harris County Municipal Utility District No. 275; Harris County Water Control and Improvement District No. 91; Harris County Water Control and Improvement District No. 132; Klein Public Utility District; Ponderosa Forest Utility District; and Westador Municipal Utility District.

Ms. Payne went on to report that the teacher workshop for Klein Independent School District ("ISD") has been rescheduled for October 13th, and that the teacher workshops for Cy-Fair ISD are scheduled for September 13th and October 3rd.

Ms. Payne next expressed thanks to the Cypress Forest Public Utility District for their sponsorship renewal of 3,200 "Water Is Life" coloring books for Klein ISD second graders.

GENERAL MANAGER'S REPORT

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 then reported on the Authority's recent purchase of a 24.0822-acre tract of land located on Hugh Road less than one-half (½) mile east of T. C. Jester Boulevard and just south of Spears Road for the Authority's Spears Road Regional Pump Station site.

STATUS OF ROW/EASEMENT ACQUISITIONS

Mr. Schindewolf then called on Mr. Breeding to give the status report on the various ROW/easement acquisitions by the Authority.

Mr. Breeding first reported that work on the ROW/easement acquisitions for Project 6A-1 are underway and that several parcels have been acquired.

Mr. Breeding next reported that ROW/easement acquisitions for Project 7C-3 are in process.

Concerning Project 17 (Segments 1, 2, 3, and 4), Mr. Breeding stated that two (2) condemnation suits have been filed on Segment 1, and that one (1) hearing is coming up in September and that another hearing is scheduled for October. Mr. Breeding added that no suits have yet been filed on Segment 3 and that negotiations are underway for the necessary parcels. Mr. Breeding noted that the ROW/Easement Acquisition Team has encountered problems with several landowners and that currently, there are five (5) condemnation suits pending on Segment 2 parcels, with the first hearing scheduled for September 20th. Mr. Breeding added that title work is in process for the Segment 4 parcels.

Mr. Schindewolf thanked Mr. Breeding for his presentation.

UPDATE ON 2010 WATER DISTRIBUTION AND TRANSMISSION SYSTEM (THE "SYSTEM")

Mr. Schindewolf then called on Mr. Rolen to review the status of the various projects and efforts underway to complete development of the System.

PROGRAM MANAGER'S REPORT

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

Mr. Rolen reported that the contractor for Project 10A installed an additional 70 feet of liner for a total of 1,141 feet of primary liner for the 48-inch water line, installed 757 feet of 42-inch water line and 108 feet of 48-inch water line, and will mobilize crews this week to begin replacement of the pavement that was removed for the water line installation.

Mr. Rolen went on to report that the contractor for Project 10B has installed an additional 99 feet of 42-inch pipe for a total of 4,053 feet of 42-inch line and installed an additional 17 feet of 20-inch line. Mr. Rolen further reported that the contractor has also worked on securing the end of the tunnel in Cypress Creek in order to dewater and then clean the tunnel and the shaft. Mr. Schindewolf made limited comments regarding contractor activities in the tunnel and access shaft. He indicated that the contractor has not yet made recommendations regarding how to proceed with completion of the tunnel work. Mr. Rolen also reported that the contractor continues to work on the meter and pressure/flow control stations at the Cypress Klein Water Plant.

Mr. Rolen next reported on Project 15A, stating that the contractor has begun the tunneling work on the project, has completed 587 feet of primary line for the 36-inch water line and has started taking delivery of the 36-inch water line.

Mr. Rolen went on to report that the contractor for the SCADA system continues to work with STES to monitor and test the system. Mr. Rolen stated that the contractor is working with the flow control valve manufacturer to fine tune the valve operation in response to commands from the SCADA system.

Mr. Rolen then noted that to date, the Authority has installed a total of approximately 30.4 miles of water line ranging in size from 12-inch to 60-inch.

Concerning the Greens Road water line project, Mr. Rolen reported that the City of Houston (the "City") City Council recently approved and accepted the last of the four (4) projects used to construct the water line. Mr. Rolen noted that the Program Manager and Mr. Nelson are working with representatives of the City on the final project true-up and audit for the projects.

Mr. Rolen then reported that the Groundwater Transfer Program (the "GTP") systems continue to operate effectively, and that approximately 2.94 million gallons of water per day had been sold to Buyer districts during the prior month.

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, 11, 14A, 14B, 15B, 16 and 17 - Segments 1, 2 and 3 design, Project 17, Segment 4 preliminary engineering, Spears Road Regional Pump Station and the Louetta Regional Water Plant; provided construction administration and project representatives on Projects 10A, 10B, 15A and 101A (SCADA); supported the acquisition of easements and finalization of acquisition efforts on Projects 4C, 6A-1, 6B-2, 7C-3 and 17 (all segments) and assisted in follow-up and finalization of acquisition efforts and conflict resolution on other projects; assisted and coordinated the acquisition of the site for the Spears Road Regional Pump Station; provided oversight of STES operations of the Authority's GTP systems; submitted documentation to the Texas Commission on Environmental Quality requesting permission to place Project 4 in service; continued and nearing completion of interviews with district engineers and operators to gather data needed to develop the 2010-2019 Preliminary Surface Water Conversion Strategy, with 55 district engineer interviews completed; assisted with efforts to secure and analyze cost information provided by the City on the Greens Road water line project.

ATTORNEY'S REPORT

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

REGULAR AGENDA

APPROVAL OF THE MINUTES

Director Pulliam then asked for approval of the regular meeting minutes of August 6, 2007, previously distributed to the Board. Upon motion by Director Fessler, 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 August 6, 2007, as written.

FINANCIAL ASSISTANT'S REPORT

Director Pulliam 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 seven (7) months ending July 31, 2007, a copy of which is attached hereto. Ms. Plunkett noted that the Authority operated under budget for the month ending July 31, 2007.

Upon motion by Director Fessler, seconded by Director Sigler, 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.

CONFIRM UPCOMING MEETING DATE

Director Pulliam then noted that the next regular meeting of the Board has been scheduled for Monday, October 1, 2007, at 7:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 1st day of October, 2007.



Ron Graham

Secretary, Board of Directors