

MINUTES
NORTH FORT BEND WATER AUTHORITY

August 9, 2010

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 9th day of August, 2010, at the offices of Brown & Gay Engineers, Inc., 10777 Westheimer, Lubbock Conference Room, 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 Director Darden, thus constituting a quorum.

Also present for all or part of the meeting were: David C. Scholler, P.E. and Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Terrell Palmer and Cole Palmer of First Southwest Company; Barbara Payne and Linn Smyth of Payne Communications; and David Oliver and Joe B. Allen of Allen Boone Humphries Robinson LLP ("ABHR").

SERIES 2010 BONDS

Mr. Palmer reviewed a proposed schedule for the issuance of the Authority's Water System Revenue Bonds, Series 2010, and discussed current market conditions for municipal bonds. He next reviewed his proposed recommendations for the underwriting team consisting of RBC Capital Markets as the senior manager, and Morgan Keegan & Company, Inc., Coastal Securities, Inc.; Bank of America Merrill Lynch, and The GMS Group, LLC as co-managers.

SUPPLEMENTAL ENGAGEMENT LETTER FOR SERIES 2010 BONDS

Mr. Oliver reviewed a supplemental engagement letter with ABHR in the amount of \$250,000 for services as bond counsel in connection with the issuance and sale of the Authority's Water System Revenue Bonds, Series 2010. Following review and discussion, Director Gay moved to authorize execution of the supplemental engagement letter with ABHR as presented. Director Patton seconded the motion, which was approved by majority vote, with Director Hebert absent for the discussion and vote.

Mr. Palmer stated that the fee for services as financial advisor in connection with the issuance and sale of the Authority's Water System Revenue Bonds, Series 2010, will be per the Authority's contract with First Southwest Company.

PUBLIC COMMUNICATION MATTERS

Ms. Payne reviewed with the Board a proposed budget, itinerary, and presentation topics for the Authority's Town Hall meeting to be held on September 30, 2010, from 6:00 to 7:30 p.m. Following discussion, the Board concurred on the following schedule for the preparation of the presentation for the Town Hall meeting: 1) forwarding of all requested information by the consultants to Ms. Payne by August 25, 2010; 2) submission of the draft presentation by Ms. Payne at the September 13, 2010, Finance Committee Meeting; and 3) submission of the final draft presentation by Ms. Payne at the September 29, 2010, regular meeting of the Board.

Following review of the Contractual Agreement for the reservation of the Safari Texas Ranch for the September 30, 2010, Town Hall meeting, Director Patton moved to authorize execution of the agreement and a check in the amount of \$500.00 for payment of the deposit for the reservation. Director Gay seconded the motion, which was approved by unanimous vote.

OPERATOR SERVICES

The Board discussed proposals for operator services from Severn Trent Services, Inc. ("STS") and SWWC Services, Inc. ("SWWC") that were previously reviewed at the March 30, 2010, special meeting. Director Hebert stated that she had filed an affidavit and conflict disclosure form due to her husband's consulting relationship with SWWC, and that she would abstain from any discussions or voting related to the proposals for operator services due to that relationship. Following discussion, Director Fay moved to authorize ABHR to negotiate a contract with SWWC for operator services. Director Patton seconded the motion, which was approved by majority vote, with Director Hebert abstaining from the vote.

WELL PERMITTING

Ms. Silva reported that the anticipated pumpage amounts from each of the Groundwater Reduction Plan participants for the well aggregation process has been received. She reviewed a draft permit request that she stated would be submitted to the Fort Bend Subsidence District.

DESIGN AND CONSTRUCTION PROJECTS, SERVICES CONTRACTS

Ms. Silva next reported on the status of design, contract documentation, right-of-way acquisition, and construction, as appropriate, for the pump station, D-158 modifications, Main Segment Nos. 0, 1A, 1B, 2, 3, 4, 5, 6, 7A, 7B, 7C, 8A, 8B, 12A, 12B,

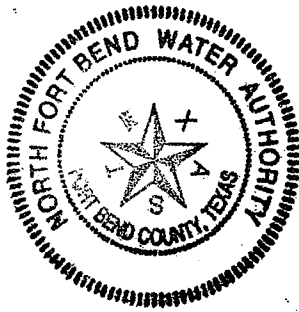
12C, and 12D, and the related district connection lines. She reviewed a 2013 Project Schedule.

Ms. Silva presented seven bids to the Board and recommended that the Board award a contract in the amount of \$589,719.70 for construction of the Kingsbridge M.U.D. water line connection to E.P. Brady Construction, Inc. Following review and discussion, the Board concurred with the engineer's judgment that E.P. Brady Construction, Inc. was a responsible bidder whose bid would result in the best and most economical completion of the project. Director Patton moved to approve the award and execution of a contract in the amount of \$589,719.70 with E.P. Brady Construction, Inc. for construction of the Kingsbridge M.U.D. water line connection. Director Fay seconded the motion, which was approved by unanimous vote, except for Director Gay who was not present for the vote.

There was no discussion regarding contracts for additional services.

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

(SEAL)




Secretary, Board of Directors