



2008 -2009

Capital Improvement

Plan

Adopted December 3, 2007

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SECTION I – INTRODUCTION

The North Harris County Regional Water Authority (the “Authority”) was created by the 76th Texas Legislature in 1999 and confirmed by a special public election in 2000. The Authority’s mission included finding and assuring a long-term supply of quality drinking water at the lowest responsible cost and promoting water conservation, as well as maintaining regulatory compliance. This last assignment was critical because the Harris-Galveston Subsidence District (the “HGSD”) had published its 1999 Regulatory Plan requiring our area *to reduce groundwater withdrawals to no more than 20 percent of total water demand in the year 2030*. Since no individual MUD or well owner had the ability to convert to surface water on their own, the Authority became the single entity to negotiate for a secure, long-term, supply of drinking water for all the independent neighborhoods, municipal utility districts, small municipalities, and other permitted well owners within its boundaries, and to develop and construct the infrastructure to bring that water to the subdivisions within the boundaries of the Authority. The Authority was not given taxing ability; rather funding for the conversion to surface water comes from pumpage fees charged to the well owners.

Several disincentives were built into the HGSD Regulatory Plan, including a \$3/1,000 gallons (groundwater pumped) “penalty” fee if the Groundwater Reduction Plan (the “GRP”) was not submitted and certified according to the timeline, and if construction had not begun on the surface water delivery infrastructure by 2005. (This disincentive fee was later raised to \$3.50/1,000 gal.) The Authority has timely met all of the deadlines to date. Additional disincentive fee “triggers” involved reduction of groundwater usage in 2010, 2020 and 2030 mandates.

As the GRP was being developed, it became apparent that some water districts within the Authority were experiencing difficulty with either water quality or water quantity to meet accelerating demand. The dilemma facing these districts was to decide whether or not to drill a new well (sometimes at a cost of more than a million dollars) that may be minimally used once the area is converted to surface water in 2010.

In response, the Authority initiated a bold new strategy to share the groundwater by connecting the districts that had surplus capacity in their wells to the ones that needed additional water now. This innovative solution – called the Groundwater Transfer Program (the “GTP”) – involved constructing portions of the 2010 distribution lines earlier than originally planned. The necessary components of the GTP were completed and the GTP was placed in operation in January 2006.

The Authority adopted its first Capital Improvement Plan (“CIP”), the 2004-2005 CIP, in October 2003. The first two CIPs’ primary focus was the definition and construction of the infrastructure necessary to allow implementation of the GTP. The next two current CIPs outlined and initiated the implementation of a broad-based program to provide the remainder of the infrastructure necessary to allow the conversion to surface water in 2010. The 2008-2009 CIP continues and completes that program and quantifies the funding needed to allow construction of the required infrastructure to enable the timely conversion to surface water in 2010.

SECTION II - THE PLAN

Overview

The 2008-2009 Capital Improvement Plan (the "Plan") continues the systematic planning and development process begun when the Authority's Board adopted the Authority's first CIP in 2003. The primary focus of the Plan is to: (1) timely provide the remaining components of the system needed to provide surface water to districts in 2010 and (2) provide for the procurement of sites/easements for several of the key infrastructure components which will be needed to continue implementation of the GRP in 2020.

Some of the more significant activities provided for in the Plan are:

- Complete definition of the alignment, secure necessary easements, complete design and construct the remaining 2010 distribution lines and district connections
 - Secure necessary easements, complete design and construct the 2010 Transmission Line from the Greens Road water line to the Authority's distribution system (Project 1A)
 - Complete design and construct the Spears Road Regional Pump Station
 - Complete design and construct the Louetta Regional Water Plant
 - Complete the evaluation of the need and as need is defined, locate, design and construct and/or purchase regional water wells
 - Define, design and construct the Supervisory Control and Data Acquisition ("SCADA") System to enable efficient operation of the 2010 system
 - Provide the infrastructure to areas adjacent to the original 2010 service area thereby allowing a practical expansion of the area which will receive surface water in 2010
 - Finalize the alignment of the portion of the 2020 transmission line generally north of Beltway 8 from just east of US Highway 59 to State Highway 249 and secure the necessary easements
 - Pay the final component of the capital cost for the 31 MGD allocation of water from the City of Houston and funds to increase the Authority's allocation up to 36 MGD
 - Identify and purchase the site for each of the three 2020 regional water plants and two 2020 regional pump stations
 - Reuse program participation
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- Provide professional services to perform the wide variety of activities required to implement the CIP

Details on the specific projects are presented in *Appendix B*.

