

MINUTES
NORTH FORT BEND WATER AUTHORITY

March 27, 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 27th day of March, 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 Directors Houghton, Patton, and Hebert, thus constituting a quorum.

Also present for all or part of the meeting were Melinda Silva, P.E., Charles Shumate, P.E., and Chris Jacob, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Pamela Logsdon of AVANTA Services; Mark Yentzen and Tom Laseter of Severn Trent Services, Inc.; Barbara Payne of Payne Communications; 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 special meeting held on February 21, 2013, and the regular meeting held on February 27, 2013. After review and discussion, Director Gay moved to approve the minutes as written. Director Spell seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Darden opened the meeting to receive public comments. There were no public comments.

PUBLIC COMMUNICATIONS

The Board discussed public communication and water conservation education activities. Ms. Payne reported on the schedule for use of the Authority's water conservation mobile teaching lab. She read a letter from a teacher who scheduled the

mobile teaching lab for a recent event that expressed very positive comments about the experience. She discussed making modifications to the Authority's water conservation mobile teaching lab to concentrate on science education and to the West Harris County Regional Water Authority's water conservation mobile teaching lab to concentrate on social studies education so that both Authorities can use the other's mobile teaching lab. She stated that she will obtain a cost proposal for the proposed modifications to the Authority's mobile teaching lab for the Board's review.

Ms. Payne reported that she and Director Hebert met with the Superintendent of the Lamar Independent School District in an effort to increase use of the mobile teaching lab. She noted that a portion of the schools within the Lamar School District are located outside of the Authority's boundaries. She stated that the Superintendent is scheduling a meeting between Ms. Payne and the teachers to work on curriculum development.

Ms. Payne reported that the Authority is awarding its first Educator of the Month Award to Nancy Cowart. She introduced Ms. Cowart, listed some of Ms. Cowart's accomplishments, and presented her with the award. Ms. Cowart thanked the Board for the award and the water conservation education materials provided by the Authority for use by educators within the Fort Bend Independent School District.

Ms. Payne reported that the Authority's newsletter was distributed by mail to 60,000 homes and is posted on the Authority's website.

WATER CONSERVATION AND REUSE

Mr. Oliver updated the Board on the proposed process for the development of landscape irrigation requirements and discussed the schedule for additional stakeholder meetings scheduled in April, 2013.

Mr. Oliver noted that a special meeting is scheduled April 3, 2013, to discuss requests received by the Authority for reuse credit agreements from Fort Bend County M.U.D. Nos. 34 and 35, and Cinco M.U.D. No. 1.

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

Ms. Logsdon 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. She reviewed a memorandum regarding unclaimed property and the annual utility consumption report. Following review and discussion, Director Gay moved to approve the bookkeeper's report. Director Spell seconded the motion, which was approved by unanimous vote.

RENEWAL OF LETTER OF CREDIT

Mr. Oliver reviewed a proposed one-year renewal of the Authority's Letter of Credit issued by Central Bank in the amount of \$1,000,000 in favor of CenterPoint Energy, due to expire on June 4, 2013. He stated that the renewal has the recommendation of the Authority's Finance Committee. Following discussion, Director Gay moved to approve the one-year renewal of the Letter of Credit issued by Central Bank in favor of CenterPoint Energy. Director Fay seconded the motion, which was approved by unanimous vote.

CONTRACT FOR ELECTRICITY

Mr. Oliver reported that a recommendation for a contract for electricity is expected for the Board's review at the May meeting.

OPERATION OF AUTHORITY FACILITIES

Mr. Laseter reported on the operations of the Authority's facilities, including maintenance and repairs and an update on staking activities. A copy of the operations report is attached. He responded to Board members' questions regarding water accountability and investigations of two water line leaks. Following review and discussion, Director Gay moved to approve the operator's report. Director Spell 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 discussed matters related to preparation of the Environmental Impact Statement and archeological work for the Luce Bayou Project. She reported on outstanding information needed from the City of Houston to analyze the Fiscal Year 2011 true-up and stated that an invoice for the true-up is expected on March 29, 2013. A copy of the engineer's report is attached.

DESIGN AND CONSTRUCTION PROJECTS, AND SERVICES CONTRACTS

Ms. Silva updated the Board on design projects for Main Segments 10A, 10B, 13A, and 16A and the construction of Main Segments 7A, 7B, 7C, 8A, 8B, 9A, 9B, 12A, 12B, and 12D, the connection water line for Fort Bend County M.U.D. No. 118, and the Bellaire Pump Station project, and reported on warranty inspections, repair of pump control valve problems at the D-158 Water Plant, and coordination with the City of Houston on the delivery of pumps from the completed D-158 Water Plant Well Inspection Project. A spreadsheet summarizing the status of construction projects is

attached to the engineer's report. Ms. Silva recommended approval of twelve pay estimates for the construction projects.

Ms. Silva discussed public communications with key members of homeowners associations and municipal utility districts related to a change in the installation of Main Segment 9B from directional drilling to an open cut method.

