

MINUTES  
NORTH FORT BEND WATER AUTHORITY

December 22, 2011

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 December, 2011, 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 for Director Houghton, thus constituting a quorum.

Also present for all or part of the meeting were Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Pam E. Lightbody of AVANTA Services; Brian Bare of SWWC Services, Inc. ("SWWC"); Steve Bonjonia of Property Acquisition Services, Inc.; David Oliver 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 November 30, 2011. 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 Patton opened the meeting to receive public comments. There were no public comments.

PUBLIC COMMUNICATIONS

There was no discussion on this item.



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, and a schedule of debt service payments. 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.

Ms. Lightbody reported that there was no need to conduct a hearing on delinquent fees or rule violations.

ADOPT BUDGET FOR FISCAL YEAR END DECEMBER 31, 2012

The Board considered adopting a budget for fiscal year end December 31, 2012. Ms. Lightbody reviewed with the Board the balance contained in the Authority's Operations and Maintenance Reserve Account. Following review and discussion, Director Gay moved to approve the budget and the balance in the Operations and Maintenance Reserve Account. Director Darden seconded the motion, which was approved by unanimous vote, with Director Hebert abstaining from budget line items related to the Authority's contract with SWWC.

TRAVEL REIMBURSEMENT GUIDELINES

The Board reviewed the District's Travel Reimbursement Guidelines.

OPERATION OF AUTHORITY FACILITIES

Mr. Bare reported on operations of the Authority's facilities. A copy of the operations report is attached. Following review and discussion, Director Hebert moved to approve the operations report. Director Gay seconded the motion, which was approved by unanimous vote.

AUTHORIZE FILING OF EMERGENCY PREPAREDNESS PLAN

Ms. Silva noted that a draft Emergency Preparedness Plan was distributed to the Board and is required to be submitted to the Texas Commission on Environmental Quality by February 1, 2012. Following discussion, Director Gay moved to authorize filing of the Emergency Preparedness Plan prior to the deadline, subject to review and comment. Director Hebert seconded the motion, which was approved by unanimous vote.



## ENGINEERING MATTERS

### WATER SUPPLY CONTRACT AND LUCE BAYOU PROJECT

Ms. Silva presented the engineer's report, including the monthly pumpage report and the status of new wells located within the Authority. She reviewed a list of recent and upcoming events and reported on activities related to the status of the Luce Bayou Project. A copy of the engineer's report is attached. Ms. Silva reported that the City of Houston ("COH") plans to approve an extension of the Authority's Lease Agreement for the D-158 Water Plant and needs additional time to consider whether to sell the D-158 Water Plant offsite wells to the Authority.

### DESIGN AND CONSTRUCTION PROJECTS, AND SERVICES CONTRACTS

Ms. Silva reported on the status of design, contract documentation, right-of-way acquisition, and construction, as appropriate, for several main line segments, related district connection water lines, and the Bellaire Pump Station. Spreadsheets summarizing the status of design and construction projects are attached to the engineer's report. Ms. Silva reported on the status of B&G's population and water demand update project for the Authority's long-range planning and coordination with the COH on a water supply shut-down related to maintenance and the Main Segment 0 Tie-ins and D-158 Water Plant Modifications Project. She requested authorization to distribute a letter to notify the municipal utility districts receiving surface water from the Authority of the planned water supply shut-down.

Ms. Silva reported on the design of Main Segments 7C, 8A, and 9B, and requested authorization to advertise for bids for construction of the projects.

Ms. Silva reported that seven bids were opened on December 7, 2011, for the contract for the Bellaire Pump Station project and recommended that the Board award a contract in the amount of \$22,021,675 to the lowest qualified bidder, Pepper-Lawson Waterworks, LLC. She noted that the recommendation had been provided to the West Harris County Regional Water Authority (the "WHCRWA") and that the WHCRWA had concurred with the recommendation of award. Following review and discussion, the Board concurred with the engineer's judgment that Pepper-Lawson Waterworks, LLC was a responsible bidder whose bid would result in the best and most economical completion of the project.

