

RECEIVE COMMENTS FROM THE PUBLIC

Director Patton opened the meeting for public comments. Mr. Stallcop addressed the Board and apologized for the late payments made by TXI for October through December 2005, and January 2006, pumpage fees. He explained that the notices and correspondence regarding the pumpage fees were sent to a person located within a different department who travels extensively. He provided a letter requesting that all correspondence regarding ground water issues that affect TXI's facilities be sent to him at an alternate address. A copy of the letter is attached. Mr. Garcia noted that the notices and correspondence were sent to the contact person and address obtained from the Fort Bend Subsidence District. Ms. Lightbody estimated that the penalties and interest accrued on the late payments were approximately \$350.00. She stated that all current amounts owed for pumpage fees on the account have been received. Following discussion, Director Fay moved that the Board grant a one-time waiver of penalties and interest accrued on the late pumpage fees for the TXI account for October through December 2005, and January 2006, due to the unusual circumstances associated with the contact information received from the Fort Bend Subsidence District. Director Hebert seconded the motion, which was approved by unanimous vote.

In response to Mr. Allen's' inquiries, Mr. Stallcop stated that TXI's site has been put onto the market for sale. He stated that TXI expects to stop production of clay for lightweight aggregate used for concrete block at the end of year 2007 and dismantle its facilities by mid-2009. He stated that a portion of TXI's property has been sold to a development known as Grand Mission. He estimated that TXI pumps approximately 7 million gallons of groundwater per month.

BOOKKEEPER'S REPORT

Ms. Lightbody reviewed a bookkeeper's report, including monthly receipts and past due accounts, a copy of which is attached. She reported that the Pumpage and Billing Forms for December 2005, and January and February 2006, received from Harrison Interests, Ltd. indicated that no water has been pumped. She stated that Harrison Interests, Ltd. explained that approximately 120 million gallons of water is pumped during only two months of the year for duck hunting season. She stated that 72 million gallons of pumpage was reported for November 2005. Following review and discussion, Director Gay moved that the Board approve the bookkeeper's report and payment of the bills. Director Fay seconded the motion, which was approved by unanimous vote.

ENGINEER'S REPORT

Mr. Scholler next presented the engineer's report, including actual and projected monthly pumpage, and a summary of activities. A copy of the written engineer's report is attached. He reported that the 91% difference between the actual and projected pumpage is due to more water being pumped than expected. He stated that

conservative estimates were used in the projections and the previous four years had more rainfall than this year.

DISCUSS POTENTIAL WATER SOURCE STUDY

Mr. Shumate next reviewed a draft report on the Potential Water Source Study, including an evaluation of ten entities to determine water supply availability. He reported on comments received from Director Darden and on a letter received from Kingsbridge M.U.D. He stated that the next task of performing an Alternatives Analysis Study has been authorized and will evaluate the best way to utilize each supply source, the advantages and disadvantages associated with the alternate supplies, various transmission options, joint planning efforts with other entities, and cost estimates of each alternative. He said that population and water demand projections, and types of water use will be included in the evaluation. He stated that Dr. Welsh will assist B&G with providing local population projections and is available to make a presentation to the Board on population projections once the initial evaluation is complete. Mr. Scholler stated that a dynamic model will be developed containing alternatives for providing water to where the demand is projected to be.

Following review and discussion, Director Fay moved that the Board approve availability of the Potential Water Source Study in its final form to the public. Director Gay seconded the motion, which was approved by unanimous vote.

DISCUSS WASTEWATER EFFLUENT REUSE

Mr. Scholler next reviewed with the Board a proposal in an amount not to exceed \$59,250.00 for preparation of a phase one wastewater reuse study, a copy of which is attached to the engineer's report. He stated that a report of findings, including a summary of results of the analysis, identification of issues and constraints, discussion of possible advantages, and recommendations is scheduled to be complete in August 2006, to coordinate with the schedule for preparation and submittal of the Groundwater Reduction Plan. Discussion ensued regarding incorporating effluent reuse to mitigate demand within the Authority.

Following review and discussion, Director Gay moved that the Board approve the engineer's report and the proposal for preparation of a phase one wastewater reuse study as presented. Director Spell seconded the motion, which carried unanimously.

Mr. Allen next reviewed with the Board an engagement letter in an amount not to exceed \$20,000 for performance of legal services related to the water reuse study, a copy of which is attached. Following review and discussion, Director Hebert moved that the Board authorize execution of the engagement letter as presented. Director Gay seconded the motion, which was approved by unanimous vote.

PUBLIC COMMUNICATONS

Ms. Payne next reported that she will be working closely with Director Gay on the components of the proposal for public communications and website services approved last month by the Board. She reviewed a draft of a Frequently Asked Questions document and the Board concurred to forward comments on the document by e-mail to Ms. Payne. She reviewed website domain names which have been registered. The Board concurred that the domain names for the website should include, among others, the Authority's full legal name. She reported that she is working on logo options which will be available for consideration at the next meeting. She requested that each of the Directors forward their biography to her.

Ms. Payne next discussed with the Board the development of an interim newsletter to summarize actions taken at Board meetings for distribution to the utility districts located within the Authority for educational purposes. She stated that the newsletter would be available on the Authority's website and that an e-mail notification of the newsletter would be distributed to the utility districts. Following discussion, Director Hebert moved that the Board authorize Ms. Payne to proceed with development of the newsletter. Director Gay seconded the motion, which was approved by unanimous vote.

DISCUSS MEETING LOCATION AND TIME

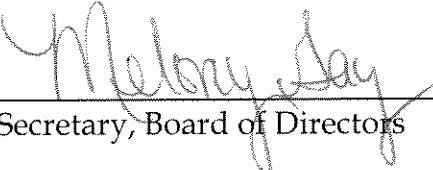
The Board next discussed the Authority's meeting location and schedule. Following discussion, Director Hebert moved that the Board change its meeting location and schedule as follows: meetings will be held on the fourth Monday of each month, alternating each month between a meeting held at 6:30 p.m. within the District at Seven Lakes High School, and a meeting held at 12:30 p.m. at ABHR. Director Spell seconded the motion, which was approved by unanimous vote. The Board concurred that the next meeting would be held on Monday, April 24, 2006, at 6:30 p.m. at Seven Lakes High School unless Board action was necessary prior to that date. Discussion ensued regarding possibly scheduling a tour of an effluent reuse system an hour before the scheduled meeting. Mr. Reedy stated that he will work to coordinate the tour and forward the details to ABHR for distribution.

REPORTS FROM DIRECTORS AND CONSULTANTS

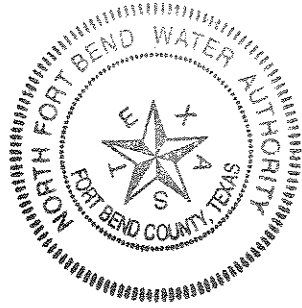
Mr. Allen next updated the Board on the status of obtaining consent for creation of the Authority from the City of Houston and reported that the Potential Water Source Study has been forwarded to the City of Houston's Director of Public Works for comment.

Ms. Lightbody suggested changes to the Pumpage and Billing Form for consideration in the fall to include a statement that the form must be sent with the payment, a request for the payee's phone number, the bookkeeper's phone number, and a method for updating newly permitted wells. No action was taken by the Board.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
letter from TXI	2
bookkeeper's report	2
engineer's report	2
engagement letter.....	3