

BOOKKEEPER'S REPORT

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

TCEQ PROPOSED CHANGES TO PUBLIC DRINKING WATER RULES

Mr. Scholler and Mr. Garcia next reported that the Texas Commission on Environmental Quality (the "TCEQ") is holding stakeholder meetings to discuss proposed rule changes to Title 30, Texas Administrative Code, Chapter 290, Public Drinking Water. They stated that the proposed changes will, among other items, include clarification of regulations for large, wholesale, secondary water providers such as water authorities created in the Houston area. Mr. Scholler stated that B&G will attend the meetings and update the Board. No action was taken by the Board.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR ENGINEERING CONSTRUCTION

The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Engineering Construction. Mr. Garcia noted that the majority of the Authority is located in the extraterritorial jurisdiction of the City of Houston and discussed wage information on construction projects involving the City of Houston. Following review and discussion, Director Gay moved that the Board adopt a Resolution Adopting Prevailing Wage Rate Scale. Director Hebert seconded the motion, which passed unanimously. The Resolution, thus adopted, is attached to and shall be considered part of these minutes.

ADOPT RESOLUTION ESTABLISHING CRITERIA FOR SURETIES ISSUING PAYMENT AND PERFORMANCE BONDS

Mr. Garcia stated that the Authority is authorized by Section 49.271(c) of the Texas Water Code to establish minimum criteria for acceptability of a surety company issuing payment and performance bonds in connection with construction of Authority facilities. He then reviewed a Resolution Establishing Criteria for the Sureties Issuing Payment and Performance Bonds reflecting the Authority requirements that a surety be (a) certified to do business in the State of Texas; (b) certified by the State Board of Insurance to issue payment and performance bonds in the contract amount; and (c) have a rating of "B+" or better in the Best's Key Rating Guide. Following review and discussion, Director Gay moved that the Board adopt a Resolution Establishing Criteria for the Sureties Issuing Payment and Performance Bonds. Director Darden seconded

the motion, which passed by unanimous vote. The Resolution, thus adopted, is attached to and shall be considered as a part of these minutes.

PUBLIC COMMUNICATIONS

Ms. Payne next updated the Board on the Authority's public communications including the monthly newsletter, e-mail blasts, and website, nfbwa.com. She reviewed water conservation brochures, copies of which are attached, and videos for placement onto the Authority's website. She discussed development of long-range plans for educational programs on water conservation and coordination with the school districts located within the Authority. She reviewed a draft announcement of the Fort Bend Subsidence District water reuse seminar to be held at the Rosenberg Civic Center on November 9, 2006. No action was taken by the Board.

ENGINEER'S REPORT, REPORT ON EFFLUENT REUSE STUDY, ACTION ON FORT BEND SUBSIDENCE DISTRICT PERMIT RENEWALS

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. He reported on discussions with the Fort Bend Subsidence District to move wells permitted in the Authority to a common expiration date of September 30.

Mr. Scholler next reviewed the activities and schedule for the Alternative Analysis for Surface Water Conversion Study, including development of 2013 and 2025 population and water demand projections, development of a GIS database system, facilities planning, and incorporation of information for the cities of Richmond and Rosenberg into the current analysis to evaluate additional alternatives with the cities' participation.

Mr. Scholler next reviewed the activities and schedule for the Effluent Reuse Study. He reported that the estimated reliable supply of treated effluent available for the water demand of irrigation and amenity lakes is approximately 15% of the groundwater production subject to the pumpage fee in 2005. He stated that the water demand will continue to be more than the treated effluent supply. He stated that the draft report will be distributed to ABHR and the directors to address any concerns and then finalized. He reported that the Fort Bend Subsidence District water reuse seminar is scheduled for November 9, 2006, at the Rosenberg Civic Center.

In response to a question from a member of the public regarding construction of a third well to serve Kingsbridge MUD, Mr. Scholler stated that Kingsbridge MUD may want to consider temporarily delaying construction until the Alternative Analysis for Surface Water Conversion Study is completed at the end of 2006 and that the district's engineer should call him for additional information.

Mr. Scholler stated that he will distribute to the Board additional information on the forum regarding groundwater conversion scheduled to be held on November 2, 2006, by the Southeast Chapter of the Texas Section of the AWWA.

Mr. Scholler stated that actual pumpage numbers are being used by B&G in the analyses. He stated that the updated Fort Bend County population estimates for 2005 did not change B&G's population estimates. He reviewed B&G's development of population estimates.

Ms. Dominguez reported that the stakeholders committed to participating in the Brazos River Authority's next phase of study of the West Fort Bend County Regional Surface Water System are the Cities of Richmond and Rosenberg, Pecan Grove MUD, Plantation MUD, and Fort Bend County MUD No. 25.

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

REPORTS FROM DIRECTORS AND CONSULTANTS

Mr. Allen reported on a request from Jimmie Schindewolf, General Manager of the North Harris County Regional Water Authority ("NHCRWA"), that the NHCRWA, West Harris County Regional Water Authority ("WHCRWA"), and the North Fort Bend Water Authority consult with each other on a regular basis and work together, with the City of Houston, on legislative and other issues that the entities may have in common. The Board concurred that the Authority's consultants are authorized to consult with the NHCRWA, the WHCRWA, and the City of Houston on such issues.

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

Secretary, Board of Directors

(SEAL)

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