

MINUTES  
NORTH FORT BEND WATER AUTHORITY

April 23, 2014

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 23rd day of April, 2014, 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, thus constituting a quorum.

Also present for all or part of the meeting were Dave Scholler, Charles Shumate, Emmanuel De Pau, and Lindsay Kovar of Brown & Gay Engineers, Inc.; Pam E. Lightbody of AVANTA Services; Mark Yentzen of Severn Trent 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 March 26, 2014. 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 Houghton opened the meeting to receive public comments. There being no public comments, Director Houghton closed the meeting to public comments.

PUBLIC COMMUNICATIONS AND WATER CONSERVATION AND REUSE

Ms. Kovar distributed a Water Conservation and Reuse Memorandum, a copy of which is attached. She reported that the Authority will be presented with a Water Conservation Award by the Texas Section of the American Water Works Association during the Texas Water 2014 conference on April 16, 2014.

Ms. Kovar reported on matters related to reuse and alternative water credit

requests, the Authority's W.I.S.E. Guys Irrigation System Evaluation Program, follow-up on constituent submissions of Annual Water Conservation Reports, and upcoming training opportunities.

Ms. Kovar discussed a schedule of activities related to the development of a comprehensive plan for water conservation and alternative water utilization in the Authority, including working with Glass House Strategy on a scope of work for development of water conservation marketing materials.

Ms. Kovar discussed preparation for the stakeholder meetings related to the Authority's development of proposed landscape irrigation system requirements scheduled for April 29, 2014, at noon and 6:00 p.m. at the Willow Fork Country Club.

#### 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, a schedule of debt service payments, the income statement for the Enterprise Fund, a summary of investments, and a quarterly investment report. 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 Cornerstones M.U.D. has requested a waiver of the Authority's imported water fee for use of an emergency interconnect with Harris County MUD No. 81. She noted that the Authority was immediately notified of the emergency use, and the imported water was repaid in kind. Following review and discussion, Director Gay moved to approve a waiver of the import fees as requested. Director Hebert seconded the motion, which was approved by unanimous vote.

#### OPERATION OF AUTHORITY FACILITIES

Mr. Yentzen reviewed the Operations report and reported on the operations of the Authority's facilities, including maintenance and repairs and water accountability. A copy of the operations report is attached.

Mr. Oliver discussed Governor Perry's Proclamation Extending Drought Emergency (the "Proclamation") and discussed statewide drought conditions. He recommended that, despite the fact that Fort Bend County is not currently in the Proclamation, the Authority should implement its Drought Contingency Plan due to continued statewide drought conditions and Fort Bend County's potential inclusion in future Proclamations. Following review and discussion, Director Gay moved to approve: 1) the operator's report; 2) implementing the Authority's Drought Contingency Plan by requesting all water users within the Authority to voluntarily reduce water usage; and 3) distributing a notice stating that the Authority has triggered

Stage 1 of its Drought Contingency Plan and requesting all water users to voluntarily reduce their water usage. Director Hebert seconded the motion, which was approved by unanimous vote.

#### AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Mr. Oliver stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the Authority review and adopt an Amended and Restated Drought Contingency Plan prior to May 1, 2014. He reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Gay moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the order be filed appropriately and retained in the Authority's official records. Director Hebert seconded the motion, which passed by unanimous vote.

#### AMENDED AND RESTATED WATER CONSERVATION PLAN

Mr. Oliver stated that the TCEQ rules require that the Authority review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2014. He reviewed an Amended and Restated Water Conservation Plan with the Board. After review and discussion, Director Gay moved to adopt an Order Adopting Amended and Restated Water Conservation Plan and direct that the order be filed appropriately and retained in the Authority's official records. Director Hebert seconded the motion, which passed by unanimous vote.

The Board reviewed a Water Conservation Plan Annual Report and a five-year Water Conservation Implementation Report. After review and discussion, Director Gay moved to approve the reports, direct that the reports be filed appropriately and retained in the Authority's official records, and authorize the Authority's operator to submit the reports to the appropriate government agencies. Director Hebert seconded the motion, which passed by unanimous vote.

