

MINUTES  
NORTH FORT BEND WATER AUTHORITY

January 22, 2014

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in regular session, open to the public, on the 22nd day of January, 2014, 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, thus constituting a quorum.

Also present for all or part of the meeting were Dave Scholler, Charles Shumate, Emmanuel De Pau, and Chris Jacob of Brown & Gay Engineers, Inc. ("B&G"); Pamela Logsdon of AVANTA Services; Mark Yentzen of Severn Trent Services, Inc.; Barbara Payne of Payne Communications; David Oliver, Christina Miller, and Justine M. Cherne of Allen Boone Humphries Robinson LLP; and persons listed on the attached attendance sheets.

APPROVE MINUTES

The Board considered approving the minutes of the regular meeting held on December 19, 2013. After review and discussion, Director Gay moved to approve the minutes as written. Director Hebert seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Houghton opened the meeting to receive public comments. There being no public comments, Director Houghton closed the meeting to public comment.

PUBLIC COMMUNICATIONS

Ms. Payne reported on public communication and water conservation education activities, including development of new educational materials for school and community programs, scheduling of a teacher workshop, and reservation of the Authority's water conservation mobile teaching lab. She reported on preparation of information related to the rising cost of water and the Authority's newsletter. She

reported that copies of brochures containing information on water conservation and drought contingency plans are available to municipal utility districts to insert with their bills at no charge.

#### WATER CONSERVATION AND REUSE AND PROJECT MANAGER'S REPORT

Mr. Shumate distributed a Water Conservation and Reuse Memorandum, a copy of which is attached. He reported on matters related to reuse and alternative water credit requests and reported that a letter outlining the Authority's updated over-conversion credit policy and new application form will be sent to municipal utility districts within the Authority. Director Houghton addressed the meeting attendees to discuss changes to the Authority's updated over-conversion credit policy.

Mr. Shumate reviewed a report on the Authority's W.I.S.E. Guys Irrigation System Evaluation Program, a copy of which is attached to the Water Conservation and Reuse Memorandum.

Mr. Shumate reported that B&G continues to follow-up on outstanding constituent submissions of Annual Water Conservation Reports and discussed B&G's analysis of the submitted reports.

Mr. Shumate discussed upcoming training opportunities, including webcasts on water conservation plans, consumer outreach program development, and a water conservation symposium.

Mr. Shumate discussed activities related to the development of a comprehensive plan for water conservation and alternative water utilization in the Authority, including scheduling a meeting with a representative of Texas A&M University to discuss water conservation programs developed with the City of College Station.

Mr. Shumate and Mr. Scholler discussed B&G's analysis of the most recent information from the Authority's New Development Water Conservation Comparative Study with Cross Creek Ranch.

#### FINANCIAL AND BOOKKEEPING MATTERS, ADOPT BUDGET, AND HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

Ms. Logsdon reviewed the written bookkeeper's report, including checks for payment, transfers, monthly receipts, past due accounts, the income statement for the Enterprise Fund, a summary of investments, a schedule of debt service payments, and the quarterly investment report. A copy of the bookkeeper's report is attached. Following review and discussion, Director Gay moved to approve the bookkeeper's report. Director Hebert seconded the motion, which was approved by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

The Board reviewed the annual disclosure statements of the bookkeeper and Investment Officer. Mr. Oliver stated that the statements are filed annually with the Texas Ethics Commission. Following review and discussion, Director Gay moved to accept the annual disclosure statements of the bookkeeper and Investment Officer and direct that the disclosure statements be filed appropriately and retained in the Authority's official records. Director Hebert seconded the motion, which was approved by unanimous vote.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Oliver reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

## IMPLEMENTATION OF DROUGHT CONTINGENCY PLAN

Mr. Oliver reported that Governor Perry did not extend an Emergency Disaster Proclamation for Fort Bend and Harris Counties. She reviewed a proposed notice for withdrawal of the Authority's implementation of Stage 1 voluntary reductions of its Drought Contingency Plan. Following review and discussion, Director Gay moved to withdraw implementation of Stage I of the Authority's Drought Contingency Plan and authorize distribution of the notice. Director Hebert seconded the motion, which was approved by unanimous vote.

## OPERATION OF AUTHORITY FACILITIES

Mr. Yentzen reviewed the Operations report and reported on the operations of the Authority's facilities, including maintenance and repairs and preparation of an amendment to the Authority's Contract for Maintenance Services to expand the scope of services to include additional easement mowing maintenance. A copy of the operations report is attached. Following review and discussion, Director Gay moved to approve the operator's report. Director Hebert seconded the motion, which was approved by unanimous vote.

## ENGINEERING MATTERS

### WATER SUPPLY CONTRACT AND LUCE BAYOU PROJECT

Mr. Scholler presented the engineer's report, including the monthly pumpage report, the status of new wells located within the Authority, and a list of recent and upcoming events and conferences. A copy of the engineer's report is attached.

Mr. Scholler reported on continued coordination with Mark Loethen of the City

of Houston (the "COH") to obtain additional information regarding the Fiscal Year 2011 True-up and a five-year Capital Improvement Plan to assist the Authority with its planning.

Mr. Scholler reported on the schedule for issuance of the permit for the Luce Bayou project, including the schedule for publication of the Environmental Impact Statement and distribution of a Memorandum of Understanding for signatures. He stated that the Coastal Water Authority's ("CWA") Professional Services Committee heard presentations on Statements of Qualifications for design of the pump station for the project from two engineering teams and recommended selection of Dannenbaum Engineering Corporation to the CWA Board.