Considerations

The Plan has been developed using the best information currently known about the scope of each project and cost information from a variety of sources including cost experience from the Authority's projects completed to date. While the Authority does have some history in terms of cost experience, its cost base is still evolving in several areas. As such, the following points are offered so that the implementation of this CIP may be kept in perspective:

- Inasmuch as a large portion of the system is currently under design, there is the possibility that conditions could be uncovered which impact the cost of the project(s).
- Real estate and construction costs can be and are influenced by variables over which the Authority has no control.
- It is common to experience unexpected costs in the implementation of a CIP. Provision of a contingency is the most practical way to attempt to address this issue.

Financial

While the 2004-2005 CIP used the best cost estimation available at the time, it did not have the benefit of actual prior Authority project experience on which to build. Additionally, the costing was based on the general project definition presented in the GRP. As the actual design of the projects proceeded and the criteria within which the Authority needed to develop its projects became clearer, the definition of the projects was sharpened. As a result, the ability to estimate project costs has improved. The estimated costs included in the Plan have been updated and/or based, where practical, on experience gained thus far on actual Authority projects.

As seen in the following table, the estimated cost to implement the Plan is approximately \$233.6 million. Approximately \$29.6 million will be funded by proceeds from the sale of the Authority's Series 2003 and 2005 Senior Lien Revenue Bonds, capital contributions and interest earned (collectively called "Revenue Bonds"). The remaining \$204.0 million is to be funded through either Bond Anticipation Notes ("BANS") or a future bond sale.

Through September 2007, approximately 85% of the Revenue Bonds earmarked for the implementation of the CIP have been authorized (encumbered). The remainder of those funds is scheduled to be authorized by early 2008.

SUMMARY OF 2008-2009 CAPITAL IMPROVEMENT PLAN

Category	Authorizations ¹ (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	\$ 13,733	\$ 2,975	\$ 13,871	\$	\$ 30,579
Design	26,813	8,877	6,966	2,700	45,356
Construction	91,066	5,533	148,358		244,957
Equipment					0
Other	31,360	400	6,209	37,716	75,685
Total Authorizations	\$ 162,972	\$ 17,785	\$ 175,404	\$ 40,416	\$ 396,577
Source of Funds					
Revenue Bonds	\$ 162,972	\$ 17,785	\$ 10,662	1,100	\$ 192,519
Future BANS/Bonds			164,742	39,316	204,058
					0
Total Funds	\$ 162,972	\$ 17,785	175,404	40,416	\$ 396,577

¹ Authorizations do not typically represent actual expenditures.

APPENDIX A
GLOSSARY OF TERMS

GLOSSARY OF TERMS

Acquisition	Includes the cost to purchase land and easements and the acquisition services (i.e. ROW Services, appraisals, legal, etc.) required to accomplish the purchase
Authorization	Amount designated for or authorized for the performance of work, service, equipment or participation agreements. The values typically do not represent actual expenditure of funds.
Design	Includes the cost for program management, project planning, design related services, design management and other engineering and planning activities
Construction	Includes the cost of the construction contract, contingencies, construction administration, construction observation and materials testing
Equipment	Includes the cost of any equipment that may be purchased separately from a construction contract
FWSD	Fresh Water Supply District
MUD	Municipal Utility District
N/A	Not Applicable or Contingency CIP No.
Other	A general category that may include participation commitments with other parties, and acquisition, design, construction, equipment or any other relevant costs
PUD	Public Utility District
UD	Utility District
VAR	Various districts or key map locations as applicable
WCID	Water Control & Improvement District

APPENDIX B
PROJECT DETAIL FORMS

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: BAMEL – NORTH HOUSTON DISTRIBUTION LINE	District: 3 and 4	C.I.P. Number: 1A
		Key Map: 331W, 331X, 371A, 371E, 371J