ROUTING ANALYSES

Ms. Silva reviewed and recommended approval of a change in the routing alignments for Main Segment 13 and a portion of Main Segment 14.

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

Ms. Silva updated the Board on the status of chloramine conversion projects and B&G's evaluation of a request for reimbursement for chloramine conversion received from Fort Bend County M.U.D. No. 30.

Ms. Silva recommended approving reimbursement of Pay Estimate No. 2 to Fort Bend County M.U.D. No. 133 for its chloramine conversion project per the Authority's approved variance with that district.

Ms. Silva stated that a request for over conversion credits was submitted to the Fort Bend Subsidence District (the "FBSD") on behalf of the Authority for permit year ending September 30, 2012, and is being processed by the FBSD.

Ms. Silva reported that the Authority's annual report of year-end pumpage numbers has been submitted to the FBSD.

Ms. Silva reported that an amendment to the Authority's Groundwater Reduction Plan has been made to include Fort Bend County M.U.D. No. 141's ("MUD 141") well per the Authority's Groundwater Reduction Plan Participation Agreement with MUD 141.

Ms. Silva reported that a new well application has been received from Willowpoint M.U.D., which is moving forward with development after being previously inactive.

REPORTS AND STUDIES

Ms. Silva reported on the status of B&G's evaluation of preliminary brackish groundwater well site locations.

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

- (1) approve the following pay estimates:
Main Segment 7A, Pay Estimate No. 12 in the amount of \$229,413.41,
Main Segment 7B, Pay Estimate No. 12 in the amount of \$791,743.77,
Main Segment 7C, Pay Estimate No. 3 in the amount of \$1,391,436.13,
Main Segment 8A, Pay Estimate No. 7 in the amount of \$91,260.43,
Main Segment 8B, Pay Estimate No. 8 in the amount of \$55,858.67,
Main Segment 9A, Pay Estimate No. 6 in the amount of \$0,
Main Segment 9B, Pay Estimate No. 9 in the amount of \$351,524.67,
Main Segment 12A, Pay Estimate No. 18 in the amount of \$0,
Main Segment 12B, Pay Estimate No. 17 in the amount of \$0,
Main Segment 12D, Pay Estimate No. 18 in the amount of \$0,
Fort Bend County M.U.D. No. 118 connection water line, Pay Estimate No. 9 in the amount of \$0, and
Bellaire Pump Station project, Pay Estimate No. 10 in the amount of \$910,006.93;
- (2) approve the revised routing alignments for Main Segment 13 and a portion of Main Segment 14; and
- (3) approve reimbursement of Pay Estimate No. 2 to Fort Bend County M.U.D. No. 133 for its chloramine conversion project per the Authority's approved variance with that district.

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

JOINT PROJECTS

Ms. Silva reported that a meeting of the City of Houston Advisory Committee was held March 25, 2013.

CONTRACTS

There was no discussion on this item.

REALTY INTEREST ACQUISITION

Mr. Oliver recommended acceptance of one Water Line Easement, one side letter, and two Temporary Construction Easements for Main Segments 7B and 7C as listed on the attached Realty Interests Chart. Following review and discussion, Director Gay moved to accept the realty interest acquisition documents as recommended. Director Spell seconded the motion, which was approved by unanimous vote.

EXECUTIVE SESSION

The Board convened in executive session at 7:06 p.m., to conduct a private consultation with the Authority's attorney to discuss pending or contemplated litigation, or a settlement offer and to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

At 7:29 p.m., the Board reconvened in open session. No action was taken.

LEGISLATIVE MATTERS

Mr. Oliver updated the Board on legislative matters. He reviewed two proposed Authority Resolutions Supporting Legislation for the Special District Laws Code and Supporting Legislation for Amendment of the Fort Bend Subsidence District Statute, Chapter 8834, Special District Laws Code. Following review and discussion, Director Spell moved to adopt the resolutions. Director Gay seconded the motion, which was approved by unanimous vote.

SUPPLEMENTAL STATEMENTS OF QUALIFICATIONS AND PROPOSALS FOR OPERATING SERVICES

The Board concurred to review responses to the Authority's Supplemental Request for Qualifications for Operating Services for Authority Facilities ("Supplemental RFQ") from Si Environmental, LLC and Severn Trent Services, Inc. at the April meeting.

NEGOTIATION OF OPERATION AND MAINTENANCE SERVICE CONTRACT

The Board concurred to defer this item.

EXECUTION OF REGISTRATION FORM

The Board considered approving a Registration Form updating the contact information for the Authority's operator. After review and discussion, Director Gay moved to authorize the execution and filing of the Registration Form. Director Fay seconded the motion, which was approved by unanimous vote.

UPDATE EMERGENCY PREPAREDNESS PLAN

The Board considered updating the District's Emergency Preparedness Plan with the new operator's information. Following discussion, Director Gay moved to authorize updating the District's Emergency Preparedness Plan. Director Fay seconded the motion, which was approved by unanimous vote.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE MARCH 27, 2013, BOARD MEETING]

(SEAL)



Melony Say
Secretary, Board of Directors

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