

MINUTES  
NORTH FORT BEND WATER AUTHORITY

June 23, 2010

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 June, 2010, 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; Pam E. Lightbody of AVANTA Services; Barbara Payne of Payne Communications; Steve Bonjonia of Property Acquisition Services; David Oliver, 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 first considered approving the minutes of the special meeting held on May 10, 2010, and the regular meeting held on May 26, 2010. After review and discussion, Director Gay 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, CONFERENCES

Ms. Payne reported that the Authority's annual newsletter has been distributed to residents within the Authority's boundaries.

Ms. Payne reported that 30,000 sets of six water conservation brochures are

available for the utility districts located within the Authority's boundaries to distribute with their utility bills.

Ms. Payne reported that the twenty-foot trailer for the Mobile Teaching Lab has been ordered and is expected to be delivered next week. She stated that the exhibits are being constructed and the lab should be ready for use by this fall.

Ms. Payne and Director Patton reported on the activities of the Water Conservation Committee.

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

Ms. Lightbody next reviewed a written bookkeeper's report, including checks for payment, transfers, monthly receipts, past due accounts, the income statement for the enterprise fund, and a schedule of debt service payments, a copy of which is attached. Mr. Oliver responded to questions from the Board regarding the Letter of Credit required by CenterPoint Energy for construction within its right-of-way. Following review and discussion, Director Gay moved to approve the bookkeeper's report. Director Fay 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.

ANNUAL REPORT

The Board next considered approving the Annual Report and authorizing filing of same with the appropriate information depositories in accordance with the Authority's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. Following review and discussion, Director Gay moved to approve the updated financial and operating data, subject to final review of the data by the Authority's consultants, and direct that the report be filed appropriately and retained in the District's official records. Director Patton seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS, WATER SUPPLY CONTRACT, LUCE BAYOU PROJECT

Ms. Silva next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority, and a list of recent and upcoming events. A copy of the written engineer's report is attached. Ms. Silva additionally reported on the status of water supply contracts with the City of Houston ("COH") and the status of the Luce Bayou Project.

## JOINT FACILITIES

Mr. Oliver reported on the status of negotiations with the West Harris County Regional Water Authority (the "WHCRWA") for sharing in the costs and capacity in the pump station, the Authority's initial water lines, and in second source water facilities. He stated that the Authority's contract committee met with representatives from the WHCRWA and a general consensus was reached on a term sheet for the agreement.

Ms. Silva reported that a draft report of the COH's study of an alternate route for the second source transmission line is expected to be completed at the end of July 2010.

## LEASE OF WATER PLANT

Ms. Silva reported that an agreement with the COH for the Authority's lease of the D-158 water plant is expected to be considered by the COH City Council soon. She requested authorization for B&G to perform an Environmental Due Diligence Study for the project in the amount of \$5,123.00.

## DESIGN AND CONSTRUCTION PROJECTS

Ms. Silva next reported on and reviewed tables indicating the status of design, contract documentation, right-of-way acquisition, and construction, as appropriate, for 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 discussed the schedule for advertising of construction projects and the utilization of an online bidding system. She recommended splitting Main Segment No. 4 into two segments, 4A and 4B, to maintain the current project schedule. She reported that B&G is evaluating the proposed SCADA system report.

Ms. Silva presented twelve bids to the Board and recommended that the Board award the contract for construction of Main Segment No. 2 water line to Hurtado Construction Company, in the amount of \$6,038,237.00. She stated that the Design Committee concurred with the recommendation. Following review and discussion, the Board concurred with the engineer's judgment that Hurtado Construction Company was a responsible bidder whose bid would result in the best and most economical completion of the project. A copy of the bid tabulation is attached to the engineer's report.

Ms. Silva updated the Board on the construction of Main Segments 0, 1A, and 1B and stated that construction updates are included on the Authority's web site. She then recommended approval of Pay Estimate No. 2 in the amount of \$143,186.25 for Segment 0, Pay Estimate No. 3 in the amount of \$25,548.75 for Segment 1A, and stated that Pay Estimate No. 3 for Segment 1B has no balance due.

## ROUTING ANALYSES

Ms. Silva updated the Board on the progress of route evaluations for the Authority's year 2025 distribution system.

## SERVICES CONTRACTS

Ms. Silva reviewed and recommended acceptance of a proposal in the amount of \$26,730.00 from V&A Consulting Engineers ("V&A") for cathodic protection of the Authority's water lines located in Segments 8, 9, and 12, due to the potential impact of CenterPoint Energy's power lines on such water lines.

Ms. Silva next reviewed and recommended acceptance of a proposal in the amount of \$6,000.00 for a change order from Tolunay-Wong Engineers, Inc. for additional geotechnical boring services for Segments 8, 9, and 12, due to locating key design obstacles.

Ms. Silva reviewed a proposed amendment to the Authority's contract with B&G for design of Segments 0, 1A, and 1B. Following discussion, the Board concurred to defer consideration of the proposed amendment pending receipt of additional information.

## GROUNDWATER REDUCTION PLAN, CHLORAMINES CONVERSION

Ms. Silva stated that no response has been received from Fort Bend County M.U.D. No. 141 regarding its request to participate in the Authority's Groundwater Reduction Plan. She stated that additional information has been received from Fort Bend County M.U.D. No. 142 on its request for a water supply contract in lieu of drilling a second water well and that B&G is exploring several routing options.

Ms. Silva next reviewed a spreadsheet summarizing the status of chloramine conversion projects.

## WELL PERMITTING

Ms. Silva reported that anticipated pumpage from each of the Groundwater Reduction Plan participants has been requested for the well aggregation process and that approximately 95% have responded.

## EFFLUENT REUSE STUDY

Ms. Silva updated the Board on B&G's efforts to obtain funding from the Texas Water Development Board (the "TWDB") for effluent reuse projects.

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

report, including: 1) approval of a contract in the amount of \$5,123.00 with B&G to perform an Environmental Due Diligence Study for the D-158 water plant; 2) approval of the award and execution of a contract in the amount of \$6,038,237 with Hurtado Construction Company for the construction of Main Segment No. 2 water line; 3) approval of a proposal in the amount of \$26,730.00 from V&A for cathodic protection of the Authority's water lines located in Segments 8, 9, and 12; 4) approval of a proposal in the amount of \$6,000.00 for a change order from Tolunay-Wong Engineers, Inc. for additional geotechnical boring services for Segments 8, 9, and 12; and 5) approval of Pay Estimate No. 2 in the amount of \$143,186.25 for Segment 0, and Pay Estimate No. 3 in the amount of \$25,548.75 for Segment 1A. Director Hebert seconded the motion, which was approved by unanimous vote.

#### REALTY INTEREST ACQUISITION

Mr. Oliver next recommended acceptance of nine Water Line Easements for Main Segments 1, 2, and 5 from the Grantors listed on the attached chart. Following review and discussion, Director Fay moved to accept the easements as recommended. Director Gay seconded the motion, which was approved by unanimous vote.

#### EXECUTIVE SESSION

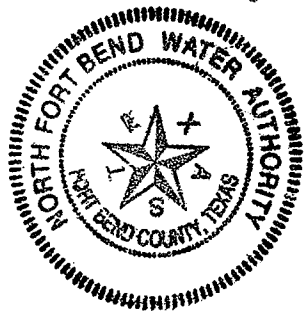
The Board convened in executive session at 7:07p.m., to deliberate the purchase, exchange, lease, or value of real property.

#### RECONVENE IN OPEN SESSION

At 7:17 p.m., the Board reconvened in open session. Director Fay moved to accept the owners' counteroffer for Tract 4.L01.06. Director Patton 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

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