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Fountainhead MUD, Harris County MUD 16, Harris County WCID 109, Northwest Harris County MUD 21, Northwest Harris County MUD 22, and Northwest Harris County MUD 23.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	1,162		203		1,365
Design	1,288	252			1,540
Construction	10,478		1,209		11,687
Equipment					0
Other					0
Total Authorizations	12,928	252	1,412	0	14,592
Source of Funds					
Revenue Bonds	12,928	252			13,180
Future BANS/Bonds			1,412		1,412
Total Funds	12,928	252	1,412	0	14,592

Project: CHAMPION FOREST DISTRIBUTION LINE	District: 2 and 3	C.I.P. Number: 1B
		Key Map: 330Z, 371A, 371E

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Bammel UD, Fountainhead MUD, Harris County FWSD 52, Harris County WCID 116, and Heatherloch MUD.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	388		344		732
Design	601	684			1,285
Construction	3,975		3266		7,241
Equipment					0
Other					0
Total Authorizations	4,964	684	3,610	0	9,258
Source of Funds					
Revenue Bonds	4,964	684			5,648
Future BANS/Bonds			3610		3,610
Total Funds	4,964	684	3,610	0	9,258

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: BMMEL – NORTH HOUSTON SUPPLY LINE	District: 3	C.I.P. Number: 1C
		Key Map: 371J, 371N

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will eventually serve Harris County MUD 202 and Northwest Harris County MUD 24.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	880		86		966
Design	727	122			849
Construction	2,130		579		2,709
Equipment					0
Other					0
Total Authorizations	3,737	122	665	0	4,524
Source of Funds					
Revenue Bonds	3,737	122			3,859
Future BANS/Bonds			665		665
Total Funds	3,737	122	665	0	4,524

Project: SPEARS ROAD REGIONAL PUMP STATION	District: N/A	C.I.P. Number: 2
		Key Map: 331Y

Description: Project provides for the siting study, site acquisition, design and construction of the regional pump station. (Formerly called the T. C. Jester Regional Pump Station)

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	1,144				1,144
Design	148	1,805			1,953
Construction			19,457		19,457
Equipment					0
Other					0
Total Authorizations	1,292	1,805	19,457	0	22,554
Source of Funds					
Revenue Bonds	1,292	1,805			3,097
Future BANS/Bonds			19,457		19,457
Total Funds	1,292	1,805	19,457	0	22,554

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: REGIONAL WELLS	District: VAR	C.I.P. Number: 3
		Key Map: 329V

Description: Project provides for the acquisition of well sites and design and construction of new wells and appurtenances and/or the purchase of existing wells. The wells will be constructed or purchased as needed to augment supplies of water from Seller districts during the Groundwater Transfer Program with the intent that they will, in time, become part of the regional well inventory of the Authority which will continue to be used when the conversion to surface water begins.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	3				3
Design	100				100
Construction				1,500	1,500
Equipment					0
Other					0
Total Authorizations	103	0	0	1,500	1,603
Source of Funds					
Revenue Bonds	103				103
Future BANS/Bonds				1,500	1,500
Total Funds	103	0	0	1,500	1,603

Project: CUTTEN DISTRIBUTION LINE PHASE 1	District: 2	C.I.P. Number: 4
		Key Map: 329V, 329Z, 330W, 370A, 370E

Description: This project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Cy-Champ PUD, Cypress Forest PUD, Harris County MUD 191, and Prestonwood Forest UD.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	943	209	362		1,514
Design	1,280	254			1,534
Construction	6,167		2,683		8,850
Equipment					0
Other					0
Total Authorizations	8,390	463	3,045	0	11,898
Source of Funds					
Revenue Bonds	8,390	463			8,853
Future BANS/Bonds			3,045		3,045
Total Funds	8,390	463	3,045	0	11,898

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: LOUETTA REGIONAL WATER PLANT	District: 2	C.I.P. Number: 5
		Key Map: 329V

Description: Project provides for the site acquisition, design and construction of the regional water plant.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	964		290		1,254
Design	621	1,248			1,869
Construction	4,035		16,633		20,668
Equipment					0
Other					0
Total Authorizations	5,620	1,248	16,923	0	23,791
Source of Funds					
Revenue Bonds	5,620	1,248			6,868
Future BANS/Bonds			16,923		16,923
Total Funds	5,620	1,248	16,923	0	23,791

