

MINUTES  
NORTH FORT BEND WATER AUTHORITY

September 23, 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 23rd day of September, 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: Barbara Payne of Payne Communications; Melinda Silva, 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 August 26, 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

Ms. Payne updated the Board on public communication activities, including the formation of a Water Conservation Advisory Committee, availability of water conservation brochures for utility districts, and planning for a Groundbreaking Ceremony for the Authority's first construction projects. Discussion ensued regarding

the schedule for next year's annual newsletter. Ms. Silva stated that the Authority's first delivery of surface water to a utility district is expected in December 2010.

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

Ms. Logsdon next reviewed a bookkeeper's report, including monthly receipts, and past due accounts, a copy of which is attached. Discussion ensued regarding methods for obtaining additional water conservation credits for the Authority. Following discussion, the Board requested that the consultants contact the Fort Bend Subsidence District (the "FBSD") to facilitate the purchase of additional water conservation credits or the funding of water conservation or effluent reuse projects for such credits. Director Patton moved to approve the bookkeeper's report as presented. Director Gay seconded the motion, which was approved by unanimous vote.

Ms. Logsdon reported that there was no need to conduct a hearing on delinquent fees or rule violations.

#### ENGINEERING MATTERS

Ms. Silva next presented the engineer's report, including the monthly pumpage report, the status of newer wells located within the Authority, a summary of activities, and a list of upcoming events. A copy of the written engineer's report is attached.

Mr. Oliver reported that a draft cost sharing agreement for joint facilities for the pump station and Main Segments 0 and 1A, has been forwarded to the West Harris County Regional Water Authority (the "WHCRWA").

Ms. Silva reported that B&G provided to the City of Houston (the "COH") a contract term sheet and schedule for lease of the D-158 Water Plant on July 31, 2009. She stated that the COH has not yet forwarded a draft lease agreement for review by the Authority's consultants.

Ms. Silva next reported on the status of design and right-of-way acquisition, 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.

Ms. Silva reported that bid openings are scheduled for the contracts for the construction of Main Segment 0 on October 1, 2009, Main Segment 1A on October 6, 2009, and Main Segment 1B on October 7, 2009.

Ms. Silva reported that the design team has reached a consensus with CenterPoint Energy and the landowner on an alternate alignment for Main Segment 3. She recommended approval of a change order in the amount of \$28,500.00 from LJA

Engineering & Surveying, Inc. ("LJA") for the work required due to the revised alignment.

Ms. Silva reported that the presentations from the Surface Water Conversion Workshop held on September 2, 2009, are available on the Authority's website.

Ms. Silva reported that B&G is attending 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.

Ms. Silva 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.

Ms. Silva stated that the first chloramines conversion design submittal has been received from Fort Bend County Municipal Utility District No. 41.

Ms. Silva recommended that the Board move forward with the selection process for an operator for the Authority and requested authorization to prepare a Request for Qualifications.

Ms. Silva reported that the FBSD has requested that the Authority provide a secure space for a land subsidence monitoring site. She requested authorization to work with the FBSD to identify possible locations.

Ms. Silva reported that a tracking spreadsheet reflecting easement acquisition progress will be distributed for the Board's review.

Ms. Silva recommended approval of a proposal in the amount of \$38,500.00 from Raba-Kistner Consultants, Inc. ("RK") for additional field work required by the Texas Historical Commission for Main Segment 7B.

Following review and discussion, Director Hebert moved to accept the engineer's report as presented, including: (1) approval of the change order in the amount of \$28,500.00 from LJA for work required to revise the alignment for Main Segment 3; (2) authorization for B&G to prepare an operator Request for Qualifications; (3) approval of the proposal in the amount of \$38,500.00 from RK for additional required field work for Main Segment 7B; and (4) authorization for B&G to work with FBSD to identify possible locations for a land subsidence monitoring site. Director Gay seconded the motion, which was approved by unanimous vote.

#### REALTY INTEREST ACQUISITION

Mr. Oliver recommended acceptance of three Water Line Easements for Main Segments 1A and 1B from the Grantors listed on 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

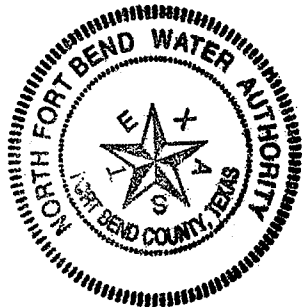
There was no discussion regarding additional engineering, environmental, surveying, legal, right-of-way acquisition, or appraisal services.

CONVENE IN EXECUTIVE SESSION, RECONVENE IN OPEN SESSION

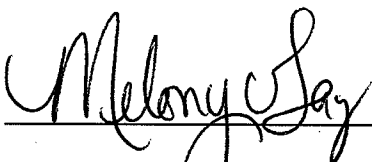
The Board convened in executive session pursuant to Chapter 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

The Board reconvened in open session. Following review and discussion regarding right-of-way acquisition, Director Gay moved to: (1) approve the counteroffers as discussed for parcels 1A.07, 1B.18 and 19, 1B.24, 1B.L01.B23, 1B.L01.B35, 1B.L01.B45, and 1B.L01.B47; (2) reject the counteroffer as discussed for parcel 1A.17; and (3) reject the counteroffers and make offers as discussed for parcels 1A.01, 1B.03, 1B.23, 1B.L01.B08, 1B.L01.B31. Director Darden 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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