

MINUTES  
NORTH FORT BEND WATER AUTHORITY

April 27, 2011

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 April, 2011, 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 Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Kevin Krahn, P.E. of AECOM; Pam E. Lightbody of AVANTA Services; Brian Bare of SWWC Services, Inc. ("SWWC"); Barbara Payne of Payne Communications; 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 March 7, 2011, and the regular meeting held on March 23, 2011. After review and discussion, Director Gay moved to approve the minutes, including the correction made to the regular meeting minutes. Director Spell 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 updates to the water conservation education programs and the availability of water conservation brochures for distribution by municipal utility districts. She additionally reported on requests for use of the Authority's water conservation education trailer and

for water conservation education programs by schools located inside and outside of the Authority's boundaries.

Ms. Vinson discussed the proposed use of the Authority's mobile teaching lab by the City of Richmond ("Richmond") for its Water Day Event and reviewed the Authority's policy regarding use of the mobile teaching lab. She noted that Richmond is located outside of the Authority's boundaries. Following discussion, Director Patton moved to charge a non-refundable deposit fee in the amount of \$1,500.00 to Richmond for use of the mobile teaching lab. Director Fay seconded the motion, which was approved by unanimous vote, except for Director Gay who was not present for such vote.

Ms. Vinson reviewed a list of upcoming state and national conferences on water conservation and reuse topics and information regarding membership in the Texas Water Conservation Association, and noted that Directors have signed up on the list for those conferences they are interested in attending. Following review and discussion, Director Patton moved to authorize Directors to attend the conferences as shown on the list and the Authority's membership in the Texas Water Conservation Association in the amount of \$302.50. Director Fay seconded the motion, which was approved by unanimous vote, except for Director Gay who was not present for the vote.

#### AUDIT FOR FISCAL YEAR END DECEMBER 31, 2010

The Board concurred to defer this item.

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

Ms. Lightbody 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 the bookkeeper's report is attached. Following review and discussion, Director Gay moved to approve the bookkeeper's report as presented. Director Hebert seconded the motion, which was approved by unanimous vote.

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

#### OPERATION OF AUTHORITY FACILITIES

Mr. Bare reported that the Authority began delivery of surface water to Kingsbridge M.U.D. on April 18, 2011. He stated that no water quality issues have been reported.

## 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 reported that letters were distributed to well owners to explain updates made to the online pumpage reporting system. She reviewed a list of recent and upcoming events, and reported on activities related to the status of the Luce Bayou Project, the proposed second source transmission line, and the City of Houston's ("COH") Lake Houston Water Quality Study. A copy of the written engineer's report is attached.

### 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 several main line segments and related district connection lines. Spreadsheets summarizing the status of design and construction projects are attached to the engineer's report.

Ms. Silva recommended three change orders to the Authority's design contracts with B&G for the re-alignment of Main Segment 7C, R.G. Millers Engineering, Inc. for the re-alignment of Main Segment 9A, and Pate Engineers, Inc. for re-design work for the connection water line for Big Oaks M.U.D.

Ms. Silva recommended forwarding a letter to the COH to express the Authority's interest in potentially purchasing the two wells located at the D-158 pump station site for backup water supply. Ms. Silva reminded the Board that the Authority is not leasing one of the pumps located at the D-158 pump station site because it is not working. She stated that a review of the costs to place the pump into working order is being investigated.

Ms. Silva reported that five bids were opened on March 31, 2011, for the contract for the construction of the connection water line to Grand Mission M.U.D. No. 1 and recommended that the Board award a contract in the amount of \$874,366.00 to the lowest bidder, D.L. Elliott Enterprises, Inc. Following review and discussion, the Board concurred with the engineer's judgment that D.L. Elliott Enterprises, 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, 3, 4A, and 5, the connection water lines for Fort Bend County M.U.D. Nos. 2, 41, and 119, North Mission Glen M.U.D. and Kingsbridge M.U.D., and the D-158 water plant modifications project. She recommended approval of thirteen pay estimates for the Main Segments, connection water lines, and the D-158 water plant modifications

project. She noted that the Authority has installed approximately 17.1 miles of water lines to date and discussed the schedule for surface water delivery.

Ms. Silva reviewed three change orders to the contracts for construction of the connection water lines for Fort Bend County M.U.D. Nos. 2 and 119, and Kingsbridge M.U.D. for the installation of auto-dialers at the control boxes of the meter stations. She reviewed a change order to the contract for construction of the connection water line for Fort Bend County M.U.D. No. 41 for the installation of a Human Machine Interface panel and an auto-dialer at the control box of the meter station. She reviewed a change order to the contract for construction of Main Segment 4A for the installation of an auto-dialer at the control box of the meter station and for boring past newly installed power line poles. She reviewed a change order to the contract for construction of Main Segment 0 to add 86 calendar days to the contract.