#### ENGINEERING MATTERS

##### WATER SUPPLY CONTRACT AND LUCE BAYOU PROJECT

Mr. Scholler presented the engineer's report, including monthly pumpage, the status of new wells located within the Authority, and a list of recent and upcoming events and conferences. A copy of the engineer's report is attached.

Mr. Scholler reported that the Coastal Water Authority has completed contract negotiations with the design consultant chosen for the Luce Bayou project. He reported on a staff meeting of the Coastal Water Authority, during which an overview of the project was presented.

Mr. Shumate and Mr. Oliver discussed matters related to the planned expansion of the Northeast Water Purification Plant, including meetings related to the design of the project and the City of Houston's (the "COH") proposed second supplement to the Authority's Water Supply Contract with the COH.

#### DESIGN AND CONSTRUCTION PROJECTS, AND SERVICES CONTRACTS

Mr. Scholler updated the Board on the schedules for advertising for bids for the projects to construct Main Segment 10A and the connection water line for Fort Bend County M.U.D. No. 206.

Mr. Scholler updated the Board on the construction of the Bellaire Pump Station project and combined Main Segments 13A and 16A. He recommended approval of two pay estimates for the construction projects, including a 1% reduction in retainage for the Bellaire Pump Station project.

Mr. Scholler reported that six bids were opened on March 21, 2014, for the contract for the construction of Main Segment 10B. He recommended awarding a contract in the amount of \$2,285,191.00 to the lowest bidder, Hurtado Construction Company, Inc. Following review and discussion, the Board concurred with the engineer's judgment that Hurtado Construction Company, Inc. was a responsible bidder whose bid would result in the best and most economical completion of the project.

#### ROUTING ANALYSES

Mr. Scholler reported on the preparation of updated routing reports and activities related to right-of-way acquisition for the Authority's 2025 surface water distribution system.

#### GROUNDWATER REDUCTION PLAN, CHLORAMINES CONVERSION, SUBSIDENCE DISTRICT REGULATIONS AND PERMITTING, REPORTS AND STUDIES

Mr. Scholler reported on the status of requests for reimbursement for chloramines conversion projects by municipal utility districts within the Authority. He recommended approval of the final reimbursement to Cinco Southwest M.U.D. No. 1 for its chloramines conversion project.

Mr. Scholler reported on the design of Cinco M.U.D. No. 1's test well for a proposed joint brackish groundwater study in the Jasper aquifer and the Fort Bend Subsidence District's ("FBSD") interest in the design of the test well.

Mr. Scholler reported on matters related to FBSD, including FBSD's continued review of the Authority's application for the rebate of overpaid permit fees.

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

- (1) approve the following pay estimates:  
  
Main Segments 13A and 16A, Pay Estimate No. 2 in the amount of \$442,582.34, and  
  
Bellaire Pump Station project, Pay Estimate No. 23 in the amount of 351,775.48;
- (2) approve the award and execution of a contract with Hurtado Construction Company, Inc. for the construction of Main Segment 10B in the amount of \$2,285,191.00; and
- (3) approve the final reimbursement payment in the amount of \$96,481.64 to Cinco Southwest MUD No. 1 for its chloramines conversion project.

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

#### JOINT PROJECTS

Mr. Oliver reported that the COH Advisory Committee is scheduled to meet on May 1, 2014. He stated that the Joint Facilities Committee meetings continue to be postponed pending resolution of coordination efforts with the COH on the proposed Second Supplement to the Authorities' Water Supply Contract with the COH related to the expansion of the Northeast Water Purification Plant and matters related to determining the tie-in location for the Second Source Water Line and design of the Northeast Water Purification Plant.

#### CONTRACTS

There was no discussion on this item.

#### REALTY INTEREST ACQUISITION

Mr. Oliver reviewed four Water Line and Meter Easements for Main Segments 2, 5, 7, and 12D, and two Conflict Waiver Letters for Main Segments 2 and 12B, as listed on the attached Realty Interests Chart. Following review and discussion, Director Gay moved to authorize execution of the easements and conflict waiver letters. Director Hebert seconded the motion, which was approved by unanimous vote.

#### CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 7:06 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney to

discuss pending or contemplated litigation, or a settlement offer, and pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

At 7:17 p.m., the Board reconvened in open session.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE APRIL 23, 2014, BOARD MEETING]

  
Secretary, Board of Directors

(SEAL)



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