Project: LOUETTA DISTRIBUTION LINE, PHASE 1	District: 1 and 2	C.I.P. Number: 6
		Key Map: 329T, 329U, 329V

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will eventually serve Charterwood MUD, Harris County MUD 286 and Harris County MUD 468.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	811		68		879
Design	899	340			1,239
Construction	8,173		1,621		9,794
Equipment					0
Other					0
Total Authorizations	9,883	340	1,689	0	11,912
Source of Funds					
Revenue Bonds	9,883	340			10,223
Future BANS/Bonds			1,689		1,689
Total Funds	9,883	340	1,689	0	11,912

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: OLD LOUETTA DISTRIBUTION LINE	District: 2	C.I.P. Number: 6A
		Key Map: 329R, 329V

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Harris County MUD 367, Harris County MUD 368, Harris County MUD 383, Harris County WCID 119 and Louetta North PUD.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	652				652
Design	1,050				1,050
Construction	2,412	5,533			7,945
Equipment					0
Other					0
Total Authorizations	4,114	5,533	0	0	9,647
Source of Funds					
Revenue Bonds	4,114	5,533			9,647
Future BANS/Bonds					0
Total Funds	4,114	5,533	0	0	9,647

Project: LOUETTA DISTRIBUTION LINE, PHASE 2	District: 1	C.I.P. Number: 6B
		Key Map: 328T, 328U, 328V, 329S, 329T

Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Faulkey Gully MUD, Grant Road PUD, Harris County MUD 18, Malcomson Road UD and Northwest Harris County MUD 5.

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	1,356		529		1,885
Design	1,277	717			1,994
Construction	3,420		13,055		16,475
Equipment					0
Other					0
Total Authorizations	6,053	717	13,584	0	20,354
Source of Funds					
Revenue Bonds	6,053	717			6,770
Future BANS/Bonds			13,584		13,584
Total Funds	6,053	717	13,584	0	20,354

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: ELLA DISTRIBUTION LINE	District: 4	C.I.P. Number: 7A
		Key Map: 291W, 331G, 331H, 331M
Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will eventually serve Harris County MUD 86, Harris County WCID 91, Klein PUD and Westador MUD.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	629				629
Design	927	83			1,010
Construction	5,489		389		5,878
Equipment					0
Other					0
Total Authorizations	7,045	83	389	0	7,517
Source of Funds					
Revenue Bonds	7,045	83			7,128
Future BANS/Bonds			389		389
Total Funds	7,045	83	389	0	7,517

Project: ELLA/KUYKENDAHL DISTRIBUTION LINE	District: 4 and 5	C.I.P. Number: 7B
		Key Map: 331A, 331B, 331C, 331F, 331G
Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will eventually serve Cypresswood UD, Harris County MUD 275 and Harris County WCID 132.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	627		210		837
Design	1,000	193			1,193
Construction	7,406		929		8,335
Equipment					0
Other					0
Total Authorizations	9,033	193	1,139	0	10,365
Source of Funds					
Revenue Bonds	9,033	193			9,226
Future BANS/Bonds			1,139		1,139
Total Funds	9,033	193	1,139	0	10,365

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: LOUETTA DISTRIBUTION LINE, PHASE 3	District: 4	C.I.P. Number: 7C
		Key Map: 330H, 330K, 330L, 330M, 330P, 331E
Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System and the Groundwater Transfer Program. The project will serve Bilma PUD, Bridgestone MUD, Harris County MUD 24, Harris County WCID 114, Kleinwood MUD, Louetta Road UD, Northwest Harris County MUD 30, Northwest Harris County MUD 32, Spring Creek Forest PUD and Terranova West MUD.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	1,355		1,892		3,247
Design	1,291	314	1,420		3,025
Construction	12,494		15,647		28,141
Equipment					0
Other					0
Total Authorizations	15,140	314	18,959	0	34,413
Source of Funds					
Revenue Bonds	15,140	314			15,454
Future BANS/Bonds			18,959		18,959
Total Funds	15,140	314	18,959	0	34,413