Ms. Silva reported that nine bids were opened on December 7, 2011, for the contract for the construction of Main Segment 8B and recommended that the Board award a contract in the amount of \$2,418,311.55 to the lowest qualified bidder, E.P. Brady, Ltd. Following review and discussion, the Board concurred with the engineer's judgment that E.P. Brady, Ltd. was a responsible bidder whose bid would result in the best and most economical completion of the project.



Ms. Silva reported that two bids were opened on December 8, 2011, for the contract for the winterization of flow control valves project and recommended that the Board award a contract in the amount of \$106,100 to the lowest qualified bidder, Sigala Industrial & Mechanical Contracting, Ltd. Following review and discussion, the Board concurred with the engineer's judgment that Sigala Industrial & Mechanical Contracting, Ltd. was a responsible bidder whose bid would result in the best and most economical completion of the project.

Ms. Silva updated the Board on the construction of Main Segments 0, 1A, 1B, 2, 3, 4A, 4B, 5, 6, 7A, 7B, 12A, 12B, 12C, and 12D, the connection water lines for Fort Bend County M.U.D. Nos. 30, 118, and 122, Kingsbridge M.U.D., Big Oaks M.U.D., and Grand Mission M.U.D. No. 1, and the Main Segment 0 Tie-ins and D-158 Water Plant Modifications Project. She recommended approval of fourteen pay estimates for the Main Segments and connection water lines, and final acceptance of Main Segments 1B and 4A, and the connection water lines for Big Oaks M.U.D. and Kingsbridge M.U.D.

Ms. Silva recommended approval of proposals from Storm Water Solutions, LP for storm water pollution prevention services for the Bellaire Pump Station project, and Main Segments 8A and 8B.

Ms. Silva recommended approval of proposals for material testing services from Geotest Engineering, Inc. for Main Segments 8A and 8B, and from HVJ Associates, Inc. for the Main Segment 0 Tie-ins and D-158 Water Plant Modifications Project.

Ms. Silva requested approval of a proposal from B&G for cathodic protection maintenance serves to include quarterly monitoring of the cathodic protection rectifiers.

Ms Silva requested authorization to prepare bid documents for painting of the tanks at the D-158 Water Plant.

#### ROUTING ANALYSES

Ms. Silva did not provide an update on the progress of route evaluations for the Authority's 2025 distribution system.

#### GRP, CHLORAMINES CONVERSION, AND FBSD REGULATIONS

Ms. Silva reported that a request to add a well located in Harris County to the Authority's Groundwater Reduction Plan ("GRP") was received from Cinco M.U.D. No. 1.

Ms. Silva updated the Board on the status of chloramine conversion projects and evaluation of requests for reimbursement for chloramine conversion. A spreadsheet summarizing the status of chloramine conversion projects is attached to the engineer's report.



Ms. Silva reported on activities related to evaluating requests from Fort Bend County M.U.D. No. 142 for a water supply contract and early conversion to surface water, a request for early conversion to surface water from Fort Bend County M.U.D. No. 58, and a request from Grand Mission M.U.D. No. 1 for a water supply contract. She stated that B&G is preparing minimum well capacity requirements for inclusion in water supply contracts.

Ms. Silva reported on meetings previously held and scheduled for future dates to provide information to the Cities of Sugar Land, Richmond, and Rosenberg to assist with the cities' evaluation of their possible interest in capacity in the proposed joint second source water transmission line to be shared with the WHCRWA.

Ms. Silva reported that B&G submitted a final amendment to the Authority's aggregate well permit for the October 1, 2010, through September 30, 2011, term to the Fort Bend Subsidence District (the "FBSD"). She discussed the evaluation of strategies for eliminating discrepancies between operator meter readings and the Authority's online pumpage reporting system.

Ms. Silva reported that B&G submitted an application for over-conversion credits earned within the Authority in the amount of 706 million gallons to the FBSD.

