

MINUTES  
NORTH FORT BEND WATER AUTHORITY

December 6, 2017

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 6<sup>th</sup> day of December, 2017, at the offices of BGE, Inc. ("BGE"), 10777 Westheimer, Third Floor, Lubbock Conference Room, 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	Assistant Secretary
Pat Hebert	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were Steve Talecki of Cornerstones Municipal Utility District; Dara Sigloch of Fort Bend County Municipal Utility District No. 182; Carl Peters of Kingsbridge Municipal Utility District; David C. Scholler, Lindsay Kovar, Fred Bauhof, Matthew L. Froehlich, Shayna Johnson, and Beatrice Handolescu of BGE; Pam E. Lightbody of AVANTA Services; Dale Clayton of Severn Trent Services, Inc.; David Oliver, Christina Miller, Heather Trachtenberg, and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Director Houghton opened the meeting for public comment. Upon receiving no comments from the public, the Board concurred to close the meeting to public comments.

BUDGET WORKSHOP FOR FISCAL YEAR END DECEMBER 31, 2018

The Board conducted a budget workshop for fiscal year ending December 31, 2018.

MODIFICATION OF DIRECTOR PRECINCTS AND POPULATION GROWTH AND WATER DEMAND CALCULATIONS

Ms. Kovar gave a summary of the report on BGE's reassessment of population growth and water demand projections and the Authority's Capital Improvement Plan

reviewed during the August 2, 2017, special meeting of the Board. She explained that actual water usage is being tracked and provides more accurate data than previously utilized census data. She stated that population growth within the Authority since its inception in 2005 has led to an imbalance in the distribution of water usage between director precincts. She stated that water usage amounts are used to calculate the strength of the vote of each municipal utility district within a director precinct during the director appointment process conducted during even-numbered years.

Ms. Kovar discussed population growth and water demand projections through 2070. She reviewed the water demand projections allocated among the current director precincts and stated that the majority of the projected water demand is currently located within precincts 3 and 7.

Mr. Oliver reminded the Board of the procedures undertaken regarding proposed modifications to the Authority's existing director precinct boundaries to represent a more equitable distribution of water usage between the precincts. He stated that the proposed modifications were undertaken based on BGE's report on reassessed population growth and water demand projections and the Authority's Capital Improvement Plan reviewed during the August 2, 2017, special meeting of the Board. He stated that the procedures included distributing notices to the Authority's constituents, including municipal utility districts and the City of Fulshear, and posting the notices to the Authority's website, to provide an opportunity for written comments on the updated population growth and water demand analysis and proposed director precinct modifications, as well as the opportunity to attend the Board's two public hearings held October 25 and November 16, 2017, to provide oral comments and for the Board to review the written comments.

Mr. Oliver stated that notices of the Board's extension of the written comment period to December 4, 2017, were also distributed to the Authority's constituents and posted on the Authority's website in response to a request to extend the deadline. He stated that no additional comments were received during the extended comment period.

Ms. Kovar reviewed a previously distributed map of director precinct boundaries that allocates water demand in the approximate amount of 14% for each precinct within a 2% variance. She stated that efforts were made to keep the precincts and regional systems in the same geographical area.

Ms. Kovar reviewed a map of director precinct boundaries that has been updated to address comments related to allocating undeveloped area to precincts and correcting boundaries for certain municipal utility districts.

Director Houghton opened the meeting to receive public comments regarding the Population Growth and Water Demand Update Analysis and recommendations for

redrawing the Authority's director precincts. No comments were provided by the meeting attendees.

Following review and discussion, Director Gay moved to authorize: (1) approval of the Population Growth and Water Demand Analysis; and (2) adoption of a Resolution Regarding Redrawing of the Director Precincts, including a finding that the modifications were made based on changed circumstances. Director Hebert seconded the motion, which was approved by unanimous vote.

#### 2018 DIRECTOR APPOINTMENT PROCESS

Mr. Oliver reported that the terms of offices for the Directors of Precinct Nos. 2, 4, and 6 will expire in May, 2018. He stated that water usage amounts are used to calculate the strength of the vote of each municipal utility district within a director precinct during the director appointment process conducted during even-numbered years. He stated that notices will be sent to the utility districts located within the Authority and the City of Fulshear requesting submission of candidate nominations from Precinct Nos. 2, 4, and 6 and 2017 water usage from all districts. He reviewed a Resolution Adopting Rules for 2018 Appointment Process for Directors which states that candidate nominations are due by February 15, 2018, and the deadline for all utility districts to submit their water usage is March 1, 2018. He stated that ballots for precincts with contested appointments will be sent to the utility districts within the applicable precinct by March 15, 2018, and the deadline for the districts to submit completed ballots is April 30, 2018. Following discussion, Director Gay moved to adopt the Resolution Adopting Rules for 2018 Appointment Process for Directors, and direct that the resolution be filed appropriately and retained in the Authority's official records. Director Hebert seconded the motion, which was approved by unanimous vote.

#### REGIONAL PLANNING MATTERS

Mr. Kovar reported that a meeting of the Joint Facilities Committee related to the Authority's joint facilities with the West Harris County Regional Water Authority (the "WHCRWA") is scheduled for December 8, 2017.

Mr. Bauhof reported on the status of the City of Houston's Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team, including the anticipated schedules, budgets, and cash calls for early work packages. He reported that Cash Call No. 6 related to Early Work Package No. 4 is expected to be received soon and is estimated to be \$20,000,000 less than the amount included in the previously received notice. Following discussion, Director Gay moved authorize payment of Cash Call No. 6 upon receipt, subject to verification of the amount by the Authority's Representative. Director Hebert seconded the motion, which was approved by unanimous vote.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:57 p.m., to consult with its attorney regarding the Authority's legal rights and obligations under the Joint Facilities Agreement with the WHCRWA. The Board determined that the attendance in this executive session of Mr. Scholler, Mr. Bauhof, Ms. Kovar, and Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:58 p.m., the Board reconvened in open session. The Board took no action in open session.

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

(SEAL)



  
Secretary, Board of Directors