

MINUTES  
NORTH FORT BEND WATER AUTHORITY

November 18, 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 18th day of November, 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 Darden, thus constituting a quorum.

Also present for all or part of the meeting were: Debbie Gibson of McCall Gibson Swedlund Barfoot, PLLC; Mark McGrath of McGrath & Co., PLLC; Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Pamela Logsdon of AVANTA Services; Barbara Payne of Payne Communications; Steve Bonjonia of Property Acquisition Services; David Oliver, Alia Vinson, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

APPROVE MINUTES

The Board considered approving the minutes of the special meeting held on October 21, 2010, and the regular meeting held on October 27, 2010. After review and discussion, Director Fay 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 public comments.

PUBLIC COMMUNICATIONS, CONFERENCES

Ms. Payne updated the Board on public communication activities, including the budget and schedule for use of the water conservation trailer, preparation of a

presentation for Director Hebert, and distribution of construction brochures. She stated that the Water Conservation Committee recommends sponsorship of the Texas Irrigation Network's Winter Water Workshop scheduled on December 15, 2010, at the Berry Center in Houston, Texas. Following discussion, Director Patton moved to sponsor the workshop in the amount of \$750.00. Director Hebert seconded the motion, which was approved by unanimous vote.

#### MEETING SCHEDULE

Ms. Vinson noted that the December regular meeting has been rescheduled to Thursday, December 16, 2010, at 6:00 p.m. due to the Christmas holiday.

#### ENGAGE ACCOUNTING FIRM

The Board considered engaging an accounting firm to prepare the Authority's financial statements for fiscal year ending December 31, 2010. Director Houghton stated that the Finance Committee recommends approval of the engagement letter from McCall Gibson Swedlund Barfoot, PLLC for preparation of the financial statements for a fee not to exceed \$17,000.00. Following review and discussion, Director Gay moved to authorize execution of the engagement letter as presented, and direct that the engagement letter be filed appropriately and retained in the District's official records. Director Fay seconded the motion, which was approved by unanimous vote.

#### ENGAGE AUDITOR

The Board considered engaging an auditor to conduct the annual audit for fiscal year ending December 31, 2010. Mr. McGrath reviewed with the Board the proposed engagement letter from McGrath & Co., PLLC for auditing services for a fee not to exceed \$25,000.00. Director Houghton stated that the Finance Committee recommends approval of the engagement letter. Following review and discussion, Director Gay moved to authorize execution of the engagement letter as presented, and direct that the engagement letter be filed appropriately and retained in the District's official records. Director Patton seconded the motion, which was approved by unanimous vote.

#### 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, a schedule of debt service payments, and the quarterly investment report, a copy of which is attached. She reported that the Authority's Series 2010 Bonds have closed and reviewed disbursement of the proceeds. Following review and discussion, Director Hebert moved to approve the bookkeeper's report as presented. Director Fay 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.

#### BUDGET FOR FISCAL YEAR END DECEMBER 31, 2011

The Board reviewed a draft budget for fiscal year end December 31, 2011. Following review and discussion, the Board deferred action on this item.

#### CONTRACT FOR OPERATOR SERVICES

The Board deferred action on this item.

#### RECORDS MANAGEMENT PROGRAM

Mr. Oliver explained that no action was necessary for this item.

#### ENGINEERING MATTERS, WATER SUPPLY CONTRACT, LUCE BAYOU PROJECT

Ms. Silva presented the engineer's report, including the monthly pumpage report and the status of new wells located within the Authority. She reviewed a list of recent and upcoming events, and discussed the 1<sup>st</sup> Annual Water Reuse Conference scheduled to be held January 28, 2011, in San Antonio, Texas. A copy of the written engineer's report is attached.

Ms. Silva reported on the status of the Luce Bayou Project.

#### JOINT FACILITIES

Ms. Silva reported that B&G submitted comments to the City of Houston's ("COH") report regarding an alternate route for the second source transmission line. She stated that a COH Stakeholder meeting to discuss the details of the report is scheduled to be held on December 14, 2010.

Ms. Silva reported that B&G met with engineers of the West Harris County Regional Water Authority (the "WHCRWA") to begin discussing the potential of sharing an additional pump station and water line facilities near I-10 and Peek Road.

#### DESIGN AND CONSTRUCTION PROJECTS, SERVICES CONTRACTS

Ms. Silva reported on the status of design, contract documentation, right-of-way acquisition, and construction, as appropriate, for the D-158 water plant modifications project, several main line segments and related district connection lines.

Ms. Silva presented ten bids to the Board for construction of the North Mission Glen M.U.D. connection waterline and recommended that the Board award a contract in the amount of \$1,001,946.03 to the lowest bidder, Gonzalez Construction Enterprise,

Inc. Following review and discussion, the Board concurred with the engineer's judgment that Gonzalez Construction Enterprise, Inc. was a responsible bidder whose bid would result in the best and most economical completion of the project.

Ms. Silva updated the Board on the construction of Main Segments 0, 1A, 1B, 2, the Fort Bend County M.U.D. No. 2 and Kingsbridge M.U.D. connection waterlines, and the D-158 water plant modifications project. She then recommended approval of Pay Estimate No. 7 in the amount of \$709,773.19 for Segment 0, Pay Estimate No. 8 in the amount of \$1,108,811.20 for Segment 1A, Pay Estimate No. 8 in the amount of \$960,223.89 for Segment 1B, Pay Estimate No. 2 in the amount of \$707,505.03 for Segment 2, Pay Estimate No. 3 in the amount of \$128,507.26 for the Fort Bend County M.U.D. No. 2 connection line, Pay Estimate No. 1 in the amount of \$92,827.10 for the Kingsbridge M.U.D. connection line, and Pay Estimate No. 1 in the amount of \$219,112.15 for the D-158 water plant modifications project.