Project: T. C. JESTER DISTRIBUTION LINE	District: 4	C.I.P. Number: 10
		Key Map: 331E, 331J, 331N, 331P, 331T
Description: Project provides for the design, real estate acquisition and construction of a distribution line which is a component of the 2010 Water Distribution and Transmission System. The project will serve Cypress-Klein UD, Harris County MUD 44, Harris County MUD 316, and Northwest Harris County MUD 20.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	276				276
Design	1,423				1,423
Construction	13,191				13,191
Equipment					0
Other					0
Total Authorizations	14,890	0	0	0	14,890
Source of Funds					
Revenue Bonds	14,890	0			14,890
Future BANS/Bonds					0
Total Funds	14,890	0	0	0	14,890

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: T.C. JESTER/ELLA DISTRIBUTION LINE	District: 4	C.I.P. Number: 11
		Key Map: 331L, 331M, 331O, 331T
Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System. The project will serve Bammel Forest Utility Company, Harris County MUD 211, Harris County MUD 233 and Ponderosa Forest UD.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	370	25	370		765
Design	1,220				1,220
Construction			10,058		10,058
Equipment					0
Other					0
Total Authorizations	1,590	25	10,428	0	12,043
Source of Funds					
Revenue Bonds	1,590	25	370		1,985
Future BANS/Bonds			10,058		10,058
Total Funds	1,590	25	10,428	0	12,043

Project: CYPRESSWOOD DISTRIBUTION LINE	District: 4 and 5	C.I.P. Number: 14
		Key Map: 331D, 331G, 331H, 332A, 332J
Description: Project provides for the design, real estate acquisition and construction of two distribution lines, which is a component of the 2010 Water Distribution and Transmission System. The project will serve Aqua Texas, Inc. (formerly Candlelight Service Company), CNP UD, Harris County MUD 104 and Harris County WCID 110.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	372	40	360		772
Design	1,107				1,107
Construction			9,442		9,442
Equipment					0
Other					0
Total Authorizations	1,479	40	9,802	0	11,321
Source of Funds					
Revenue Bonds	1,479	40	360		1,879
Future BANS/Bonds			9,442		9,442
Total Funds	1,479	40	9,802	0	11,321

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: BOURGEOIS DISTRIBUTION LINE	District: 2, 3, and 4	C.I.P. Number: 15
		Key Map: 330P, 330S, 370M, 370N, 370Q, 371J
Description: Project provides for the design, real estate acquisition and construction of two distribution lines, which is a component of the 2010 Water Distribution and Transmission System. The project will serve Northwest Harris County MUD 6.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	843	25	803		1,671
Design	784	949			1,733
Construction	9,543		5,975		15,518
Equipment					0
Other					0
Total Authorizations	11,170	974	6,778	0	18,922
Source of Funds					
Revenue Bonds	11,170	974	803		12,947
Future BANS/Bonds			5,975		5,975
Total Funds	11,170	974	6,778	0	18,922

Project: CUTTEN DISTRIBUTION LINE PHASE 2	District: 2 and 3	C.I.P. Number: 16
		Key Map: 370F, 370K, 370L, 370Q
Description: Project provides for the design, real estate acquisition and construction of a distribution line, which is a component of the 2010 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	193	426			619
Design	687				687
Construction			6,048		6,048
Equipment					0
Other					0
Total Authorizations	880	426	6,048	0	7,354
Source of Funds					
Revenue Bonds	880	426			1,306
Future BANS/Bonds			6,048		6,048
Total Funds	880	426	6,048	0	7,354

**2008 – 2009
CAPITAL IMPROVEMENT PLAN**

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: 2010 TRANSMISSION LINE	District: N/A	C.I.P. Number: 17
		Key Map: 370U, 370V, 371S
<p>Description: Project provides for the design, real estate acquisition and construction of the transmission line which will deliver water from the City of Houston take point (approximately Greens Road and Greenspoint Drive) to the proposed Spears Road Regional Pump Station and from there to the distribution line constructed under Project 1A. This transmission line is a component of the 2010 Water Distribution and Transmission System. It is the sole surface water supply line to the Authority to meet the 2010 to 2019 surface water needs of the Authority.</p>		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	689	2,250			2,939
Design	3,185	509			3,694
Construction			35,880		35,880
Equipment					0
Other					0
Total Authorizations	3,874	2,759	35,880	0	42,513
Source of Funds					
Revenue Bonds	3,874	2,759			6,633
Future BANS/Bonds			35,880		35,880
Total Funds	3,874	2,759	35,880	0	42,513