#### DESIGN AND CONSTRUCTION PROJECTS, AND SERVICES CONTRACTS

Mr. Scholler updated the Board on the design of Main Segments 10A and 10B, and the connection water line for Fort Bend County M.U.D. No. 206 and requested the Board's authorization to bid the projects.

Mr. Scholler updated the Board on the construction of the Bellaire Pump Station project, Main Segments 7C, 9A, and 9B, and combined Main Segments 13A and 16A. He discussed right-of-way acquisition matters related to Main Segment 13A. A drawing summarizing the status of construction projects is attached to the engineer's report. He recommended approval of seven pay estimates for the construction projects and final acceptance of Main Segments 7A, 8B, and 12D. He recommended approval of Change Order No. 9 for the Bellaire Pump Station project and noted that the pay estimate for the project includes a reduction in the amount of retainage as requested by the contractor.

Mr. Scholler recommended approval of an increased budget allocation for the Authority's contract with Terracon Consultants, Inc. for additional testing performed for the Authority's pipe investigation.

#### ROUTING ANALYSES

Mr. Scholler reported on B&G's evaluation of the future extension of the Authority's surface water transmission system for the 2025 surface water conversion and related right-of-way acquisition activities.

#### GROUNDWATER REDUCTION PLAN, CHLORAMINES CONVERSION, AND SUBSIDENCE DISTRICT REGULATIONS AND PERMITTING

Mr. Scholler recommended approval of Fort Bend County M.U.D. No. 50's request for reimbursement for its chloramines conversion project.

Mr. Scholler reported on matters related to Fort Bend Subsidence District

("FBSD"), including submission of an application for rebate of overpaid pumpage fees and preparation of the annual pumpage report for submission to FBSD. He reported on the status of preparing the annual pumpage report for one well for submission to the Harris-Galveston Subsidence District.

#### MATTERS RELATED TO ELECTROPURIFICATION APPLICATIONS

Mr. Oliver reported on the status of Electro Purification, LLC's well permit applications under consideration by the Bluebonnet Groundwater Conservation District. He stated that well permit applications have been withdrawn.

#### REPORTS AND STUDIES

Mr. Scholler reported on B&G's evaluation of population and water demand projections to coordinate with the COH on the quantity and timing of water needed to meet 2025 conversion requirements and as part of an on-going coordination with the West Harris County Regional Water Authority on Second Source Water Line projects. He stated that a draft Population and Water Demand Report has been uploaded to the Authority's electronic document sharing program for review and comment by the Board and the Authority's consultants.

#### GROUNDWATER REDUCTION PLAN WATER SUPPLY CONTRACT

Mr. Oliver reviewed and recommended approval of a water supply commitment letter agreement with Fort Bend County M.U.D. No. 58.

Following review and discussion, Director Gay moved to approve the engineer's report, including:

- (1) authorize B&G to advertise for bids for the construction of Main Segments 10A and 10B, and the connection water line for Fort Bend County M.U.D. No. 206;
- (2) approve the following pay estimates:
  - Main Segment 7A, Pay Estimate No. 22 and Final in the amount of \$218,391.68,
  - Main Segment 7C, Pay Estimate No. 13 in the amount of \$0,
  - Main Segment 8B, Pay Estimate No. 18 and Final in the amount of \$52,601.68,
  - Main Segment 9A, Pay Estimate No. 16 in the amount of \$116,696.85,
  - Main Segment 9B, Pay Estimate No. 19 in the amount of \$0,
  - Main Segment 12D, Pay Estimate No. 28 and Final in the amount of \$78,783.25, and

Bellaire Pump Station project, Pay Estimate No. 20 in the amount of \$1,331,045.48;

- (3) approve Change Order No. 9 for the Bellaire Pump Station construction project in the amount of \$25,946.72;
- (4) approve final acceptance of the projects for construction of Main Segments 7A, 8B, and 12D;
- (5) approve additional budget authorization for the Authority's contract with Terracon Consultants, Inc. in the amount of \$11,000.00;
- (6) approve Fort Bend County M.U.D No. 50's request for reimbursement for its chloramines conversion project in the amount of \$476,846.34; and
- (7) authorize execution of a water supply commitment letter agreement with Fort Bend County M.U.D. No. 58.

Director Hebert seconded the motion, which was approved by unanimous vote.

#### JOINT PROJECTS

Mr. Oliver reported on a meeting of the Joint Facilities Committee. He discussed the West Harris County Regional Water Authority's purchase of right-of-way for the Second Source Water Line, the status of the Luce Bayou project, and expansion of the Northeast Water Purification Plant to meet 2025 conversion requirements.

Mr. Oliver reported on his initial review of the COH's proposed second supplement to the Authority's Water Supply Contract with the COH related to the expansion of the Northeast Water Purification Plant. He stated that the Authority's consultants will meet with representatives from the West Harris County Regional Water Authority, the North Harris County Regional Water Authority, and the Central Harris County Regional Water Authority to discuss comments to the proposed amendment.

#### CONTRACTS

There were no contracts for consideration.

#### REALTY INTEREST ACQUISITION

There was no discussion on this item.

#### EXECUTIVE SESSION

The Board convened in executive session at 7:17 p.m., to conduct a private consultation with the Authority's attorney and to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

At 8:01 p.m., the Board reconvened in open session.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE JANUARY 22, 2014, BOARD MEETING]

  
Secretary, Board of Directors

(SEAL)





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