

MINUTES  
NORTH FORT BEND WATER AUTHORITY

November 23, 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 23rd day of November, 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, 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 October 28, 2009. After review and discussion, Director Spell moved to approve the minutes as written. Director Fay 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

Ms. Payne provided an update on public communication activities. She reported that the members of the Water Conservation Advisory Committee have been selected. She said that the first meeting of the committee is expected to be held in January, 2010.

Ms. Payne next reported on the Texas Water 2009 Regional Water Conference

and her discussions with the San Antonio Water System Conservation Director, Karen Guz, regarding working with the Authority's Water Conservation Committee. Director Patton reported that he also spoke with Ms. Guz regarding water conservation efforts which have and have not worked in San Antonio, Texas.

Ms. Payne reminded the meeting attendees that the Authority has a large amount of water conservation brochures available at no charge for utility districts to distribute with their utility bills.

Ms. Payne introduced Doug Goodwin of the Irrigators Advisory Council of the Texas Commission of Environmental Quality and the Houston Gulf Coast Irrigation Association. Mr. Goodwin addressed the Board and discussed water conservation projects and programs related to irrigation usage.

The Board next discussed scheduling of a Groundbreaking Ceremony for the Authority's first construction projects. Following discussion, the Board concurred to schedule the Groundbreaking Ceremony to be held at 10:00 a.m. on Thursday, January 21, 2010, at the Authority's pump station site and authorized Director Gay to work with Ms. Payne and Ms. Silva on planning for the ceremony.

#### 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, monthly receipts, and past due accounts, a copy of which is attached. Following review and discussion, Director Gay 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.

#### DISCUSS 2010 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, 2010. He reviewed with the Board a summary of the 2010 Director appointment process and stated that an item to adopt a Resolution Adopting Rules for 2010 Appointment Process for Directors will be placed on the next agenda.

#### ENGINEERING MATTERS

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. A copy of the written engineer's report is attached.

Ms. Silva updated the Board on the status of negotiations with the West Harris County Regional Water Authority (the "WHCRWA") on cost sharing of joint surface water facilities. She reminded the Board that she reported last month that the City of Houston (the "COH") staff has stated that they do not have additional surface water available at the proposed Cook Road take point beyond the already reserved 19.5 mgd without the Authority and the WHCRWA constructing improvements to the COH transmission system. She stated that Lockwood Andrews & Newnam, Inc.'s ("LAN") review of the COH model confirms the COH's finding. She stated that B&G is working with the WHCRWA to develop possible options for obtaining additional surface water and for sharing in the costs and capacity in the pump station and the initial water lines. She stated that the design of the pump station is on hold pending the determination of availability of water from the COH and determination of the participation by the WHCRWA in the facility. Mr. Oliver noted that the negotiation of the related agreement with the WHCRWA could not be completed until these technical issues are resolved.

Ms. Silva stated that, as previously reported, B&G provided to the COH a contract term sheet and schedule for lease of the D-158 Water Plant on July 31, 2009. She stated that the COH has not yet forwarded a draft lease agreement for review by the Authority's consultants.

Ms. Silva next reported on the status of design, contract documentation, and right-of-way acquisition, as appropriate, for the pump station, 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 stated that notices to proceed with the construction of Main Segment Nos. 0, 1A, and 1B are expected to be issued by the middle of next month.

Ms. Silva reported on the expected schedule for advertisement for bids for the construction of the district connection lines for Kingsbridge Municipal Utility District, Fort Bend County Municipal Utility District No. 2, Big Oaks Municipal Utility District, and Grand Mission Municipal Utility District Nos. 1 and 2.

Ms. Silva stated that approval of the Intensive Cultural Resources Survey has not yet been received from the Texas Historical Commission for Main Segment Nos. 2 through 7.

Ms. Silva recommended approval of a proposal in the amount of \$5,355.00 from LAN for the services of an urban forester on Main Segment 8B.

Ms. Silva next reviewed a proposal from B&G in the amount of \$760,000.00 for a revised routing analysis scope of work for the Authority's year 2025 surface water system, including the required pump station sites, limited topographic survey, Phase I Environmental Assessment, and evaluations of Cultural Resources, and Endangered Species and Wetlands.

Ms. Silva reported that a formal request was received from Fort Bend County M.U.D. No. 165 for the Authority requesting a variance to the reimbursement procedures in the Authority's Chloramine Conversion Policy. Ms. Silva and Mr. Oliver stated that this request will be discussed during the next Design Committee meeting.