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

- (1) authorize B&G to distribute a letter to notify the municipal utility districts receiving surface water from the Authority of the planned water supply shut-down;
- (2) authorize B&G to advertise for bids for the construction of Main Segments 7C, 8A, and 9B;
- (3) approve the award and execution of a contract in the amount of \$22,021,675 with Pepper-Lawson Waterworks, LLC for the Bellaire Pump Station project;
- (4) approve the award and execution of a contract in the amount of \$2,418,311.55 with E.P. Brady, Ltd. for the construction of Main Segment 8B;
- (5) approve the award and execution of a contract in the amount of \$106,100 with Sigala Industrial & Mechanical Contracting, Ltd. for the winterization of flow control valves project;
- (6) approve the following pay estimates:  
Main Segment 0, Pay Estimate No. 20 in the amount of \$0,  
Main Segment 1A, Pay Estimate No. 21 in the amount of \$0,



Main Segment 1B, Pay Estimate No. 21 and Final in the amount of \$49,445.87,

Main Segment 2, Pay Estimate No. 15 in the amount of \$0,

Main Segment 4A, Pay Estimate No. 13 and Final in the amount of \$16,277.09,

Main Segment 4B, Pay Estimate No. 7 in the amount of \$0,

Main Segment 12B, Pay Estimate No. 2 in the amount of \$109,980,

Main Segment 12C, Pay Estimate No. 1 in the amount of \$0,

Main Segment 12D, Pay Estimate No. 3 in the amount of \$437,321.47,

Kingsbridge M.U.D. connection water line, Pay Estimate No. 14 and Final in the amount of \$5,822.15,

Big Oaks M.U.D. connection water line, Pay Estimate No. 7 and Final in the amount of \$10,712.67,

Grand Mission M.U.D. No. 1 connection water line, Pay Estimate No. 6 in the amount of \$0,

Fort Bend County M.U.D. No. 30 connection water line, Pay Estimate No. 3 in the amount of \$41,200.32, and

Fort Bend County M.U.D. No. 122 connection water line, Pay Estimate No. 2 in the amount of \$354,015.50;

- (7) approve final acceptance of Main Segments 1B and 4A, and the connection water lines for Big Oaks M.U.D. and Kingsbridge M.U.D.;
- (8) approve proposals from Storm Water Solutions, LP for storm water pollution prevention services in the amounts of \$51,746.25 for Main Segment 8A, \$34,156.50 for Main Segment 8B, and \$33,818.50 for the Bellaire Pump Station project;
- (9) approve proposal from HVJ Associates, Inc. for material testing services for the Main Segment 0 Tie-ins and D-158 Water Plant Modifications Project in an amount not to exceed \$7,760;
- (10) approve proposal from Geotest Engineering, Inc. for material testing services for Main Segments 8A and 8B in an amount not to exceed \$118,000;
- (11) approve proposal from B&G for cathodic protection maintenance services in an amount not to exceed \$15,500; and
- (12) approve proposal from B&G to prepare bid documents for painting of the tanks at the D-158 Water Plant in an amount not to exceed \$20,000.



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

### JOINT PROJECTS

Mr. Oliver reported that the Joint Facilities Committee with the WHCRWA will meet in January 2012. He stated that the WHCRWA is expected to close on financing from the Texas Water Development Board at the end of March 2012 to be used for real estate acquisition and preliminary engineering costs.

### WATER CONSERVATION AND REUSE

Director Patton updated the Board on municipal utility district participation in the W.I.S.E. Guys irrigation system evaluation program. He discussed the termination of the Water Conservation Advisory Committee and the Board's implementation of the committee's recommendations. He reported that workshops will be scheduled in early 2012 to provide additional information about water conservation strategies and preparation of water conservation plans to the municipal utility districts.

Mr. Oliver reported that an executed Irrigation Evaluation Systems Cost Sharing Agreement was received from Fort Bend County M.U.D. No. 151.

### 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 deliberate the purchase, exchange, lease, or value of real property.

At 7:07 p.m., the Board reconvened in open session. Following review and discussion regarding easement acquisition, Director Gay moved to accept the counteroffers for Parcels 07B.10, 7BL01.01, and 7BL01.02. Director Hebert seconded the motion, which was approved by unanimous vote.

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

(SEAL)



  
Secretary, Board of Directors



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