

MINUTES  
NORTH FORT BEND WATER AUTHORITY

October 23, 2013

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 23rd day of October, 2013, 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 Spell, thus constituting a quorum.

Also present for all or part of the meeting were Dave Scholler, Charles Shumate, Lindsay Kovar, and Chris Jacob of Brown & Gay Engineers, Inc. ("B&G"); Pam E. Lightbody of AVANTA Services; Mark Yentzen and David Walker of Severn Trent Services, Inc.; 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 September 25, 2013. After review and discussion, Director Hebert moved to approve the minutes as written. Director Fay seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Houghton opened the meeting to receive public comments. Ms. Anna Lopez addressed the Board. She stated that she was a resident of Hickory Creek and expressed concerns regarding Fort Bend County M.U.D. No. 34's ("MUD 34") conversion from the use of chlorine to the use of chloramines in its water system. She submitted a copy of a letter regarding her concerns sent to the Board of Directors of MUD 34, with an attached list of signatures, and a booklet compiling information related to her concerns. She requested that a Town Hall meeting be held with the Authority's residents to discuss the matter. Mr. Scholler reported that he addressed residents' concerns regarding MUD 34's conversion from the use of chlorine to the use of chloramines in its water system at a meeting of the Board of Directors of MUD 34.

## MEETING SCHEDULE

Mr. Oliver reminded the Board and the meeting attendees that the Authority has rescheduled its November 27, 2013 and December 25, 2013, meeting dates to November 21, 2013, and December 19, 2013, respectively.

## PUBLIC COMMUNICATIONS

Director Fay reported the Save Water Texas Coalition's regional educational program related to Proposition 6 that is included on the Ballot for the November 5, 2013, Texas General Election providing for the creation of two funds to assist in the financing of priority projects in the state water plan.

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

Mr. Scholler introduced Lindsay Kovar as the Authority's Conservation and Reuse Facilitation Project Manager. Ms. Kovar reported on activities related to water conservation and reuse matters, including follow-up on reuse or alternative water credit requests that the Authority has received to date and development of proposed policy recommendations for the Authority. Mr. Oliver reported that the Board will discuss the development of proposed landscape irrigation requirements and water conservation programs at its November special meeting, including follow-up from the stakeholder meetings held during the preliminary phase of the process and scheduling of a second round of stakeholder meetings. He discussed the process for developing the proposed landscape irrigation requirements.

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

Ms. Lightbody 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, and a schedule of debt service payments. A copy of the bookkeeper's report is attached. Ms. Lightbody noted that 34 checks have been issued for the irrigation rebate incentive program related to the Authority's W.I.S.E. Guys Program. Following review and discussion, Director Gay moved to approve the bookkeeper's report. Director Hebert seconded the motion, which was approved by unanimous vote.

## CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the Authority's Investment Policy. Mr. Oliver stated there were no recommended changes to the policy. Following review and discussion, Director Gay moved to adopt a Resolution Regarding Annual Review of Investment Policy. Director Hebert seconded the motion, which was approved by unanimous vote.

## DEPOSITORY INSTITUTIONS

Mr. Oliver reviewed an updated list of the Authority's depository institutions and qualified broker/dealers provided by the Authority's bookkeeper. Following review and discussion, Director Gay moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions. 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 verification of meter readings and installation of identification plates. 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 the proposed viewing schedule for the second of three informational webcasts on water conservation plans purchased from the American Water Works Association. The Board noted that the webcasts will be made available for viewing by municipal utility districts located within the Authority.

Mr. Scholler reported on a meeting held with Mark Loethen of the City of Houston (the "COH") regarding the Fiscal Year 2011 True-up and stated that Mr. Loethen said that he will provide more information regarding the Fiscal Year 2011 True-up and provide a five-year Capital Improvement Plan to assist the Authority with its planning.

Mr. Scholler reported that the COH held an informational meeting on October 4, 2013, regarding the proposed schedule for expansion of the Northeast Water Purification Plant to meet 2025 conversion requirements. He stated that the COH will proceed with selection of the design consultant once the participants have committed to the expansion project. He discussed a proposed supplement to the Authority's current Water Supply Contract with the COH prior to beginning negotiations regarding interim water.

Mr. Scholler discussed the schedule for the preparation of the Environmental

Impact Statement, publication of the Record of Decision, and issuance of the permit for the Luce Bayou project. He stated that a Request for Qualifications for the design of the Caper's Ridge Pump Station was issued in October 9, 2013, with submittals due on November 15, 2013.

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

Mr. Scholler updated the Board on the design of Main Segments 10A and 10B, and combined Main Segments 13A and 16A. He stated that a recommendation for award of a contract for the construction of combined Main Segments 13A and 16A will be made at the November 21, 2013, meeting. He recommended approval of a proposal from Storm Water Solutions, LP for storm water management services for the construction of Segments 10A, 10B, and combined Main Segments 13A and 16A.

