

MINUTES OF MEETING
OF
NORTH FORT BEND WATER AUTHORITY

October 7, 2005

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 7th day of October, 2005, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Neches 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	Director
Bruce Fay	Director
Pat Hebert	Director

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

Also present at the meeting were: Robert Shindler of Kingsbridge M.U.D.; Craig Lewis of Fort Bend County M.U.D. No. 50; Jasper Bittick of Cinco M.U.D. No. 2; Lewis S. Kasner of Johnson Radcliffe Petrov & Bobbitt PLLC; Dave Scholler and Charles Shumate of Brown & Gay Engineers, Inc. ("B&G"); Mike Reedy of Turner Collie & Braden, Inc. ("TCB"); Pamela Logsdon and Pam Lightbody of AVANTA Services; and Joe B. Allen and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board first considered approving the minutes of the September 2, and September 30, 2005, meetings. After review and discussion, Director Hebert moved that the Board approve the minutes as written. Director Gay seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT

Ms. Lightbody stated that a bookkeeper's report will be presented next month. She stated that checks will be released as revenue is received. No Board action was necessary.

AUTHORIZE EXECUTION OF RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND REIMBURSEMENT POLICY

Mr. Allen next reviewed with the Board a Resolution Establishing Director Fees of Office and Reimbursement Policy. Following review and discussion, Directory Gay moved that the Board adopt a Resolution Establishing Director Fees of Office and Reimbursement Policy establishing fees of office at \$150.00 per day for each day the director actually spends performing the duties of a director; provided, however, that the total amount of fees of office paid to any one director shall not exceed \$7,200 per year, effective as of August 2, 2005. Director Darden seconded the motion, which was approved by unanimous vote. A copy of the resolution is attached.

ADOPT RESOLUTION ADOPTING INVESTMENT POLICY, ADOPT RESOLUTION APPOINTING INVESTMENT OFFICER, ACCEPT DISCLOSURE STATEMENTS FOR BOOKKEEPER AND INVESTMENT OFFICER, ADOPT RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS FOR THE AUTHORITY, AND APPROVE DEPOSITORY PLEDGE AGREEMENTS

Mr. Allen next reviewed an Investment Policy for the Authority. Ms. Logsdon presented disclosure statements and certificates for investment training. She requested authorization to open the Authority's bank account with Texas State Bank and place investment funds into TexPool and TexStar. Following review and discussion, Director Spell moved that the Board adopt a Resolution Adopting Investment Policy, adopt a Resolution Appointing Investment Officer appointing Pamela Logsdon, accept the disclosure statements of the bookkeeper and investment officer, adopt a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers, and approve a Depository Pledge Agreement with Texas State Bank. Director Hebert seconded the motion, which was approved by unanimous vote. Copies of the resolutions, disclosure statements and the Depository Pledge Agreement are attached.

ENGINEER'S REPORT

Mr. Scholler next provided a project update. A copy of the written Engineer's Report is attached. He reported on a meeting held by the Brazos River Authority (the "BRA") for the stakeholders of the West Fort Bend County Regional Water Treatment Facility and Site Evaluation Feasibility Study. He reminded the Board that the Authority is a stakeholder in the study as approved at the organizational meeting. He

stated that the next stakeholders meeting is scheduled for either the week of October 17, or October 24, 2005, and that a draft report is scheduled for distribution by October 31, 2005. Discussion ensued regarding the meetings. The Board requested Mr. Scholler to notify them of the date of the next stakeholders meeting. Mr. Allen advised that an agenda will need to be posted if four or more Directors plan to attend a meeting during which the business of the Authority will be discussed. No Board action was necessary.

RECEIVE PROPOSAL FOR POTENTIAL WATER SOURCE STUDY

Mr. Scholler next reviewed a proposal in an amount not to exceed \$34,400.00 for preparation of a Potential Water Source Study, a copy of which is attached. He stated that distribution of a draft report is anticipated within 60 days. Mr. Allen noted that the study is included in the Authority's budget. Following review and discussion, Director Gay moved that the Board accept the proposal as presented. Director Hebert seconded the motion, which carried unanimously.

DISCUSS WEB SITE AND NEWSLETTER

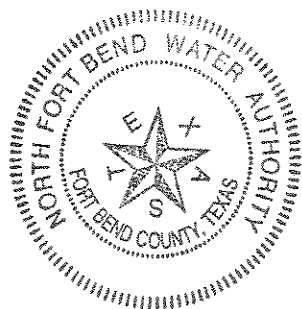
The Board concurred to table this item until the regularly scheduled January meeting.


REPORTS FROM DIRECTORS AND CONSULTANTS

Mr. Allen reported on a conference regarding water law that he attended at the University of Texas. Mr. Allen and Mr. Scholler answered questions from the public. No Board action was necessary.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes	
	<u>Page</u>	
Resolution Establishing Director Fees of Office and Reimbursement Policy	2	✓
Resolution Adopting Investment Policy	2	✓
Resolution Appointing Investment Officer.....	2	✓
disclosure statements of the bookkeeper and investment officer.....	2	✓
Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers	2	✓
Depository Pledge Agreement with Texas State Bank.....	2	✓
Engineer's Report.....	2	✓
proposal for preparation of a Potential Water Source Study	3	/