Ms. Silva recommended approval of Change Order No. 4 to the construction contract for Segment 1B in the amount of \$22,676.46 due to the revision of multiple bid items.

Ms. Silva recommended execution of a Consulting Contract with Rush Creek Consulting, Inc. in the amount of \$10,000.00 for performance of Vulnerability Assessments for the D-158 water plant and proposed pump station.

#### ROUTING ANALYSES

Ms. Silva updated the Board on the progress of route evaluations for the Authority's 2025 distribution system. She stated that routing reports for Segments 11 and 16 are expected to be ready for review during the December Design Committee meeting.

#### GROUNDWATER REDUCTION PLAN, CHLORAMINES CONVERSION

Ms. Silva updated the Board on activities related to requests from Fort Bend County M.U.D. No. 141 and the Brazos Lakes subdivision to participate in the Authority's Groundwater Reduction Plan and a request from Fort Bend County M.U.D. No. 142 for a water supply contract and early conversion to surface water. A spreadsheet summarizing the status of chloramine conversion projects is attached to the engineer's report.

Ms. Silva requested authorization to distribute letters to all municipal utility districts currently planned to be part of the Authority's 2013 surface water conversion to remind them of the previously established chloramines conversion deadlines and the importance of meeting those dates.

Ms. Silva recommended that the Board approve a variance request from Fort Bend County M.U.D. No. 165 ("165") that provides for the Authority to advance 165's share of the reimbursable construction costs for the required chloramines conversion, in accordance with the terms of the letter granting the variance.

WELL PERMITTING, EFFLUENT REUSE STUDY, PROPOSED WATER USE REDUCTION CREDITS POLICY

Ms. Silva stated that B&G is working on developing procedures for year-end annual pumpage reporting and meter calibration requirements per the aggregate well permit. She recommended that the Authority's on-line pumpage reporting system be modified to receive the information required for the annual reporting.

Ms. Silva stated that B&G's effluent reuse study is ongoing. She reported that Director Gay facilitated a positive meeting with Fort Bend County M.U.D. No. 34 to discuss the proposed water reuse project for the Meadow Brook Farms Golf Course.

Following review and discussion, Director Gay moved to approve the engineer's report, including: 1) approval of the award and execution of a contract in the amount of \$1,001,946.03 with Gonzalez Construction Enterprise, Inc. for the construction of the North Mission Glen M.U.D. connection waterline; 2) approval of Pay Estimate No. 7 in the amount of \$709,773.19 for Segment 0, Pay Estimate No. 8 in the amount of \$1,108,811.20 for Segment 1A, Pay Estimate No. 8 in the amount of \$960,223.89 for Segment 1B, Pay Estimate No. 2 in the amount of \$707,505.03 for Segment 2, Pay Estimate No. 3 in the amount of \$128,507.26 for the Fort Bend County M.U.D. No. 2 connection line, Pay Estimate No. 1 in the amount of \$92,827.10 for the Kingsbridge M.U.D. connection line, and Pay Estimate No. 1 in the amount of \$219,112.15 for the D-158 water plant modifications project; 3) approval of Change Order No. 4 in the amount of \$22,676.46 to the construction contract for Segment 1B; 4) authorize execution of Consulting Contract with Rush Creek Consulting, Inc. in the amount of \$10,000.00 for performance of Vulnerability Assessments for the D-158 water plant and proposed pump station; 5) authorize B&G to distribute letters regarding the chloramines conversion deadlines; and 6) approval of variance request from Fort Bend County M.U.D. No. 165 as discussed. Director Fay seconded the motion, which was approved by unanimous vote.

REALTY INTEREST ACQUISITION

Mr. Oliver recommended acceptance of one Water Line Easement and two Water Line and Meter Easements for the parcels and from the Grantors listed on the attached Realty Interests Chart. Following review and discussion, Director Gay moved to accept the agreement and easements as recommended. Director Hebert seconded the motion, which was approved by unanimous vote.

SUPPLEMENT TO ATTORNEY ENGAGEMENT LETTER

The Board considered an engagement letter with ABHR for legislative services. Following review and discussion, Director Gay moved to approve the engagement letter with ABHR for Legislative Services as presented. Director Hebert seconded the motion, which carried unanimously.

EXECUTIVE SESSION

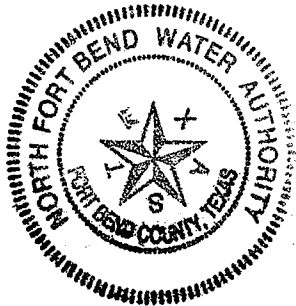
The Board convened in executive session at 7:15 p.m., to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

At 7:27 p.m., the Board reconvened in open session. Following review and discussion regarding right-of-way acquisition, Director Fay moved to accept four Water Line Easements and one side letter for the parcels and from the Grantors listed on the attached Realty Interests Chart. Director Hebert seconded the motion, which was approved by unanimous vote, except for Director Gay, who was not present for the vote.

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

(SEAL)



  
Asst, Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
attendance sheets .....	1
bookkeeper's report .....	2
written engineer's report .....	3
Realty Interests Chart .....	5
Realty Interests Chart .....	6