

BOOKKEEPER'S REPORT

Ms. Lightbody reviewed a bookkeeper's report{ TC "bookkeeper's report" \f C \l "1" }, including a summary of investments, monthly receipts, and past due accounts. She next reviewed a draft budget for fiscal year ending December 31, 2007. Following review and discussion, Director Gay moved that the Board approve the bookkeeper's report, payment of the bills, and no change to the Authority's current pumpage fee of \$0.19 per 1,000 gallons over the next fiscal year. Director Fay seconded the motion, which was approved by unanimous vote.

ADOPT RESOLUTION AUTHORIZING CONSULTANT REPRESENTATIVES FOR BANKS AND OTHER INVESTMENT ACCOUNTS

Ms. Lightbody next reviewed with the Board a Resolution Authorizing Consultant Representatives for banks and other investment accounts{ TC "Resolution Authorizing Consultant Representatives" \f C \l "1" }, a copy of which is attached. Following discussion, Director Hebert moved that the Board authorize execution of the Resolution. Director Gay seconded the motion, which was approved by unanimous vote.

ENGINEER'S REPORT, GIS DATABASE PRESENTATION, AUTHORIZE ENGINEER TO PREPARE ANALYSIS OF PARTICIPATION IN JOINT WATER TREATMENT PLANT WITH THE CITIES OF RICHMOND AND ROSENBERG

Mr. Shumate next presented the engineer's report, including a snapshot of the Authority, actual and projected monthly pumpage, a list of wells not currently in service, and a summary of activities. A copy of the written engineer's report{ TC "engineer's report" \f C \l "1" } is attached. He reported on a recently released update of Fort Bend County population estimates for 2005 indicating a 31% increase since 2000. He reported on discussions with the Fort Bend Subsidence District to move wells permitted in the Authority to a common expiration date of September 30. He suggested that the Authority may want to consider paying the nominal application fee for early renewal when requested by well owners.

Mr. Shumate next reviewed the activities and schedules for the Alternative Analysis for Surface Water Conversion Study, including development of 2013 and 2025 population and water demand projections, development of a GIS database system, and facilities planning.

Mr. Shumate next reported on a meeting held on Monday, August 7, 2006, with the Cities of Richmond and Rosenberg to discuss surface water conversion and regional surface water system options. Directors Gay, Darden, and Spell attended the meeting. He reviewed with the Board a proposal{ TC "B&G proposal" \f C \l "1" } in an amount not to exceed \$59,900.00 to perform additional analysis to integrate the Cities of

Richmond and Rosenberg, and their extraterritorial jurisdictions, into B&G's current Alternative Analysis for Surface Water Conversion. A copy of the proposal is attached.

Mr. Shumate next reviewed the activities and schedule for the Effluent Reuse Study. He stated that he anticipates distribution of the draft report prior to the September meeting of the Board. He reported that the Fort Bend Subsidence District water reuse seminar to be held at the Rosenberg Civic Center is tentatively scheduled for November, 2006.

Mr. Shumate next reported on a meeting held with the Gulf Coast Water Authority (the "GCWA") regarding water availability. He stated that the GCWA is in the process of purchasing the Chocolate Bayou Water Company (the "CBWC"). He stated that the most reliable estimated yield of 50,000-acre feet per year from the CBWC is expected to be priced at \$575.00 per acre feet and is being offered to the CBWC's current customers. He reported on the GCWA's plans to amend the CBWC's permit to allow diversion of a part of the CBWC's water at the System "B" diversion point to approximately four miles upstream. He discussed take-out points and other items for consideration.

Mr. Shumate next reported on a meeting held with the West Harris County Regional Water Authority (the "WHCRWA") to identify the potential for cooperation in future efforts to acquire, treat, and transport surface water. He discussed WHCRWA's options for meeting surface water requirements beginning in 2020, including obtaining water from the BRA. Ms. Dominguez stated that the BRA would like to make a presentation to the Board regarding the BRA's system operations permit application. The Board concurred to receive the presentation at the October meeting.

Ms. Silva next made a presentation on the GIS database system being developed by B&G. She demonstrated how the system will be used as a tool to assist with development of population and water demand projections, and facilities planning.

Mr. Shumate reviewed projected general engineering services fees.

Following review and discussion, Director Gay moved that the Board approve the engineer's report and proposal as presented. Director Hebert seconded the motion, which carried unanimously.

DISCUSS STAKEHOLDER MEETINGS AND PARTICIPATION IN BRA STUDY

The Board next discussed the August 31, 2006, deadline for West Fort Bend County Regional Surface Water System stakeholders to commit to participate in the next phase of study to be performed by the BRA. Ms. Dominguez stated that the cost of the next phase of study is not expected to exceed \$100,000.00 and that the Authority's cost for participation would depend on the number of other participants. She stated that there was a potential of eight total participants. She stated that the Cities of

Richmond and Rosenberg have an extended deadline of September 15, 2006, to commit to participate in the next phase of study. Mr. Garcia noted, and Ms. Dominguez confirmed, that the BRA has two potential roles for the Authority: 1) treated surface water provider, which is related to the stakeholder contribution request, or 2) raw surface water provider, which is unrelated to the stakeholder contribution request.

Discussion ensued regarding the Authority's exclusion from the scenario options included in the first phase of study and whether the Authority should participate in the next phase of study. Mr. Garcia noted that an invoice in the amount of \$4,253.00 is included in the bookkeeper's report for the Authority's participation in the first phase of study. Director Darden stated that one of the scenarios contained in the first phase of study estimated a cost of \$2.84 per 1,000 gallons for treated water based on the Authority's participation and that the estimated cost of \$3.19 per 1,000 gallons for an alternate scenario may be low.

Additional discussion ensued regarding the Board's previous approval of a proposal for B&G to perform additional analysis to integrate the Cities of Richmond and Rosenberg, and their extraterritorial jurisdictions, into the current Alternative Analysis for Surface Water Conversion. Mr. Shumate stated that the analysis is expected to be completed by October 16, 2006. Following discussion, the Board concurred that they were interested in the next phase of study to be performed by the BRA but could not commit at this time. Director Gay moved that the Board authorize B&G to complete the additional analysis previously approved and request BRA to extend the Authority's deadline to commit to participate in the next phase of study to October 27, 2006. Director Darden seconded the motion, which was approved by unanimous vote. Ms. Dominguez stated that she will inform Alex of which stakeholders commit to participating in the next phase of study when known.

PUBLIC COMMUNICATIONS

Ms. Payne next updated the Board on the Authority's public communications including the monthly newsletter, mailing list database, e-mail blasts and website, nfbwa.com. She stated that upcoming tasks will involve conservation activities. She reported that the Fort Bend Subsidence District water reuse seminar to be held at the Rosenberg Civic Center is tentatively scheduled for November 9, 2006. No action was taken by the Board.

REPORTS FROM DIRECTORS AND CONSULTANTS

No additional reports were presented.

MEETING LOCATION AND SCHEDULE

The Board next discussed the Authority's meeting location and schedule. Mr. Garcia reported that Katy Independent School District is requiring the Authority to

execute a room reservation form containing an indemnity provision and insurance requirements. Discussion ensued regarding researching other meeting places located within the Authority. The Board concurred to hold the regularly scheduled October meeting at the current location, the Golf Club at Cinco Ranch.

A member of the public addressed the Board and stated that the Cinco Districts are ready to start their water reuse program. The Board expressed interest in receiving a presentation on the program.

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
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