

MINUTES  
NORTH FORT BEND WATER AUTHORITY

January 27, 2010

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 27th day of January, 2010, at the Golf Club at Cinco Ranch, 23030 Cinco Ranch Boulevard, 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 except Director Houghton, thus constituting a quorum.

Also present for all or part of the meeting were: Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Kevin Krahn, P.E. of AECOM; Steve Bonjonia of Property Acquisition Services, Inc.; Pamela Logsdon of AVANTA Services; David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

APPROVE MINUTES

The Board first considered approving the minutes of the meeting held on December 21, 2009. After review and discussion, Director Hebert moved to approve the minutes as written. Director Gay seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Patton opened the meeting to receive public comments. There were no public comments.

PUBLIC COMMUNICATIONS

Director Patton reported that the Authority is working on changes to the online pumpage system to require additional information.

Director Patton next reported that the Water Conservation Advisory Committee continues to recruit members. He stated that he anticipates that the first meeting of the committee will be held on February 12, 2010. He briefly reviewed matters to be considered

by the committee, including conservation education, conservation incentives and requirements for builders, and incentives for effluent reuse projects.

FINANCIAL AND BOOKKEEPING MATTERS, HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

Ms. Logsdon next reviewed a written bookkeeper's report, including checks for payment, transfers, monthly receipts, past due accounts, the Income Statement for the Enterprise Fund, and accumulated water conservation credits, a copy of which is attached. She reviewed one additional check for payment to Santikos Properties, L.L.C. for right-of-way acquisition of Tract 01A.37 and stated that the check will be included on next month's bookkeeper's report. She next reviewed the quarterly investment report. Following review and discussion, Director Gay moved to approve the bookkeeper's report and payment of the additional check as presented. Director Hebert seconded the motion, which was approved by unanimous vote.

Ms. Logsdon reported that there was no need to conduct a hearing on delinquent fees or rule violations.

ACCEPT ANNUAL DISCLOSURE STATEMENTS

Mr. Oliver next reviewed with the Board the annual disclosure statements of the Authority's bookkeeper and investment officer. Following review and discussion, Director Gay moved to accept the annual disclosure statements, and direct that the statements be filed appropriately and retained in the District's official records. Director Spell seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS, WATER SUPPLY CONTRACT, LUCE BAYOU PROJECT, JOINT FACILITIES, LEASE OF WATER PLANT

Ms. Silva next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority, a summary of activities, and a list of upcoming events. She additionally reported on the status of water supply contracts with the City of Houston ("COH"), the status of the Luce Bayou Project, negotiations with the West Harris County Regional Water Authority (the "WHCRWA") for sharing in the costs and capacity in the pump station and the Authority's initial water lines, and the lease of the D-158 water plant. A copy of the written engineer's report is attached.

DESIGN AND CONSTRUCTION PROJECTS, ROUTING ANALYSES

Ms. Silva next reported on and reviewed tables indicating the status of design, contract documentation, right-of-way acquisition, and construction, as appropriate, for 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 additionally reported on activities undertaken to resolve

the routing analysis for Main Segment No. 9.

#### SERVICES CONTRACTS

Ms. Silva reported that the contract with Aviles Engineering Corporation for material testing services is ready for execution.

#### GROUNDWATER REDUCTION PLAN, CHLORAMINES CONVERSION

Ms. Silva next reviewed a table indicating the status of utility district conversion to chloramines disinfection. She stated that B&G is reviewing the overall schedule to determine the potential for early conversion credits.

#### WELL PERMITTING

Ms. Silva reported on activities undertaken and meetings held and scheduled with the Fort Bend Subsidence District (the "FBSD") to determine a detailed process for the aggregation of well permits for the entities located within the Authority.

#### EFFLUENT REUSE STUDY

Ms. Silva reported that the scope of work for a proposal from B&G for performance of a reuse study is being developed for review by the Design Committee.

#### OPERATIONS REQUEST FOR QUALIFICATIONS

Ms. Silva noted that the Request for Qualifications ("RFQ") to be used in connection with the selection of an operator for the Authority was distributed for comment. She requested authorization to send the RFQ to the comprehensive list of operators assembled by B&G.

#### REALTY INTEREST ACQUISITION

In response to Director Patton's question, Mr. Oliver reported on discussions and meetings held with CenterPoint Energy regarding the Authority's utilization of CenterPoint Energy's right-of-way. He stated that the discussions include policies related to right of entry, inspections, stockpiling, and related matters, to ensure that such policies are applied on a consistent basis over the scope of the Authority's project and other water line projects in CenterPoint Energy's right-of-way.

Mr. Oliver next recommended acceptance of nine Water Line Easements for Main Segments 1A, 1B, and 4 from the Grantors listed on the attached chart. Following review and discussion, Director Gay moved to accept the easements as recommended. Director Darden seconded the motion, which was approved by unanimous vote.

Ms. Logsdon noted that Form 1099s have been prepared for all easement acquisitions paid for by the Authority per Internal Revenue Service requirements.

Following review and discussion, Director Gay moved to approve the engineer's report, including execution of the contract with Aviles Engineering Corporation for material testing services and authorization for B&G to send the RFQ to the comprehensive list of operators. Director Darden seconded the motion, which was approved by unanimous vote.

SENATE BILL 361 AND EMERGENCY PREPAREDNESS PLANS

Mr. Oliver reported on requirements for utility districts to submit Emergency Preparedness Plans to the Texas Commission on Environmental Quality by March 1, 2010. He stated that, due to the anticipated results of the upcoming 2010 census, the Authority will most likely need to submit such a plan after delivery of surface water to the utility districts begins.

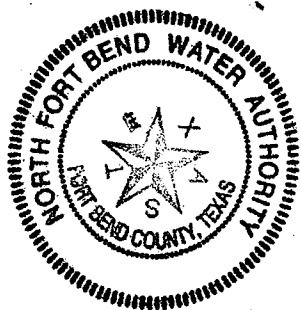
CONVENE IN EXECUTIVE SESSION, RECONVENE IN OPEN SESSION

The Board convened in executive session at 7:05 p.m. pursuant to Chapter 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

The Board reconvened in open session at 7:33 p.m. Following review and discussion regarding right-of-way acquisition, Director Hebert moved to: 1) authorize Property Acquisition Services, Inc. to make offers for the acquisition of right-of-way for Main Segment Nos. 2, 3, and 5, pursuant to the methodology used for previous acquisition offers; and 2) approve the owners' counteroffers as discussed for parcels 4.10 and 4.14. Director Gay seconded the motion, which was approved by unanimous vote.

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

(SEAL)



  
Secretary, Board of Directors

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