Ms. Silva recommended approval of additional funds on a reimbursable basis for Property Acquisition Services' coordination of utility signatures as part of the advertisement/bidding process at the request of CenterPoint Energy.

#### ROUTING ANALYSES

Ms. Silva updated the Board on the progress of route evaluations for the Authority's 2025 distribution system. She stated that B&G continues to attend meetings to inform municipal utility districts of the proposed future routes.

#### GRP, CHLORAMINES CONVERSION, FBSD REGULATIONS

Ms. Silva updated the Board on the status of chloramine conversion projects. A spreadsheet summarizing the status of chloramine conversion projects is attached to the engineer's report.

Ms. Silva updated the Board on activities related to evaluating requests from Fort Bend County M.U.D. No. 141 to participate in the Authority's Groundwater Reduction Plan ("GRP"), and evaluating a request from Fort Bend County M.U.D. No. 142 for a water supply contract and early conversion to surface water. She reported that a meeting was held with representatives of Fort Bend County M.U.D. No. 58 to discuss the district's request for early conversion to surface water and the request is being evaluated. She reported that a second meeting is scheduled to be held with representatives of the Brazos Lakes Property Owners Association (the "POA"), currently a contract participant in the Authority's GRP, to evaluate the POA's request to be excluded from the Authority's GRP.

Ms. Silva reported that, due to the drought experienced in Fort Bend County, the groundwater pumpage within the Authority is at least 36% more than last year and not all of the well owners have submitted their reports. She stated that the pumpage trend

is expected to continue and B&G will continue to monitor the status of groundwater pumpage to determine whether the Authority needs to amend its aggregate well permit with the Fort Bend Subsidence District (the "FBSD") prior to September 30, 2011. She stated that B&G will communicate with operators regarding the importance of assessing their pumpage and proactively communicating with the Authority.

Following review and discussion, Director Gay moved to approve the engineer's report, including:

- 1) authorize B&G to send to COH a Letter of Interest on behalf of the Authority regarding the purchase of the two wells located at the D-158 pump station site for backup water supply;
- 2) approval of the award and execution of a contract in the amount of \$874,366.00 with D.L. Elliott Enterprises, Inc. for construction of the Grand Mission M.U.D. No. 1 connection water line;
- 3) approval of the following change orders to the Authority's design contracts:
  - Pate Engineers, Inc. for re-design work for the connection water line for Big Oaks M.U.D in the amount of \$3,144.00,
  - R.G. Millers Engineering, Inc. for the re-alignment of Main Segment 9A in the amount of \$2,600.00, and
  - B&G for the re-alignment of Main Segment 7C in the amount of \$188,900.00;
- 4) approval of additional funds on a reimbursable basis for Property Acquisition Services' coordination of utility signatures as part of the advertisement/bidding process at the request of CenterPoint Energy;
- 5) approval of the following change orders:
  - Change Order No. 2 to the construction contract for the Kingsbridge M.U.D. connection water line in the amount of \$0,
  - Change Order No. 2 to the construction contract for the Fort Bend County M.U.D. No. 2 connection water line in the amount of \$0,
  - Change Order No. 4 to the construction contract for Main Segment 0 in the amount of \$0,
  - Change Order No. 3 to the construction contract for Main Segment 4A in the amount of \$0,
  - Change Order No. 2 to the construction contract for the Fort Bend County M.U.D. No. 119 connection water line in the amount of \$0, and
  - Change Order No. 1 to the construction contract for the Fort Bend County

- M.U.D. No. 41 connection water line in the amount of \$0; and
- 6) approval of the following pay estimates:
- Main Segment 0, Pay Estimate No. 12 in the amount of \$743,739.66,
  - Main Segment 1A, Pay Estimate No. 13 in the amount of \$4,370.00,
  - Main Segment 1B, Pay Estimate No. 13 in the amount of \$89,965.29,
  - Main Segment 2, Pay Estimate No. 7 in the amount of \$1,012,131.06,
  - Main Segment 3, Pay Estimate No. 1 in the amount of \$24,535.80,
  - Main Segment 4A, Pay Estimate No. 5 in the amount of \$115,450.85,
  - Main Segment 5, Pay Estimate No. 4 in the amount of \$421,855.24,
  - Fort Bend County M.U.D. No. 2 connection water line, Pay Estimate No. 8 in the amount of \$0,
  - Kingsbridge M.U.D. connection water line, Pay Estimate No. 6 in the amount of \$7,600.00,
  - North Mission Glen M.U.D. connection water line, Pay Estimate No. 3 in the amount of \$142,530.95,
  - Fort Bend County M.U.D. No. 119 connection water line, Pay Estimate No. 3 in the amount of \$17,874.00,
  - Fort Bend County M.U.D. No. 41 connection water line, Pay Estimate No. 1 in the amount of \$85,215.60, and
  - D-158 water plant modifications project, Pay Estimate No. 6 in the amount of \$0.

