

MINUTES
NORTH FORT BEND WATER AUTHORITY

January 19, 2012

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in special session, open to the public, on the 19th day of January, 2012, at the Willow Fork Country Club, 21055 Westheimer Parkway, Katy, Texas, inside the boundaries of the Authority, and the roll was called of the members of the Board:

Peter Houghton	President
Robert Patton	Vice President
Melony Gay	Secretary
David Spell	Assistant Secretary
Robert Darden	Assistant Vice President
Bruce Fay	Director
Pat Hebert	Director

and all of the above were present, except Director Hebert, thus constituting a quorum.

Also present for all or part of the meeting were Carole D. Baker of Carole D. Baker Consulting, LLC; David C. Scholler, P.E. and Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Pamela Logsdon of AVANTA Services; David Oliver, Alia Vinson, and Christina Miller of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

WATER CONSERVATION AND REUSE

The Board discussed effluent reuse matters, including incentivizing effluent projects and purchasing effluent water rights, the Authority's current Wastewater Treatment Plant Effluent Reuse Policy ("Reuse Policy"), and potential reuse projects. Following discussion, the Board concurred to consider revising the Authority's current Reuse Policy to increase the Authority's credit amount. Following additional discussion, Director Gay moved to authorize ABHR and B&G to begin preliminary discussions with Fort Bend County M.U.D. No. 34 regarding implementation of a reuse project to serve the Meadowbrook Farms Golf Course and nearby homeowners' associations and to explore the feasibility of four additional reuse projects identified by B&G in its Effluent Reuse Study. Director Patton seconded the motion, which was approved by unanimous vote.

RATE STRUCTURES

The Board discussed scheduling a water rate workshop for municipal utility district directors. Ms. Vinson discussed the proposed schedule for workshops for municipal utility district directors and consultants to provide additional information



about water conservation strategies and preparation of water conservation plans and stated that the workshop planned for March will include a discussion on rates. Ms. Vinson noted that the required water conservation plans must contain a non-promotional rate structure and must attach each retail water provider's current rate order. The Board discussed evaluating the rate orders and other information submitted by retail water providers with their water conservation plans to assess the sufficiency of rate structures being used in the Authority.

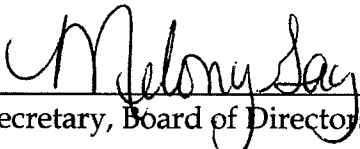
IRRIGATION WATER USE AND CONSERVATION IN NEW DEVELOPMENT

The Board discussed options for improving water conservation by regulating the installation and maintenance of irrigation systems. Director Patton reviewed with the meeting attendees the two irrigation studies in which the Authority is a participant, including the New Development Water Conservation Comparative Study with Cross Creek Ranch and the Texas A&M University Turf Study. Following discussion, the Board authorized the Authority's consultants to gather information and develop preliminary parameters for a policy on irrigation water use, water conservation and effluent reuse in new development.

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

(SEAL)




Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes

Page

Attendance Sheets..... 1

