

MINUTES OF MEETING  
OF  
NORTH FORT BEND WATER AUTHORITY

January 6, 2006

THE STATE OF TEXAS                     §  
   §  
COUNTIES OF FORT BEND AND HARRIS     §

The Board of Directors of the North Fort Bend Water Authority (the "Authority") met in regular session, open to the public, on the 6th day of January, 2006, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Brazos Room, Houston, Texas, outside the boundaries of the Authority, and the roll was called of the duly appointed members of the Board, to-wit:

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 at the meeting were: Barbara Payne of Payne Communications; Baldemar Garza of Fort Bend County M.U.D. No. 2; Christopher Skinner of Schwartz Page & Harding LLP; Jasper Bittick of Cinco M.U.D. No. 2; John Buhmer of Kingsbridge M.U.D.; Jon N. Strange of JNS, Inc.; Dave Scholler and Charles Shumate of Brown & Gay Engineers, Inc. ("B&G"); Pam Lightbody and Pamela Logsdon of AVANTA Services; and Joe B. Allen, Alex Garcia, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board first considered approving the minutes of the December 2, 2005, meeting. Director Houghton noted that corrections were made to the minutes. After review and discussion, Director Hebert moved that the Board approve the minutes as corrected. Director Gay seconded the motion, which carried unanimously.

## BOOKKEEPER'S REPORT

Ms. Lightbody reported that mileage reimbursement has been reduced four cents to \$0.445 and that Form W-2's will be forwarded to the Directors within the next couple of weeks.

Ms. Lightbody reviewed a bookkeeper's report, a copy of which is attached. She noted that there were three accounts which had not yet submitted their October pumpage fees due by November 30, 2005. She reported that she spoke with a representative of the Texas Department of Criminal Justice ("TDCJ") who had planned to attend the Board meeting to explain that the TDCJ is unable to submit payment for pumpage fees in less than 90 days. She stated that the representative said that once the TDCJ creates an account, payment should be forwarded on a timely basis. Discussion ensued regarding the Board's policy for penalties and interest charges on overdue accounts. Following review and discussion, Director Gay moved that the Board approve the bookkeeper's report and payment of the bills, and authorize ABHR to forward a letter to the three overdue accounts to inform them of the applicable penalties, interest and fees. Director Patton seconded the motion, which was approved by unanimous vote.

## ENGINEER'S REPORT, RECEIVE UPDATE ON POTENTIAL WATER SOURCE STUDY

Mr. Scholler next presented the engineer's report. A copy of the written engineer's report is attached. He reported that the large difference between the actual and projected pumpage is due to more water being pumped than expected based on 2004 production.

Mr. Scholler next reviewed a draft Planning Questionnaire. He requested that the Directors and consultants review the Planning Questionnaire and forward any comments to B&G.

Following review and discussion, Director Spell moved that the Board approve the engineer's report as presented. Director Gay seconded the motion, which carried unanimously.

## ADOPT AMENDED ORDER ESTABLISHING GROUNDWATER REDUCTION PLAN FEE

Mr. Garcia reported that he received a request that the Board consider an increase in the time period for when pumpage fees are considered delinquent because some users hold their monthly meetings at the end of the month. The Board discussed the matter and concurred that fees should be considered delinquent if received more than 10 days after the due date. Director Hebert moved that the Board adopt a First

Amended Order Establishing Groundwater Reduction Plan Fee. Director Gay seconded the motion, which carried unanimously. A copy of the Order is attached.

REVIEW AND APPROVE FREQUENTLY ASKED QUESTIONS DOCUMENT

The Board concurred to table this item.

PRESENTATION ON PUBLIC COMMUNICATONS

Ms. Payne next reviewed with the Board a representative packet of newsletters, brochures, and educational programs she created within the last five years as the communications consultant for the West Harris County Regional Water Authority and the North Harris County Regional Water Authority. She gave an overview of the services she provides. Following review and discussion, the Board requested Ms. Payne to develop a communication package and proposal suited to the Authority's needs for its first year of operation for review at the next regular meeting. Ms. Payne stated that she will distribute the proposal in advance.

DISCUSS CONFLICT OF INTEREST DISCLOSURE, ADOPT AMENDED CODE OF ETHICS

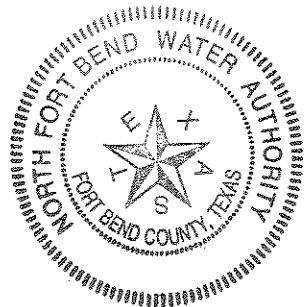
Mr. Allen next reported that a proposed amendment to the Authority's Ethics Policy, pursuant to new legislation enacting Chapter 176 of the Texas Government Code, will be presented next month for review. No action was taken by the Board.

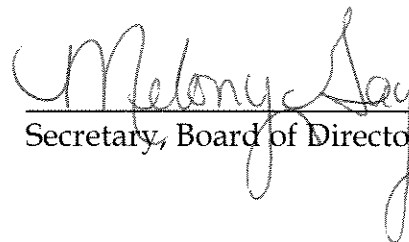
REPORTS FROM DIRECTORS AND CONSULTANTS

There were no additional reports.

Upon a motion made by Director Hebert and seconded by Director Spell, the Board adjourned.

(SEAL)



  
Secretary, Board of Directors

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