Ms. Silva reported that B&G has developed a submittal checklist and standard bid form for use by the utility districts for their conversion to chloramines disinfection to help streamline the process.

Ms. Silva reported that B&G continues to attend meetings of all of the utility districts included in the 2013 surface water system to receive comments, address concerns, and answer questions about the surface water conversion program.

Ms. Silva reported that B&G is drafting the Request for Qualifications to be used in connection with the selection of an operator for the Authority for review at the next Design Committee meeting.

Ms. Silva reported on coordination with Mr. Oliver on the development of an amendment to the Authority's design contracts to include minimum and maximum amounts for engineering fees for discussion at the next Design Committee meeting.

Ms. Silva reported that the 2008 pumpage reconciliation has been forwarded to the Authority's bookkeeper.

Ms. Silva reported that a proposal for performance of a reuse study will be reviewed at the next Design Committee meeting per request.

Ms. Silva reported that a tracking spreadsheet reflecting easement acquisition progress will be distributed for the Board's review.

Mr. Oliver reviewed an Amended Resolution Establishing Chloramine Conversion Policy. He stated that the amended policy adds details and clarification related to the Authority's review of plans and Texas Commission on Environmental Quality approval, and addresses utility district reimbursement issues. He stated that the amended policy was reviewed with the Design Committee.

Following review and discussion, Director Gay moved to accept the engineer's report as presented, including: (1) approve the proposal in the amount of \$5,355.00 from LAN for the services of an urban forester on Main Segment 8B; (2) approve the proposal from B&G in the amount of \$760,000.00 for a revised routing analysis scope of work for the Authority's year 2025 surface water system; and (3) adopt an Amended Resolution Establishing Chloramine Conversion Policy. Director Hebert seconded the motion, which was approved by unanimous vote.

### REALTY INTEREST ACQUISITION

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

### CONTRACTS, NOTICES, CHANGE ORDERS, AND ASSIGNMENTS

There was no discussion regarding additional engineering, environmental, surveying, legal, right-of-way acquisition, or appraisal services.

### AMICUS CURIAE BRIEF

Mr. Oliver reviewed the details of *Brownlow v. State of Texas*, et al., a case to be heard by the Texas Supreme Court regarding compensation and the right of condemning authorities to use materials taken from an easement for roadway drainage purposes. He recommended engaging Charles McFarland of Joyce, McFarland & McFarland LLP to prepare an amicus curiae brief and listen to oral arguments before the court. He reviewed an engagement letter with Mr. McFarland in an amount not to exceed \$15,000.00 to be split equally between the Authority and the WHCRWA. He stated that the engagement letter was reviewed at this month's meeting of the Finance Committee. Following review and discussion, Director Gay moved to approve execution of an engagement letter with Joyce, McFarland & McFarland LLP as presented. Director Darden seconded the motion, which was approved by unanimous vote.

### LEGAL CONFLICTS WAIVER

Mr. Oliver reviewed a letter from ABHR identifying potential conflicts of interest with three options regarding ABHR's representation of the Authority and the WHCRWA in the preparation and review of one or more agreements whereby the Authority and the WHCRWA will share in the costs of water supply and transmission facilities. He stated that the options were reviewed at this month's meetings of the Finance and Design Committees. He then reviewed with the Board a legal conflicts waiver regarding representation by ABHR of the Authority and the WHCRWA regarding the second source pipeline and the pump station in the Mission Bend Area. Following review and discussion, Director Gay moved to authorize execution of the legal conflicts waiver. Director Hebert seconded the motion, which was approved by unanimous vote.

### CONVENE IN EXECUTIVE SESSION, RECONVENE IN OPEN SESSION

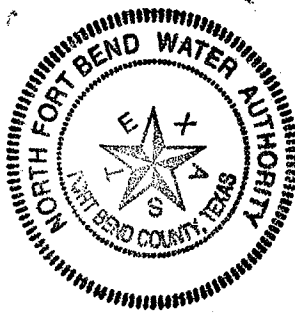
The Board convened in executive session at 6:51 p.m. pursuant to Chapter

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 7:05 p.m. Following review and discussion regarding right-of-way acquisition, Director Gay moved to: (1) approve the owners' counteroffers as discussed for parcels 0.09 and 0.10; (2) approve the owner's acceptance of the Board's original counteroffer for parcel 01A.01 & TE; and (3) reject the owners' counteroffers and make offers as discussed for parcels 01B.L01.B06 and 01B.L01.B39. Director Hebert 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

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
attendance sheets.....	1
bookkeeper's report .....	2
written engineer's report.....	2
easement chart .....	5