Director Hebert seconded the motion, which was approved by unanimous vote.

Ms. Vinson reviewed a letter agreement granting a variance request from the Authority's chloramine conversion reimbursement policy to Cinco Southwest M.U.D. No. 1. Following review and discussion, Director Patton moved to approve the letter agreement. Director Gay seconded the motion, which was approved by unanimous vote.

### JOINT FACILITIES

Ms. Vinson reminded the Board that a letter was distributed in February, 2011, to Fort Bend County entities identified as potentially needing surface water delivery for the 2025 conversion requirements to inquire whether they may be interested in capacity in the proposed joint second source water transmission line to be shared with the West Harris County Regional Water Authority (the "Second Source Line"). She stated that interested recipients were asked to respond by April 15, 2011, and responses were

received from the Cities of Richmond, Rosenberg, and Sugar Land expressing possible interest in capacity in the Second Source Line. She recommended forwarding response letters from the Authority to acknowledge receipt of the letters and to request additional information regarding projected water demands and population growth. Following discussion, Director Patton moved to authorize ABHR to send the response letters as recommended. Director Fay seconded the motion, which was approved by unanimous vote.

#### WATER CONSERVATION AND REUSE

Ms. Silva reported that B&G is working to finalize the Wastewater Reuse Study. She reported on activities related to assisting Meadowbrook Farms (Fort Bend County M.U.D. No. 34) with evaluating the feasibility of implementing a wastewater reuse project.

Director Patton reported that, just prior to the meeting, the Board attended a meeting of the FBSD in support of the Authority's proposed amendment to its GRP to include a water use reduction credits policy. He reported that the FBSD approved the amendment and discussed its importance in incentivizing water conservation.

Director Patton stated that the Authority now has a water conservation task force charged with evaluating and implementing the Water Conservation Advisory Committee's recommendations. He reported that the task force, made up of Directors Patton, Hebert, and Fay, and representatives of B&G and ABHR, recommends the following:

- 1) Authorize ABHR to negotiate a multi-year contract with Vepo, LLC for residential irrigation evaluations.
- 2) Authorize Barbara Payne to proceed with purchasing low-flow spray nozzles for distribution to school cafeterias/food service units in the Katy Independent School District, Fort Bend Independent School District, and the Lamar Consolidated Independent School District schools located within the Authority in an amount not to exceed \$5,000.00.
- 3) Authorize the purchase and distribution of educational materials for water conservation programs for schools located within the Authority in the amount of \$3,200.00.
- 4) Authorize reimbursement for mileage costs to a recognized expert in rainwater harvesting for attending and presenting at the May meeting of the Water Conservation Advisory Committee in an amount not to exceed \$200.00.

Following discussion, Director Patton moved to approve the implementation

recommendations. Director Hebert seconded the motion, which was approved by unanimous vote.

Ms. Vinson reviewed an annual report prepared by B&G on implementation of the Authority's Water Conservation Plan. Following review and discussion, Director Gay moved to approve the annual report. Director Hebert seconded the motion, which was approved by unanimous vote.

### CONTRACTS

The Board concurred to defer this item.

### REALTY INTEREST ACQUISITION

Ms. Vinson recommended acceptance of one Water Line Easement for the parcels and from the Grantor listed on the attached Realty Interests Chart. Following review and discussion, Director Gay moved to accept the easement as recommended. Director Fay seconded the motion, which was approved by unanimous vote.

Ms. Vinson presented a Resolution Adopting Crossing Guidelines for Authority Realty Interests and stated that the Crossing Guidelines were prepared by B&G. Following review and discussion, Director Gay moved to approve the Resolution Adopting Crossing Guidelines for Authority Realty Interests. Director Hebert seconded the motion, which was approved by unanimous vote.

### EXECUTIVE SESSION

The Board convened in executive session at 8:25 p.m., to deliberate the purchase, exchange, lease, or value of real property.

### RECONVENE IN OPEN SESSION

At 8:37 p.m., the Board reconvened in open session. Following review and discussion regarding right-of-way acquisition, Director Hebert moved to accept the Water Line and Meter Easement for Segment 05.L01.B, as amended. Director Gay seconded the motion, which was approved by unanimous vote. The accepted easement is listed on the attached Realty Interests Chart.



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

*Melony Seg*  
Secretary, Board of Directors

(SEAL)



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