



Authority's policy on purchase of water conservation credits obtained via the Fort Bend Subsidence District's ("FBSD") "Learning to Be Water Wise and Energy Efficient" Program. Mr. Garcia stated that the Authority's Groundwater Reduction Plan Fee is not expected to change before the end of 2007. No action was taken by the Board.

#### DISCUSS RENEWAL OF INSURANCE POLICIES

Mr. Garcia next reported that the Authority's insurance policies expire on August 2, 2007. Following discussion, the Board requested that ABHR obtain a renewal policy from Anco-McDonald Waterworks Insurance Services for review at next month's meeting.

#### BOOKKEEPER'S REPORT

Ms. Logsdon next reviewed a bookkeeper's report, including a summary of investments, monthly receipts, and past due accounts, a copy of which is attached. Following review and discussion, Director Patton moved that the Board approve the bookkeeper's report and payment of the bills. Director Hebert seconded the motion, which was approved by unanimous vote.

#### CONDUCT HEARING

Ms. Logsdon and Mr. Scholler updated the Board on the status of the well owners with discrepancies between the well pumpage amounts reported to the Authority and the well pumpage amounts reported to the FBSD during 2006, and stated that no hearing regarding delinquent fees is necessary at this time.

#### REVIEW TRAVEL REIMBURSEMENT GUIDELINES

The Board next discussed the number of per diems and meals for the Association of Water Board Directors ("AWBD") summer conference per the Authority's Travel Reimbursement Guidelines. Following review and discussion, Director Gay moved that the Board authorize four per diems and reimbursement for up to eight meals. Director Patton seconded the motion, which was approved by unanimous vote.

#### ENGINEER'S REPORT

Mr. Scholler next presented the engineer's report, including the monthly pumpage report, a list of wells located within the Authority that are not currently in service, a summary of activities, and upcoming events. A copy of the written engineer's report is attached.

Mr. Scholler updated the Board on the proposed project to provide treated effluent from the Cinco South Wastewater Treatment Plant to the YMCA camp located within the Barker Reservoir to create a lake. He reported that the United States Army

Corps of Engineers (the "Corps") is in the process of updating its Master Plan for Barker Reservoir addressing development within the reservoir including use of land with the YMCA camp. The Corps expects to complete the Master Plan by October, 2007, and there is a moratorium on development until the Master Plan is approved. He reported that the YMCA camp is located on property leased by Fort Bend County. He stated that based on conversation with the Corps, Fort Bend County Parks and Recreation's plans submitted for approval by the Corps as part of the Master Plan appear to include the lake. The Corps' review of Fort Bend County's plans will address the issues of construction on government land, loss/mitigation of reservoir storage, and destruction/mitigation of wetlands. He reported that if use of reclaimed water is a high priority, then the YMCA must work with Fort Bend County to revise its submittal to the Corps.

### ALTERNATIVE ANALYSIS

Mr. Scholler updated the Board on the status of the Alternative Analysis for Surface Water Conversion ("Alternative Analysis") which includes development of detailed 2013 and 2025 population and water demand projections, development of a GIS/database system, and facilities planning. He stated that a final report on the Alternative Analysis, based on proceeding with contract negotiations with the City of Houston (the "City") and the West Harris County Regional Water Authority (the "WHCRWA") for surface water to meet the 2013 through 2024 demands, is essentially complete. He stated that B&G is currently waiting on information from the City to finalize the surface water rate calculations.

Mr. Scholler reported that B&G is working with other Authorities and the City to determine the timing of the need for the Luce Bayou Project. He stated that the parties are analyzing how the project will be financed and the timing of the project.

Mr. Allen, Mr. Scholler, and Director Darden updated the Board on the status of informal discussions with representatives of the City regarding entering into a potential water supply contract to address the Authority's surface water needs. Discussion ensued regarding the terms of the water supply contracts the City has entered into with the North Harris County Regional Water Authority (the "NHCRWA") and the WHCRWA. Mr. Allen requested that the Board authorize the President of the Board to execute a letter to the City as formal notification of the Authority's desire to negotiate a water supply contract. Director Gay moved that the Board authorize the President to execute such a letter. Director Hebert seconded the motion, which was approved by unanimous vote.

Following review and discussion, Director Hebert moved that the Board approve the engineer's report as presented. Director Spell seconded the motion, which carried unanimously.

## APPROVE CONTRACT WITH THE GEORGE FOUNDATION

Mr. Garcia reported that ABHR and The George Foundation's legal counsel have been working on the Groundwater Reduction Plan Participation Agreement ("Agreement") between the George Foundation ("TGF") and the Authority. He reviewed the most recent draft of the Agreement. Mr. Garcia also explained that it may be at least 90 days before the Agreement is finalized due to final revisions, preparation of exhibits, TGF obtaining approval from cities where the TGF land is located, and TGF obtaining minor adjustments to the boundaries of Regulatory A by the FBSD. Following review and discussion, Director Hebert moved that the Board approve the contract, subject to final review and approval by the President of the Board. Director Gay seconded the motion, which was approved by unanimous vote.

## AUTHORIZE EXECUTION OF INTERLOCAL AGREEMENT WITH FBSD

Mr. Garcia reported that an Interlocal Agreement between the FBSD and the Authority is ready for execution. He stated that the agreement is for the sponsorship of 1,500 students of schools located within the Authority through the purchase of water conservation kits from FBSD for a cost of \$32.75 per kit as approved by the Board last month. Director Gay moved that the Board authorize execution of the agreement. Director Patton seconded the motion, which was approved by unanimous vote. A copy of the Interlocal Agreement is attached.

## UPDATE ON CREATION OF ONLINE PUMPAGE REPORTING SYSTEM

Ms. Payne next updated the Board on the status of the creation of an on-line pumpage reporting system. Mr. Scholler reported that the FBSD has expressed a willingness to accept the Authority's system for reporting requirements to minimize reporting reconciliation issues. No action was taken by the Board.

## PUBLIC COMMUNICATIONS

Ms. Payne next updated the Board on the Authority's public communications. She reviewed activities and sponsorship opportunities for the "Water is Life" Program. Following discussion, Director Gay moved that the Board approve sponsorship of the program in the amount of \$5,000.00, including books, coloring books, and materials for the mobile teaching lab. Director Patton seconded the motion, which was approved by unanimous vote.

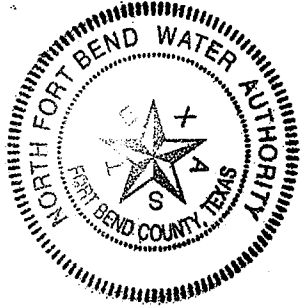
## REPORTS FROM DIRECTORS AND CONSULTANTS

Mr. Allen provided an update on legislative matters.

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

*Melony L. Say*  
Secretary, Board of Directors

(SEAL)



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