Mr. Scholler updated the Board on the construction of Main Segments 7A, 7C, 8A, 8B, 9A, 9B, 12B, and 12D, and the Bellaire Pump Station project. A spreadsheet 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 the projects for construction of Main Segments 8A and 12B. He recommended approval of Change Order No. 1 to the Authority's construction contract for Main Segment 12B for additional well controls at Cinco Southwest M.U.D. No. 1 for no net change in duration or price.

Mr. Scholler recommended submission of a renewal application for the Storm Water Quality Management Plan permit for the Bellaire Pump Station project to the Texas Commission on Environmental Quality (the "TCEQ").

Mr. Scholler recommended approval of a request for a change order from Fugro, Inc. for additional material testing services resulting from the change in construction method from trenchless to open-cut for Main Segment 9B. He additionally recommended approval of a request for additional funds from Terracon for additional testing requested by the Authority for the pipe investigation.

Mr. Scholler recommended payment of an early completion bonus for 31 days to Hurtado Construction Company, Inc. for Main Segment 7C.

Mr. Scholler requested approval of a proposal from B&G to design a surface water line connection to Fort Bend County M.U.D. No. 206.

#### ROUTING ANALYSES

There was no update on routing analyses.

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

Mr. Scholler reported on the status of B&G's review of a second revised request from Fort Bend County M.U.D. No. 25 for the exclusion of an additional 3.8 acres from the Authority's boundaries for a total of approximately 27.8 acres and recommended approval.

Mr. Scholler reported on the status of B&G's coordination with Fort Bend County M.U.D. No. 58 ("MUD 58") for an amendment to the Water Trunkline Financing Agreement between MUD 58 and the Authority to include MUD 58's second water plant.

Mr. Scholler reported on the schedule for delivery of surface water to Fort Bend County M.U.D. Nos. 34, 35, and 133.

Mr. Scholler reported that a Water Distribution Line Financing Agreement between the Authority and Fort Bend County M.U.D. No. 142 is ready for the Board's approval.

Mr. Scholler reported on permit renewal matters and B&G's review of meter readings and reported water usage to prepare an application for early conversion credits.

MATTERS RELATED TO ELECTROPURIFICATION APPLICATIONS

There was no report on the status of Electro Purification, LLC's well permit applications under consideration by the Bluebonnet Groundwater Conservation District.

REPORTS AND STUDIES

There was no discussion regarding engineering reports and studies.

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

- (1) approve proposal from Storm Water Solutions, LP for storm water management services for the construction of Segments 10A, 10B, and combined Main Segments 13A and 16A;
- (2) approve the following pay estimates:  
Main Segment 7C, Pay Estimate No. 10 in the amount of \$78,735.01,  
Main Segment 8A, Pay Estimate No. 14 and Final in the amount of

\$45,890.17,

Main Segment 8B, Pay Estimate No. 15 in the amount of \$15,850.52,

Main Segment 9A, Pay Estimate No. 13 in the amount of \$148,594.50,

Main Segment 9B, Pay Estimate No. 16 in the amount of \$179,814.96,

Main Segment 12B, Pay Estimate No. 24 and Final in the amount of \$14,318.75, and

Bellaire Pump Station project, Pay Estimate No. 17 in the amount of \$408,833.08;

- (3) approve final acceptance of the projects for construction of Main Segments 8A and 12B;
- (4) approve Change Order No. 1 to the Authority's construction contract for Main Segment 12B in the amount of \$0;
- (5) authorize submission of a renewal application for the Storm Water Quality Management Plan permit for the Bellaire Pump Station Project to the TCEQ;
- (6) approve change order from Fugro, Inc. for additional material testing services for Main Segment 9 in the amount of \$12,000.00;
- (7) approve request for additional funds from Terracon for additional testing services in the amount of \$7,000.00;
- (8) approve payment of an early completion bonus for 31 days to Hurtado Construction Company, Inc. for Main Segment 7C in the amount of \$46,500.00;
- (9) approve proposal from B&G to design a surface water line connection to Fort Bend County M.U.D. No. 206 in the amount of \$65,000.00;
- (10) authorize the Authority's consultants to perform the actions necessary to move forward with exclusion of property as requested by Fort Bend County M.U.D. No. 25; and
- (11) authorize execution of a Water Distribution Line Financing Agreement with Fort Bend County M.U.D. No. 142.

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

Mr. Scholler and Mr. Oliver responded to meeting attendees' questions regarding attachments to the engineer's report, inspection procedures for the Authority's construction contract with Hurtado Construction Company, and the status of Electro Purification, LLC's well permit applications under consideration by the Bluebonnet Groundwater Conservation District.

## JOINT PROJECTS

Mr. Scholler reported on a meeting of the City of Houston Advisory Committee held September 30, 2013. He discussed additional easement surveying performed by the West Harris County Regional Water Authority for the Second Source Water Line project.

## CONTRACTS

There was no discussion on this item.

## REALTY INTEREST ACQUISITION

There was no discussion on this item.

## EXECUTIVE SESSION

The Board convened in executive session at 6:54 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 7:24 p.m., the Board reconvened in open session. No action was taken by the Board.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE OCTOBER 23, 2013, BOARD MEETING]

  
Secretary, Board of Directors

(SEAL)





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