

## HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 52

### MINUTES OF BOARD OF DIRECTORS MEETING

August 8, 2011

The Board of Directors (the "Board") of Harris County Fresh Water Supply District No. 52 (the "District") met in regular session open to the public, at 3:00 p.m., at the District's meeting place located at 6333 F.M. 1960 West, Houston, Texas 77069, on Monday, August 8, 2011, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

R. R. (Rudy) Avila	President
Alfred B. Taylor	Vice President
William S. Dillon	Secretary
Tom Dunn	Treasurer
Bob Pryor	Assistant Secretary/Treasurer

All members of the Board were present, except Director Dillon, thus constituting a quorum. Also attending were: Gus Gustafson of SouthWest Water Company ("SWWC"); Bill Rosenbaum of Lockwood, Andrews & Newnam ("LAN"); and Andrew P. Johnson, III, attorney, and Mirna Jakupovic, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC ("Attorney" or "JRPB").

The Secretary, after finding that the notice of meeting was posted as required by law and determining that a quorum of the Board of Directors was present, called the meeting to order at 3:00 p.m. and declared it open for such business as may regularly come before it.

1. **Public Comment.** There was no public comment.
2. **Approval of minutes of the June 22, 2011 meeting.** Upon motion by Director Pryor, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the minutes of July 11, 2011 as presented.
3. **Bookkeeper's Report.** No report was presented for the meeting.
4. **Engineer's Report.** The President next recognized Mr. Rosenbaum who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "A".

Mr. Rosenbaum reported that LAN is in the process of preparing a bid package for the Water Plant electrical modifications. Mr. Rosenbaum stated that the allocated budget for this project is \$16,500.

Mr. Rosenbaum stated that LAN is also preparing a bid package for the Sanitary Sewer Rehabilitation, Phase 2 project. The budget allocated for this project is \$200,000.

Mr. Rosenbaum reported that LAN has verified and sent to the Engineer for Kleinwood Regional Wastewater Treatment Plant ("WWTP") information on existing but abandoned force main line from the District's lift station to Kleinwood Regional WWTP.

Mr. Johnson reported on the meeting with the Board of Directors of the Kleinwood Joint Powers Board ("Kleinwood") stating that Kleinwood has authorized AEI Engineering, Inc. to prepare a feasibility study regarding the possible delivery of treated effluent to the District, Cypress Forest Public Utility District ("Cy-Forest"), and Cypress/Ravaneaux, LLC upon receipt of \$5,000 deposit from each interested party. Mr. Johnson stated that he asked Charles Joachim, Champions Golf Club ("Champions") Superintendent about Champions' willingness to pay for the study and Mr. Joachim responded that Champions will pay for it. Mr. Johnson stated that he also informed Mr. Joachim that it is unsure how much it will cost to bring the effluent to Champions, but all costs will be passed on to Champions.

Mr. Gustafson reported that at the last Board meeting, Cy-Forest tabled the approval of the feasibility study because one director believes that all facilities would revert back to Kleinwood at some point.

Mr. Johnson stated that Kleinwood requested that the District appoint a member of its Board to attend Kleinwood meetings. Following discussion, the Board authorized Director Pryor to attend Kleinwood meetings.

Next, upon motion by Director Pryor, seconded by Director Dunn, the Board authorized preparation of a feasibility study regarding the possible delivery of treated effluent to Champions, subject to receipt of a \$5,000 deposit from Champions. Mr. Johnson stated that he will prepare and forward correspondence to Mr. Joachim informing him of the Board's decision.

Upon motion by Director Dunn, seconded by Director Pryor, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

[Mr. Rosenbaum departed the meeting.]

5. **Operator's Report.** Mr. Gustafson then presented to and reviewed with the Board, the Operator's Report, a copy of which is attached hereto as Exhibit "B". Mr. Gustafson first reviewed the written Operator's Report with the Board, including the productivity report, which indicated that the District's billed vs. produced water accountability was 91.1% for the period from June 18, 2011 to July 19, 2011. Mr. Gustafson also reported that during the last month 38.4% of the District's water came from the surface water source.

Mr. Gustafson then reviewed the District's Termination List, a copy of which is attached to the Operator's Report. Mr. Gustafson stated that he will contact the Champions Colony East subdivision regarding the unpaid bill.

Upon motion by Director Dunn, seconded by Director Taylor, after full discussion and with all Directors present voting aye, the Board approved (i) the Operator's Report; and (ii) the Termination List after verifying that all customers on the list have been notified of the opportunity to attend the meeting to address the Board regarding their bills and failure to respond would result in termination of utility service at any time after this meeting.

Mr. Gustafson next presented to and reviewed with the Board a spreadsheet containing the run times and pumpage for the District's wells, a copy of which is attached to the Operator's report. Mr. Gustafson noted that even without the surface water, and with the current drought conditions, the District would still be able to satisfy 100% of the District's water needs from the wells, without water restrictions. Mr. Gustafson stated that at this time, there is no need for voluntary water conservation measures in the District based on current water production capability.

6. **Website and Newsletter Update:** Director Avila asked the Operator to include the District's website information on the District's water bills.

7. **New Business:**

The Green Medians Committee (the Committee). Director Pryor updated the Board on the Green Medians project. Mr. Pryor reported that the maintenance agreements are now in effect and the Committee will meet quarterly.

8. **Attorney Report;**

- a. Joint Effluent Purchase/Sale Agreement with Kleinwood and Cy-Forest. This matter was discussed under the Operating Report.
- b. Effluent Sale and Disposal Agreement with the Champions Golf Club. No action was taken on this matter.
- c. Order Amending Rate Order (creation of Lake Non-Profit Category). Mr. Gustafson stated that he spoke to Ron Yates who informed him that the Homeowners' Association is still interested in the rate offered by the District but it will have another meeting to discuss alternative solutions.

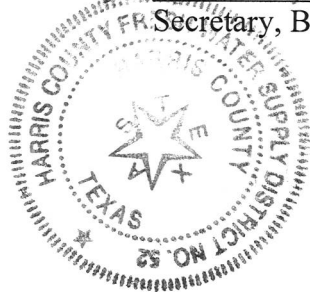
9. **Adjournment.** There being nothing further to come before the Board, the Board adjourned the meeting at 4:25 p.m.

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Passed and approved this 12<sup>th</sup> day of September 2011.



Secretary, Board of Directors



**Exhibits:**

Exhibit "A" – Engineer's Report

Exhibit "B" – Operator's Report