

MINUTES
NORTH FORT BEND WATER AUTHORITY

May 14, 2008

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in special session, open to the public, on the 14th day of May, 2008, at the offices of Brown & Gay Engineers, Inc., 10777 Westheimer, Suite 125, Houston, Texas, outside 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 for Directors Houghton and Fay, thus constituting a quorum.

Also present for all or part of the meeting were: Dave Scholler, P.E., Melinda Silva, P.E., Charles Shumate, P.E., Julia Mai, and Jennifer Mays of Brown & Gay Engineers, Inc. ("B&G"); Jason Afinowicz of TCB; Terrell Palmer of First Southwest Company; David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

ADOPT ORDER

The Board first considered adopting an Order Counting Votes and Declaring Elected Candidates for Director Precincts 1, 3, 5, and 7. Mr. Oliver reviewed the appointment process and stated that Director Precincts 1, 3, and 7 were uncontested. He reviewed the following results for contested Precinct 5: three districts totaling 54.8 votes voted for Robert Patton, and one district totaling 45.2 votes voted for Earl Carl ("Chip") Norris. After discussion, Director Gay moved to adopt the order declaring that David Spell, Bruce Fay, Robert Patton, and Pat Hebert are appointed as directors of the Authority, to serve until May 15, 2012, or until their successors have been duly appointed and have qualified. Director Darden seconded the motion, which carried unanimously.

APPROVE SWORN STATEMENTS, OFFICIAL BONDS, AND OATHS OF OFFICE

The Sworn Statements, Official Bonds, and Oaths of Office for David Spell, Robert Patton, and Pat Hebert were presented to the Board. Director Darden moved to approve the Directors' Sworn Statements, Official Bonds, and Oaths of Office, and direct that they be filed and retained in the Authority's official records, and that the Oaths of Office and Official Bonds be filed with the Secretary of State of the State of Texas. The motion was seconded by Director Gay, which carried unanimously.

REORGANIZE THE BOARD OF DIRECTORS AND ELECT OFFICERS

The Board next discussed reorganizing the Board and electing officers. Following discussion, the Board concurred that no reorganization was necessary.

EXECUTION OF REGISTRATION FORM

The Board next considered approving a Registration Form for filing with the Texas Commission on Environmental Quality (the "TCEQ") to reflect the appointment of the Board members and their respective terms. After review and discussion, Director Hebert moved to authorize the execution and filing of the Registration Form. Director Gay seconded the motion, which was approved by unanimous vote.

AGREEMENT FOR WEB SITE SERVICES

Mr. Oliver next discussed with the Board an agreement with The Texas Network for web site services. He discussed the design, administration, and security of the web site, and the on-line pumpage reporting system. He stated that the agreement includes an increase in web site management and design fees from \$62.00 to \$95.00 per month, and annual fees for management, support, and dedication of a server for the on-line pumpage reporting system in the amount of \$1,200 per month. Following review and discussion, Director Gay moved to authorize execution of an agreement with the Texas Network for web site services as discussed. Director Hebert seconded the motion, which was approved by unanimous vote.

MONTHLY MEETING EXPENSES

The Board next discussed meeting expenses. Following review and discussion by Board members and meeting attendees, the Board concurred to discuss the meeting services and expenses at the next regularly scheduled meeting to obtain additional input from the meeting attendees.

ENGINEER'S REPORT, STATUS OF SURFACE WATER SUPPLY AND FACILITIES NEGOTIATIONS

Mr. Scholler and Mr. Oliver reported on the ongoing contract negotiations for the following contracts:

1. Water Supply Contract between the City of Houston ("COH") and the Authority;
2. Cost-Sharing Agreement between the WHCRWA and the Authority to share joint facilities; and
3. Contract between the COH and all Water Authorities to address the Luce Bayou Project.

Mr. Scholler reported that B&G audited cost information provided by the COH for the exhibits to the proposed Water Supply Contract. He stated that the COH is reviewing B&G's comments and requests for additional documentation related to the potential costs assessed for the Authority's pro-rata share of the COH's East Water Production Plant expansions, existing COH transmission lines, and southwest pump station.

Mr. Oliver reported that the draft Cost Sharing Agreement for joint facilities has been revised to focus on a water plant near the COH's Bellaire-Braes pump station per comments received from the WHCRWA. He stated that he will meet with the attorney for the WHCRWA to review the revised agreement.

Mr. Oliver reported that several issues in the proposed contract to address Luce Bayou have been unresolved to date pending information from the Coastal Water Authority (the "CWA"). He stated that an advisory meeting with essential COH and CWA personnel is scheduled for Friday, May 16, 2008.

REPORTS FROM DIRECTORS AND CONSULTANTS

Mr. Palmer, Mr. Oliver, and Mr. Scholler next reported that they are coordinating to determine the amount of interim costs to be incurred prior to the Authority's issuance of bonds, and that they will coordinate with the Authority's bookkeeper to update the five-year Capital Improvement Plan. They discussed the possibility of obtaining short-term loans for the interim costs of property acquisition, and design and construction of preliminary projects.

CONVENE IN EXECUTIVE SESSION

The Board next convened in executive session pursuant to Chapter 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

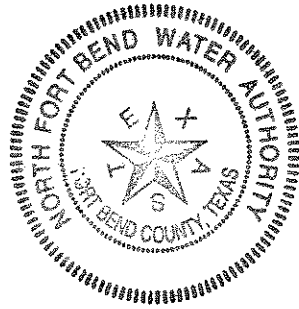
RECONVENE IN OPEN SESSION

The Board reconvened in open session. Director Hebert moved to authorize B&G to survey the proposed pump station site for use in preparing the previously authorized appraisal for the site. 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.


Asst. Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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