

MINUTES OF MEETING
OF
NORTH FORT BEND WATER AUTHORITY

December 2, 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 2nd day of December, 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, thus constituting a quorum.

Also present at the meeting were: 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; Greg Herzog of Cinco M.U.D. No. 12; John Buhmer of Kingsbridge M.U.D.; Lisa Kinzel of Cinco M.U.D. No. 10; Dave Scholler and Charles Shumate of Brown & Gay Engineers, Inc. ("B&G"); 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 November 4, 2005, meeting. After review and discussion, Director Gay moved that the Board approve the minutes as written. Director Darden seconded the motion, which carried unanimously.

REORGANIZE BOARD AND AUTHORIZE EXECUTION OF REGISTRATION FORM

The Board next considered appointing Robert Darden as the Assistant Vice President. Following review and discussion, Director Patton moved that the Board appoint Robert Darden as the Assistant Vice President of the Board and authorize

execution of the Registration Form to reflect the appointment. Director Spell seconded the motion, which was approved by unanimous vote. A copy of the Registration Form is attached.

BOOKKEEPER'S REPORT

Ms. Lightbody reviewed a bookkeeper's report, a copy of which is attached. She noted that there were a fair number of accounts which had not yet submitted their October pumpage fees due by November 30, 2005. She reviewed a draft letter to notify overdue accounts that pumpage fees are due by the last day of the month following the month for which pumpage was calculated. Discussion ensued regarding what the Board's policy would be regarding penalties and interest charges on overdue accounts. Board members requested that the letter drafted by the bookkeeper include a notice that a one-time waiver of penalties and interest will be granted by the Board for the October 2005, pumpage fees if payment is received by December 15, 2005. Following review and discussion, Director Gay moved that the Board approve the bookkeeper's report, payment of the bills and distribution of the revised letter to notify overdue accounts. Director Hebert 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 reviewed summaries of meetings held with potential surface water suppliers and discussion ensued regarding the meetings. He reported that meetings will be scheduled with the West Harris County Regional Water Authority and with the Coastal Water Authority. He stated that a report summarizing the results of the Potential Water Source Study will be prepared and submitted to the Board.

RECEIVE AND APPROVE PROPOSAL FOR ALTERNATIVE ANALYSIS FOR SURFACE WATER CONVERSION

Mr. Scholler next presented a proposal for the preparation of an Alternative Analysis for Surface Water Conversion for the initial phase of the Authority's Groundwater Reduction Plan in an amount not to exceed \$492,300.00, a copy of which is attached. He stated that the analysis will be performed in accordance with the Professional Engineering Services Agreement approved by the Board and that the amount is included in the preliminary budget approved by the Board. He reviewed the tasks included in the analysis and stated that the study will include the development of detailed 2013 and 2025 population and water demand projections, development of a GIS/database system, and facilities planning. He reviewed the proposed schedule for the analysis and stated that the projected scheduled completion date is before December 31, 2006. He stated that if the proposal is approved, he expects work will begin on the analysis before the end of this year. Director Houghton suggested that the Board may

want to consider whether a demographer should be consulted at a later date. Following review and discussion, Director Hebert moved that the Board approve the engineer's report and proposal for Alternative Analysis for Surface Water Conversion as presented. Director Gay seconded the motion, which carried unanimously.

REPORTS FROM DIRECTORS AND CONSULTANTS

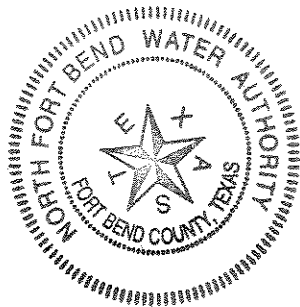
Director Gay noted that she distributed to the Directors an issue of "Waterworks," a newsletter distributed by the West Harris County Regional Water Authority (the "WHCRWA"). She reported that she spoke with Barbara Payne who is the communications consultant for the WHCRWA and the North Harris County Regional Water Authority. She stated that Ms. Payne discussed with her the educational efforts undertaken by both Authorities. She stated that she would contact Ms. Payne to give a presentation on public communications to the Board at the January regular meeting.

DISCUSS CONFLICT OF INTEREST DISCLOSURE

Mr. Allen next reviewed with the Board new legislation enacting Chapter 176 of the Texas Government Code, which requires directors and consultants to disclose certain conflicts of interest. He reviewed with the Board the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District beginning January 1, 2006, and will need to be filed thereafter within seven days of a disclosable conflict arising. He explained that failure to make a disclosure required under Chapter 176 is a Class C misdemeanor. He encouraged the Board to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure. The Board authorized ABHR to maintain a list of the District's Board members and make that list available to the public and to contractors who may be required to file a questionnaire under Chapter 176.

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>	
Registration Form	2	/
bookkeeper's report.....	2	/
engineer's report	2	/
Alternative Analysis for Surface Water Conversion proposal	2	/