

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY
January 10, 2011

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 Monday, the 10th day of January, 2011 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/Investment Officer
Ron Graham	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Paul Nelson, Planning and GIS 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., Steve Berckenhoff, P.E. and Douglas Schmidt, P.E. of AECOM Technical Services, Inc. ("AECOM"), Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Wendell L. "Buddy" Barnes, P.E. of Montgomery & Barnes, Inc., on-call engineers for the Authority; Mr. Vernon Webb, P.E. of Jacobs Engineering Group, on-call engineers for the Authority; Mr. John Peyton, P.E. of CLR, Inc., on-call engineers for the Authority; Mr. Carl D. McConnell, P.E. of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Tobin Synatschk, P.E. of Jones & Carter, Inc., 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., on-call engineers for the Authority; Mr. Jerry Newell, P.E. of Klotz Associates, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Ravi Yanamandala, P.E. of Geotest Engineering, Inc., material testing engineers for the Authority; Mr. Trent Slovak, P.E. of Malcolm Pirnie, Inc., special water quality consultant for the Authority; Mr. Paul Wallick, P.E. of Pate Engineers, Inc., engineers for the Central Harris County Regional Water Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; and Mr. Jonathan D. Polley, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Johnson Radcliffe"), 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 wished everyone a Happy New Year.

Director Rendl then announced that Mr. Jimmie Schindewolf, P.E., General Manager for the Authority, and Ms. Robin S. Bobbitt of Johnson Radcliffe were unable to attend tonight's meeting due to illness.

BOARD MEMBER COMMENTS

Director Pulliam reported that last Thursday, he had watched a show on television called the "Prophets of Doom". Director Pulliam noted that the show consisted of six (6) experts brainstorming among themselves about the six (6) most important issues facing Earth today. The six (6) experts agreed that the most important issue for all life on Earth is clean water. Director Pulliam stated that the United States is the world leader in providing clean water. A copy of Director Pulliam's talking points is attached hereto.

PUBLIC COMMENTS

Director Rendl then noted that one (1) public comment card had been received from Ms. Colette Lange, a resident of Reid Road Municipal Utility District No. 2. Director Rendl asked Ms. Lange to limit her comments to three (3) minutes. Ms. Lange then stated that she has read all of the Authority's minutes since 2002. Ms. Lange stated that information needs to be shared. Ms. Lange warned that California has an attitude regarding water and big money. Ms. Lange stated that the Texas Open Records Act is important. Ms. Lange then mentioned that British Petroleum Company has leaked mercury into the water supply. Ms. Lange concluded her comments by stating that Schwartz, Page & Harding, L.L.P. is always involved and needs to be watched.

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 Cy-Fair Independent School District ("ISD") has scheduled workshops for middle school science teachers on February 1st and 3rd. Ms. Payne also reported that the CY-Fair ISD has booked the mobile teaching labs at 12 schools.

Ms. Payne next reported that Harris County Water Control and Improvement District No. 132 had sponsored the Frontier Assembly program at Haude Elementary School. Ms. Payne noted that the Frontier Assembly scheduled on January 21, 2011, which is to be given at Mittlestadt Elementary School, is up for adoption by a water district.

Ms. Payne next reported that the head of social studies for the Harris County Department of Education is meeting with her on January 14th to preview all of the Texas water materials.

Ms. Payne stated that she is meeting with the Librarian of Robertson Middle School in Spring ISD to discuss a sixth (6th) grade project-based study.

GENERAL MANAGER'S REPORT

Director Rendl noted that Mr. Schindewolf's General Manager's Report was included behind Tab 2 of the meeting packet.

PROGRAM MANAGER'S REPORT

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

Mr. Rolan next reported that the contractors for Project 2, Construction Package Nos. 1 and 2 (the Spears Road Regional Pump Station), are working on the final punch list items for such projects.

Mr. Rolan went on to report that the contractor for Project 5D (the Louetta Regional Water Plant) began operator training on a portion of the facility's SCADA system and continues to work on start-up of the facility's booster pumps and chemical feed system.

Mr. Rolan then reported that the contractor for Project 6B-3 is working on turf establishment.

Mr. Rolan added that project finalization is still ongoing for Projects 7C-4, Contract 1 and 10B.

Mr. Rolan next reported on the status of the 2010 Surface Water Conversion Program. Mr. Rolan noted the conversion of four (4) more water districts to surface water, bringing the total to 58 of the 60 Public Water Systems ("PWSs") to convert. Mr. Rolan explained that the Authority had delivered an average of approximately 21.7 million gallons per day of surface water to the 58 PWSs within the Authority during the reporting period.

Mr. Rolan added that, based on the most recent information available, the number of water discoloration, taste and odor complaints received by the districts appeared to decrease during the prior month. Mr. Rolan stated that the Authority's specialty consultant is currently working on three (3) assignments.

Mr. Rolan then reported that, based on information for the period September through November, 2010, approximately 28% of the reported water used was alternate water (i.e., surface water). Mr. Rolan added that the Authority was approximately 100 million gallons from the 30% conversion target for 2010.

Concerning other activities, Mr. Rolan reported that during the prior month, AECOM had continued oversight of engineering efforts; provided construction administration services and project representation on the remaining construction projects as required; provided oversight of STES's operation of the Authority's system; continued to assist the Authority in coordination of the delivery of surface water to the PWSs in the 2010 service area; monitored, tabulated and

analyzed water use by the PWSs covered by the Authority's aggregate water well permit; identified PWSs whose surface water is lower than anticipated and advised STES, who in turn advised the PWSs' operators of the need to increase use of surface water and, where necessary, helped determine the possible cause of lower usage and assisted, when possible, to increase surface water usage; assisted the Authority in implementing and performing related tasks regarding its aggregate water well permit; and evaluated submittals requesting Chloramination Credits.

Director Rendl then asked if water reuse is factored into the amounts of alternate water utilized. Mr. Rolan responded that reuse water is included.

Director Pulliam inquired if there had been any problems from the Harris-Galveston Subsidence District regarding the 28% rate for surface water conversion. Mr. Rolan responded that he has not yet had any problems, but pointed out that August 31, 2011 is the deadline for meeting the 2010 30% conversion requirement.

ATTORNEY'S REPORT

Mr. Polley then reported that he, Ms. Bobbitt, Mr. Schindewolf and Mr. Nelson continue to work with Mr. Steve Bresnen of Steve Bresnen & Associates, lobbyist for the Authority, to move forward with items that the Authority may want to address during the 82nd Legislative Session that convenes January 11, 2011.

Concerning the Settlement Agreement by and between Harris County Municipal Utility District No. 217 ("HCMUD No. 217") and the Authority and the Wastewater Service Agreement Between the Authority and HCMUD No. 217, Mr. Polley reported that the matter was all but final.

REGULAR AGENDA

APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the regular meeting and executive session of December 6, 2010, 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 and executive session of December 6, 2010, as written.

FINANCIAL ASSISTANT'S REPORT

Director Rendl 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 11 months ended November 30, 2010, a copy of which is 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 approve the Financial Report, the monthly investment report and the checks being presented for payment.

CONFIRM UPCOMING MEETING DATE

Director Rendl then noted that the Board's next regular meeting will be on Monday, February 7, 2011, at 7:00 p.m. at the Authority office.

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

PASSED, APPROVED AND ADOPTED this 7th day of February, 2011.

Randy A. Sigler

Secretary, Board of Directors