Project: GREENS ROAD WATER LINE	District: N/A	C.I.P. Number: 18
		Key Map: VAR
<p>Description: Project provides for the Authority's portion of the cost of the City of Houston Greens Road water line. The City of Houston constructed a water line from the 84-inch line delivering water from the Northeast Water Treatment Plant to the Greenspoint area. The City upsized the line to provide for water the Authority will be purchasing from the City of Houston as it begins its transition to surface water.</p>		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition					0
Design					0
Construction					0
Equipment					0
Other	29,187				29,187
Total Authorizations	29,187	0	0	0	29,187
Source of Funds					
Revenue Bonds	29,187				29,187
Future BANS/Bonds					0
Total Funds	29,187	0	0	0	29,187

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**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORIT**

Project: SPRING CYPRESS REGIONAL WATER PLANT	District: 4	C.I.P. Number: 20
	Key Map: 330D	
Description: Project provides for the siting study and site acquisition for this regional water plant. This facility will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,370		1,370
Design			200		200
Construction					0
Equipment					0
Other					0
Total Authorizations	0	0	1,570	0	1,570
Source of Funds					
Revenue Bonds			1,570		1,570
Future BANS/Bonds					0
Total Funds	0	0	1,570	0	1,570

Project: TELGE REGIONAL WATER PLANT	District: 1	C.I.P. Number: 21
	Key Map: 368E	
Description: Project provides for the siting study and site acquisition for this regional water plant. This facility will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,370		1,370
Design			200		200
Construction					0
Equipment					0
Other					0
Total Authorizations	0	0	1,570	0	1,570
Source of Funds					
Revenue Bonds			200		200
Future BANS/Bonds			1,370		1,370
Total Funds	0	0	1,570	0	1,570

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Project: BOUDREAUX REGIONAL WATER PLANT	District: 3	C.I.P. Number: 22
	Key Map: 289Y	
Description: Project provides for the siting study and site acquisition for this regional water plant. This facility will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,370		1,370
Design			200		200
Construction					0
Equipment					0
Other					0
Total Authorizations	0	0	1,570	0	1,570
Source of Funds					
Revenue Bonds			200		200
Future BANS/Bonds			1,370		1,370
Total Funds	0	0	1,570	0	1,570

Project: HARDY REGIONAL PUMP STATION	District: 5	C.I.P. Number: 23
	Key Map: 333N	
Description: Project provides for the siting study and site acquisition for this regional pump station. This facility will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,370		1,370
Design			200		200
Construction					0
Equipment					0
Other					0
Total Authorizations	0	0	1,570	0	1,570
Source of Funds					
Revenue Bonds			200		200
Future BANS/Bonds			1,370		1,370
Total Funds	0	0	1,570	0	1,570

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**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: SH 249 REGIONAL PUMP STATION	District: 3	C.I.P. Number: 24
	Key Map: 370U	
Description: Project provides for the siting study and site acquisition for this regional pump station. This facility will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,370		1,370
Design			200		200
Construction					0
Equipment					0
Other					0
Total Authorizations	0	0	1,570	0	1,570
Source of Funds					
Revenue Bonds			1,570		1,570
Future BANS/Bonds					0
Total Funds	0	0	1,570	0	1,570

Project: 2020 TRANSMISSION LINE	District: 3	C.I.P. Number: 25
	Key Map: 370 U-V; 371 - 374 S-V; 375 S-T	
Description: Project provides for the engineering and acquisition activities required to facilitate the purchase of the easement in the CenterPoint corridor along Beltway 8 from the City of Houston take point just east of Hwy. 59 to just east of State Hwy. 249. This line will be part of the 2020 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition			1,504		1,504
Design	219		830		1,049
Construction					0
Equipment					0
Other					0
Total Authorizations	219	0	2,334	0	2,553
Source of Funds					
Revenue Bonds	219				219
Future BANS/Bonds			2,334		2,334
Total Funds	219	0	2,334	0	2,553

