

MINUTES  
NORTH FORT BEND WATER AUTHORITY

May 27, 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 27th day of May, 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: David C. Scholler, P.E. and Melinda Silva, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Kevin Krahn, P.E. of AECOM; Pamela Logsdon and Pam E. Lightbody 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 meetings held on April 22, 2009, and May 11, 2009. After discussion, Director Hebert 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

Director Houghton next updated the Board on the Authority's public communications. He reported that Barbara Payne of Payne Communications is working on scheduling a water conservation seminar with speakers from the water conservation programs of the cities of Dallas and San Antonio, and the Director of the Alliance for Water Efficiency. He reported that there has been discussion regarding the formation of an Authority water conservation committee and that Director Patton has volunteered to chair

the committee. He reported that the Authority's newsletter has been distributed to residents within the Authority.

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

Ms. Lightbody next reviewed a bookkeeper's report, including monthly receipts and past due accounts, a copy of which is attached. She reviewed an additional check for payment of water conservation costs and stated that the check will be included on next month's report. She then reviewed the quarterly investment report.

Ms. Lightbody reported that there was no need to conduct a hearing on delinquent fees or rule violations. Mr. Oliver reported on activities undertaken to collect delinquent fees. 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.

#### SERIES 2009 BONDS

Mr. Oliver next discussed the procedures and activities to be undertaken to issue bonds in the open market with a June 2009 sale date. He stated that a special meeting may be scheduled prior to the June regular Board meeting for the sale.

#### ENGINEERING MATTERS

Ms. Silva next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority and 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 on the status of negotiations with the West Harris County Regional Water Authority (the "WHCRWA") on a cost sharing agreement for joint facilities. She reported that a meeting was held with WHCRWA's engineer to discuss the technical details related to sharing capacity in Segment 0, Segment 1A, and the Pump Station. She stated that a preliminary term sheet to address those technical issues will be provided to the Board and ABHR for use in preparing the agreements.

Ms. Silva reported that B&G has completed a detailed review of a copy of the Second Source Water Study received from the WHCRWA. She stated that the study evaluates four different pipeline routing options for distribution of surface water from the City of Houston's (the "COH") Northeast Water Plant to the Authority's second supply point. She stated that B&G recommends that the Authority begin detailed discussions with the WHCRWA regarding participation in the Second Source Plan. A copy of the recommendation is attached to the engineer's report.

Ms. Silva and Mr. Scholler updated the Board on the due diligence inspection of the COH D-158 water plant.

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 reported that the preliminary constraints map information developed by Raba-Kistner Consultants, Inc. ("RK") has been distributed to the affected Design Consultants for evaluation. She recommended approval of a proposal in the amount of \$14,850.00 from RK for delineation of any Jurisdictional Waters.

Ms. Silva next reported that design drawings for Main Segment 0 were re-submitted to the Harris County Flood Control District (the "HCFCD") and are under review by the County attorney. She stated that the HCFCD has stipulated that they will not approve the plans until they receive a copy of the interlocal agreement between the Authority and WHCRWA.

Ms. Silva reported on the acquisition of easements for Main Segment 0.

Ms. Silva reported that B&G is modifying the design of the pump station to accommodate the additional capacity requested by the WHCRWA.

Ms. Silva reported that B&G has provided a right-of-way survey to support the easement acquisition for the design of Main Segment 6.

Ms. Silva next reported that B&G negotiated contracts for design services for Main Segments 7A, 7B, 7C, and the related district connection line. She stated that the contracts were presented to the design committee and revised based on their comments. She reviewed a summary of the following Design Consultant contracts attached to the engineer's report and stated that the contracts were ready for approval and execution by the Board: Jones & Carter, Inc. and R.G. Miller Engineers, Inc. for Segment 7A; Costello, Inc. and R.G. Miller Engineers, Inc. for Segment 7B; B&G for Segment 7C; and Jacobs Engineering for the Fort Bend County Municipal Utility District No. 118 connection line.

Ms. Silva next reported that B&G met with the Texas Commission on Environmental Quality (the "TCEQ") on April 29, 2009, to continue discussions regarding the Authority's initial take point, chloramine conversion schedules, and approval of the Authority's plans for construction.

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. She stated that an amendment will be issued to address needed clarifications and to add additional details. She stated that the information will be available by the June Board meeting. She requested consideration of a proposal in the amount of

\$60,000.00 from B&G to support the increased scope items. She stated that the proposal was discussed during the last meeting of the Authority's Design Committee.

Ms. Silva stated that B&G recommends that the Authority sponsor a Chloramines and Surface Water Conversion Workshop for the participant utility districts this summer. She requested authorization to contact the TCEQ regarding possible dates.

Ms. Silva reported that B&G continues to work on a detailed schedule for surface water conversion incorporating the environmental constraints information. She stated that the notices for Kingsbridge Municipal Utility District ("Kingsbridge MUD") and Fort Bend County Municipal Utility District No. 2 are ready to be sent.

Mr. John Boehner of Kingsbridge MUD addressed the Board about his concern regarding notification of the scheduled chloramines conversion to the utility districts located within WHCRWA and adjacent to utility districts located within the Authority which may be impacted due to emergency interconnects. Ms. Silva, Mr. Scholler, and Mr. Oliver explained the procedures for communicating such notifications and requested that utility districts contact B&G when interconnected utility districts are notified of the conversion to assist with the communication procedures.

Ms. Silva and Mr. Oliver next reported that the Fort Bend Subsidence District (the "FBSD") adopted the proposed amendment to its Regulatory Plan related to Groundwater Reduction Plans ("GRP"). Mr. Oliver noted that the amendment included language proposed by the Authority that gives permittees that choose converting to an alternate water supply as their primary method of meeting their groundwater reduction requirements the ability to seek amendments to their GRP that incorporate water conservation measures that meet certain requirements, subject to FBSD review and approval.

Ms. Silva reported on additional engineering matters, including activities related to water conservation survey information provided to the Region H Water Planning Group at their request.

Following review and discussion, Director Gay moved to accept the engineer's report as presented, including the following: authorize B&G to draft a letter notifying the WHCRWA of the Authority's intent to participate in the Second Source Option and request further discussions; accept the proposal in the amount of \$14,850.00 from RK to perform the Wetlands Determination/Delineation as presented; authorize execution of the design contracts for Main Segments 7A, 7B, 7C, and the related district connection line as presented; approve the proposal in the amount of \$60,000.00 for scope changes related to development of Design Guidelines and Standard Construction Documents as presented; and authorize B&G to schedule a Chloramines and Surface Water Conversion Workshop with TCEQ representatives. Director Hebert seconded the motion, which was approved by unanimous vote.

REALTY INTEREST ACQUISITION

For Main Segment 0, Mr. Oliver recommended acceptance of Water Line Easements from Crown Colony West Patio Homeowners Association, Inc., Alief Independent School District ("Alief ISD"), Bellaire Gardens Homeowners Association, Inc. and acceptance of a Quitclaim Deed from U.S. Home Corporation. Ms. Lightbody presented an additional check for payment of the appraised value of the Alief ISD easement. She stated that the additional check will be included on next month's bookkeeper's report. Following review and discussion, Director Gay moved to accept the easements and Quitclaim Deed, and approve the additional check as presented. Director Spell 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.

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 the Board, the meeting was adjourned.



(SEAL)

  
Secretary, Board of Directors

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