

MINUTES  
NORTH FORT BEND WATER AUTHORITY

January 28, 2009

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 28th day of January, 2009, 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 Hebert, thus constituting a quorum.

Also present for all or part of the meeting were: Barbara Payne of Payne Communications; David C. Scholler, P.E, Melinda Silva, P.E., and Rodney Heisch, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Kevin Krahn, P.E. of AECOM; Pamela Logsdon of AVANTA Services; David Oliver and Erin M. East 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 17, 2009. After discussion, Director Patton moved to approve the minutes as written. Director Gay seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

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

PUBLIC COMMUNICATIONS

Ms. Payne next updated the Board on the Authority's public communications, including the schedule for the Water Conservation Workshop Series to be held February 10, February 11, and February 12, 2009, at three locations throughout Houston. A copy of the schedule is attached. Ms. Payne reviewed the list of sponsors, which includes the Authority, and requested approval of the Authority's sponsorship payment for the Workshop Series.

Ms. Payne next reported that she is in the process of updating the Authority's website.

Ms. Payne then discussed the design and purchase of billing inserts to educate Authority residents about water conservation and the surface water conversion. Discussion ensued, including discussion on purchasing inserts for the municipal utility districts that will be converted in the first two years. Ms. Payne estimated the cost of the inserts to be \$0.35 per household per year. Following discussion, Director Patton moved to: (1) authorize the sponsorship payment for the Workshop Series; and (2) authorize the purchase of billing inserts, subject to review and approval of the amount to be purchased by Director Gay. Director Fay seconded the motion, which passed by unanimous vote.

#### ASSOCIATION OF WATER BOARD DIRECTORS

The Directors discussed seminars at the Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Gay moved to authorize any interested Directors to attend the AWBD summer conference and approve reimbursement of eligible expenses from the winter AWBD conference. Director Spell seconded the motion, which was approved by unanimous vote.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Logsdon next reviewed a bookkeeper's report, including a summary of investments, monthly receipts, and past due accounts, a copy of which is attached. Ms. Logsdon reviewed an additional check to the Houstonian for approval. She stated that the check will be listed on next month's bookkeeper's report. Following review and discussion, Director Gay moved to approve the bookkeeper's report, including the additional check, as presented. Director Spell seconded the motion, which was approved by unanimous vote.

#### HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

The Board tabled this agenda item.

#### 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 authorize filing of the statements with the Texas Ethics Commission with copies retained in the District's official records. Director Patton seconded the motion, which was approved by unanimous vote.

## RESOLUTION ADOPTING POLICY FOR WATER CONSERVATION CREDIT PURCHASE AND WATER WISE PROGRAM SPONSORSHIP

Mr. Oliver presented and reviewed a Resolution Adopting Policy for Water Conservation Credit Purchase and Water Wise Program Sponsorship ("Resolution"). Following review and discussion, Director Gay moved to adopt the Resolution and direct that the Resolution be file appropriately and retained in the District's official records. Director Patton seconded the motion, which passed by unanimous vote.

## FIRST BOND ISSUE

Ms. Silva reported that the Texas Water Development Board ("TWDB") will be considering the Authority's loan application at its February 17, 2009, Board meeting in Austin, noting that B&G, ABHR and First Southwest Company will be present for the meeting. Mr. Oliver stated that the TWDB is encouraging Authority directors to attend the meeting. Following discussion, the Board concurred to authorize Director Patton to attend the TWBD Board meeting in Austin on February 17, 2009.

## ENGINEERING MATTERS

Ms. Silva next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority, including the wells of the contract participants in the Authority's Groundwater Reduction Plan ("GRP"), a summary of activities, and a list of upcoming events. A copy of the written engineer's report is attached.

Ms. Silva reported that the annual Texas Water Conservation Association convention will be held February 24-27, 2009, in Austin. Following discussion, Director Patton moved to authorize attendance at the Texas Water Conservation Association convention to any interested Authority director. Director Fay seconded the motion, which passed by unanimous vote.

Ms. Silva reported that the City of Houston ("City") City Council approved the First Supplement to the Water Supply Contract with the Authority for the Luce Bayou project, at its January 28, 2009, meeting.

Ms. Silva reported on the status of negotiations with the WHCRWA on a cost sharing agreement for joint facilities. She reported that the D-158 water plant valuation report was sent to the City by the WHCRWA several weeks prior to tonight's meeting and is currently being reviewed by the City. Ms. Silva reported that the WHCRWA sent a copy of its Second Source Water Study (the "Study") which brings water from the City's Northeast Water Plant across town to the Authority's proposed second supply point. She stated that the Study evaluates four different routing options and the Authority's preliminary participation cost share ranges from \$181 million to \$212 million. Ms. Silva stated that, according to the Study, possible participants in the

project include the WHCRWA, NHCRWA, NFBWA and the City, depending on the selected route. Ms. Silva reported that B&G is currently reviewing the Study. Ms. Silva then noted that the WHCRWA authorized its engineer and attorney to restart negotiations with the Authority regarding the proposed joint facilities. Ms. Silva stated that B&G is looking at the cost implications and facility sizing adjustments that would need to be made at the Authority's pump station to accommodate the WHCRWA's initial participation.

Ms. Silva reported web access to the Authority's GIS system is now available through the Authority's web site.

Ms. Silva next requested approval of a proposal from Raba-Kistner Consultants, Inc. for system-wide environmental services.

Ms. Silva next reported on the status of design, right of way acquisition, and contract negotiations for the design, as appropriate, for the pump station, Main Segments 1A, 1B, 2, 3, 4, 5, and 6, and the related district connection lines.

Ms. Silva next reported on the status of transmission line routing for Main Segments 7A, 7B, and 7C located along Mason Road. She stated that B&G continues to evaluate possible routing options to serve Fort Bend County Municipal Utility District No. 165.

Ms. Silva next reported that B&G is working on the cathodic protection, electrical, and instrumentation details for the Authority's 2013 surface water system for inclusion in the Design Manual. Director Patton reported on a seminar at the winter AWBD conference regarding chloramine conversion and inquired about possible issues with the conversion. Mr. Scholler addressed Director Patton's questions on chloramine conversion and further explained the design and construction of the conversion. Ms. Silva noted that B&G is working on a detailed schedule for the surface water conversion.

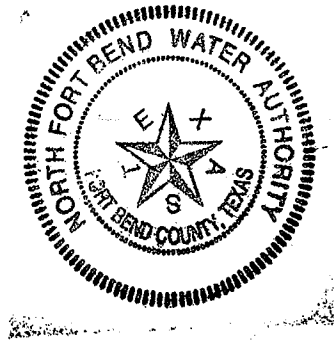
Following review and discussion, Director Spell moved to approve the engineer's report as presented, including the proposal from Raba-Kistner Consultants, Inc. for system-wide environmental services. Director Darden seconded the motion, which was approved by unanimous vote.

#### CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session pursuant to Chapter 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

There being no further business to come before, Director Gay moved to adjourn. Director Spell seconded the motion, which passed by unanimous vote.

(SEAL)



  
Secretary, Board of Directors

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