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**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: WATER SUPPLY	District: ALL	C.I.P. Number: 26
		Key Map: VAR
Description: Provides funding to pay the City of Houston for water in accordance with the Authority's Water Supply Contract with the City. Funding included herein will pay for the final payment on the initial 31 MGD allocation and funding for purchasing an additional allocation up to 5 MGD.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/05-12/31/07	2008	2009	
Acquisition					0
Design					0
Construction					0
Equipment					0
Other				33,062	33,062
Total Authorizations	0	0	0	33,062	33,062
Source of Funds					
Revenue Bonds					0
Future BANS/Bonds				33,062	33,062
Total Funds	0	0	0	33,062	33,062

Project: SYSTEM IMPROVEMENTS	District: VAR	C.I.P. Number: 100
		Key Map: VAR
Description: Project provides design, real estate acquisition and construction for improvements to existing district systems and supplemental additions to facilitate the efficient operation of the Groundwater Transfer Program.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition					0
Design	112				112
Construction	1,032				1,032
Equipment					0
Other		400	150		550
Total Authorizations	1,144	400	150	0	1,694
Source of Funds					
Revenue Bonds	1,144	400	150		1,694
Future BANS/Bonds					0
Total Funds	1,144	400	150	0	1,694

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**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

Project: CENTRAL CONTROL SYSTEM	District: VAR	C.I.P. Number: 101
		Key Map: VAR
Description: Project provides the design and construction of the initial and final phases of the Supervisory Control and Data Acquisition (SCADA) System to facilitate the operation respectively of the Groundwater Transfer Program and then the 2010 Water Distribution and Transmission System.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	1				1
Design	192		761		953
Construction	1,121		5,258		6,379
Equipment					0
Other					0
Total Authorizations	1,314	0	6,019	0	7,333
Source of Funds					
Revenue Bonds	1,314	0			1,314
Future BANS/Bonds			6,019		6,019
Total Funds	1,314	0	6,019	0	7,333

Project: WATER REUSE	District: VAR	C.I.P. Number: 102
		Key Map: VAR
Description: Project provides engineering and other services to support the Authority's Water Reuse efforts and an allowance to participate in a pilot water reuse project.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition					0
Design	40		55		95
Construction			229		229
Equipment					0
Other					0
Total Authorizations	40	0	284	0	324
Source of Funds					
Revenue Bonds	40		284		324
Future BANS/Bonds					0
Total Funds	40	0	284	0	324

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REGIONAL WATER AUTHORITY**

Project: SUPPORT AND SPECIALTY	District: VAR	C.I.P. Number: 200
		Key Map: VAR
Description: Provides various support and specialty professional services such as program management, control surveying, well location assessments, corrosion protection analysis, surge analysis, GIS and pricing policy/model updates.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition	50				50
Design	6,600	1,407	2,900	2,700	13,607
Construction					0
Equipment					0
Other					0
Total Authorizations	6,650	1,407	2,900	2,700	13,657
Source of Funds					
Revenue Bonds	6,650	1,407			8,057
Future BANS/Bonds			2,900	2,700	5,600
Total Funds	6,650	1,407	2,900	2,700	13,657

Project: CONTINGENCY	District: VAR	C.I.P. Number: N/A
		Key Map: VAR
Description: Provides funding for costs in excess of original program estimates and unexpected necessary expenses such as those to facilitate escalation of program components, to facilitate system operation and to enable payment of exceptional real estate judgments.		

Category	Authorizations (Thousands)		Fiscal Year Planned Authorizations (Thousands)		Project Total
	1/1/03-9/30/07	10/1/07-12/31/07	2008	2009	
Acquisition					0
Design					0
Construction					0
Equipment					0
Other			4,559	3,154	7,713
Total Authorizations	0	0	4,559	3,154	7,713
Source of Funds					
Revenue Bonds			1,559		1,559
Future BANS/Bonds			3,000	3,154	6,154
					0
Total Funds	0	0	4,559	3,154	7,713