

MINUTES
NORTH FORT BEND WATER AUTHORITY

August 7, 2013

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in special session, open to the public, on the 7th day of August, 2013, at the offices of Brown & Gay Engineers, Inc., 10777 Westheimer, 3rd Floor, Houston, Texas, outside 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 Gay and Hebert, thus constituting a quorum.

Present for all or part of the meeting were Anna Agnew of Cinco M.U.D. No. 7; Steve Talecki of Cornerstones M.U.D.; Bob DeForest of KGA/DeForest Design, LLC; Terrell Palmer of First Southwest Company; Dave Scholler, P.E., Melinda Silva, P.E., Charles Shumate, P.E., and Jennifer Mays, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Pamela Logsdon and Pam E. Lightbody of AVANTA Services; David Walker and Mark Yentzen of Severn Trent Services, Inc.; Linda L. Rowlett of Coats Rose PC; and David Oliver and Christina Miller of Allen Boone Humphries Robinson LLP ("ABHR").

APPOINTMENT OF DIRECTORS TO FORT BEND SUBSIDENCE DISTRICT BOARD

The Board discussed potential candidates for the Authority's appointment of two new Board members to the Board of Directors of the Fort Bend Subsidence District for two-year terms per recently passed legislation. Mr. DeForest introduced himself to the Board and discussed his professional experience. Following discussion, Director Darden moved to adopt a Resolution Appointing Directors to the Board of Directors of the Fort Bend Subsidence District appointing Robert DeForest and Mark Gehringer. Director Patton seconded the motion, which was approved by unanimous vote.

STATEMENTS OF QUALIFICATIONS FOR MARKETING FIRMS

The Board reviewed information from marketing firms related to the development of water conservation marketing materials. Discussion ensued regarding



long-term and short-term marketing strategies for the Authority's W.I.S.E. Guys Irrigation System Evaluation Program and other water conservation efforts. Following review and discussion, the Board directed Ms. Mays to obtain information on the marketing firm for the City of San Antonio's water conservation programs for review.

REALTY INTERESTS INCLUDING BRACKISH GROUNDWATER WELL SITE

Ms. Miller reported that the owner of the 26.16 acre tract of land under evaluation by the Authority for a brackish groundwater well field site did not grant additional time for the Authority to complete its due diligence. Following discussion, the Board concurred that the property would not be purchased due to the inability to complete due diligence. Discussion ensued regarding continued evaluation of preliminary brackish groundwater well site locations and the property needed for a well field, as well as other options for developing brackish groundwater supplies.

BUDGET WORKSHOP

The Board conducted a workshop on the Authority's budget for fiscal year end December 31, 2014. Discussion ensued regarding the Authority's anticipated operating and capital costs, including obtaining a long term surface water supply from the City of Houston, implementing the Groundwater Reduction Plan, and complying with requirements for previously issued bonds. Following review and discussion, Director Darden moved to assist utility districts with their annual budgeting process by authorizing preparation of a notice of the Authority's preliminary 2014 fees to include anticipated increases of the Groundwater Reduction Plan Fee to \$2.20 per 1,000 gallons of water pumped and the Surface Water Fee to \$2.55 per 1,000 gallons of surface water received, effective January 1, 2014. Director Patton seconded the motion, which was approved by unanimous vote.

EXECUTIVE SESSION

The Board convened in executive session at 7:38 p.m., to conduct a private consultation with the Authority's attorney to discuss pending or contemplated litigation, or a settlement offer.

RECONVENE IN OPEN SESSION

At 8:17 p.m., the Board reconvened in open session. The Board authorized ABHR to revise and send a letter to the City of Houston regarding provisions of the Water Supply Contract that pertain to the time-period in which the City of Houston is required to provide the Authority with the 15 million gallons per day requested via the Authority's current outstanding reservation request.



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


Secretary, Board of Directors

(SEAL)

