

MINUTES
NORTH FORT BEND WATER AUTHORITY

August 26, 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 26th day of August, 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, except Director Patton, thus constituting a quorum.

Also present for all or part of the meeting were: David C. Scholler, P.E. of Brown & Gay Engineers, Inc. ("B&G"); Kevin Krahn, P.E. of AECOM; Steve Bonjonia of Property Acquisition Services, Inc.; Pamela Logsdon 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 meeting held on July 22, 2009. After discussion, Director Gay moved to approve the minutes as written. 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

Director Houghton discussed activities related to the formation of a Water Conservation Advisory Committee. Following review and discussion, Director Fay moved to adopt a Resolution Establishing a Water Conservation Advisory Committee which appoints Director Patton as the chair of and the liaison to the committee. Director Hebert seconded the motion, which was approved by unanimous vote.

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

Ms. Logsdon next reviewed a bookkeeper's report, including monthly receipts, past due accounts, and the quarterly investment report, a copy of which is attached. She requested authorization to open an account with Compass Bank for construction payments. She reported that a money market account for the Construction Trust Account with Regions Bank has not been opened due to questions Regions Bank has raised regarding the collateralization of funds deposited in such accounts.

Ms. Logsdon reported that there was no need to conduct a hearing on delinquent fees or rule violations. She reported that all of the outstanding fees related to Groundwater Reduction Plan Participant Agreements have been received. Following review and discussion, Director Gay moved to approve the bookkeeper's report as presented, including authorization to open an account with Compass Bank for construction payments. Director Darden seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS

Mr. Scholler next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority, including 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.

Mr. Scholler and Mr. Oliver reported on the status of negotiations with the West Harris County Regional Water Authority (the "WHCRWA") on a cost sharing agreement for joint facilities for Main Segments 0 and 1A. Mr. Scholler stated that a preliminary term sheet to address technical issues was developed and forwarded to ABHR for use in preparing the agreement. Mr. Oliver stated that he is working on the agreement and would be meeting with B&G soon to review information necessary to finalize a draft of the agreement.

Mr. Scholler reported that B&G provided a contract term sheet and schedule to the City of Houston (the "COH") on July 31, 2009. He stated that COH will prepare a draft lease agreement for review by the Authority's consultants.

Mr. Scholler 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 0, 1A, 1B, 2, 3, 4, 5, 6, 7A, 7B, 7C, 8A, 8B, 12A, 12B, 12C, and 12D, and the related district connection lines.

Mr. Scholler reported that B&G is organizing a surface water conversion workshop to be held on September 2, 2009, at the Safari Texas Ballroom. He said that the Texas

Commission on Environmental Quality (the "TCEQ") will participate in the workshop. He stated that the agenda for the workshop has been distributed and is available on the Authority's website.

Mr. Scholler reported that B&G is planning to attend upcoming meetings of all of the utility districts included in the 2013 surface water system to receive comments, address concerns, and answer questions about the surface water conversion program. He reviewed a list of the meetings.

Mr. Scholler reported that a tracking spreadsheet reflecting easement acquisition progress has been provided as part of the engineer's report for the Board's review.

Mr. Scholler reported that B&G is reviewing the Chloramine Conversion Policy in light of questions from utility districts to prepare recommendations for amending the policy to clarify certain matters for consideration by the Finance Committee.

Following review and discussion, Director Gay moved to accept the engineer's report as presented. Director Hebert seconded the motion, which was approved by unanimous vote.

REALTY INTEREST ACQUISITION

Mr. Oliver recommended acceptance of 15 Water Line Easements, (seven for Main Segment 1A, six for Main Segment 1B, and two from Main Segment 4) from the Grantors listed in the attached chart. Following review and discussion, Director Gay moved to accept the easements as recommended. Director Hebert 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.

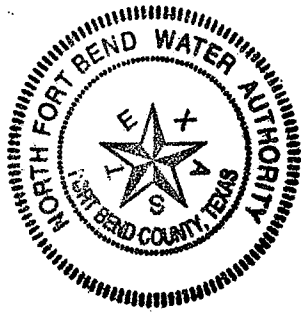
CONVENE IN EXECUTIVE SESSION, RECONVENE IN OPEN SESSION

The Board 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.

The Board reconvened in open session. No action was taken by the Board.

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

(SEAL)



Melony Gay
Secretary, Board of Directors

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