

MINUTES
NORTH FORT BEND WATER AUTHORITY

April 20, 2016

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 20th day of April, 2016, at the Willow Fork Country Club, 21055 Westheimer Parkway, 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	Assistant Secretary
Pat Hebert	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were Charles Shumate, Fred Bauhof, Matthew L. Froehlich, Janice Hayes, and Shayna Chapman of Brown & Gay Engineers, Inc. ("BGE"); Pam E. Lightbody of AVANTA Services; Dale Clayton of Severn Trent Services, Inc.; David Oliver, Christina Miller, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on March 23, 2016, and special meeting held on April 6, 2016. After review and discussion, Director Gay moved to approve the minutes as written. Director Hebert seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Houghton opened the meeting to receive public comments. There being no public comments, Director Houghton closed the meeting to public comments.

MEETING SCHEDULE

Ms. Miller reported that the Authority is scheduled to meet on May 25, 2016.

PUBLIC COMMUNICATIONS, WATER CONSERVATION AND REUSE, AND APPLICATION FOR FUNDING

Ms. Chapman presented and reviewed with the Board a Memorandum Regarding Water Conservation and Reuse, a copy of which is attached. She discussed matters related to public communications, water conservation, and effluent reuse, including training opportunities, planned use of promotional items at the Authority's exhibitor booth at the Association of Water Board Directors summer conference, communication with the homeowners associations located within the Authority's boundaries, coordination with the Fort Bend Independent School District on an essay contest regarding subsidence, reservation of the Authority's mobile teaching lab, and the number of irrigation evaluations completed per the Authority's W.I.S.E. Guys Irrigation System Evaluation Program ("WISE Guys Program").

Ms. Chapman reviewed a chart indicating the status of effluent reuse or alternate water credit projects/contracts. She reported that an Alternative Water Supply Credit Agreement with Fort Bend County Municipal Utility District No. 169 is ready for execution.

Ms. Chapman reported on implementation of the Authority's Larry's Toolbox water conservation program. She reported that Larry's Toolbox Program Participation Agreements with Cinco Municipal Utility District Nos. 5 and 6, and Fort Bend County Municipal Utility District Nos. 41, 50, 58, 119, 133, 146, and 194, and an Irrigation System Evaluations Cost Sharing Agreement with Fort Bend County Municipal Utility District No. 58, are ready for execution.

Ms. Chapman reported on the status of implementing the Homeowners Association Irrigation System Evaluation and Water Budget initiatives, including receipt of proposals and preparation of contracts with approved vendors and distribution of information for placement into the bills of participating municipal utility districts.

Ms. Chapman reported on Glass House Strategy's activities related to implementing the Authority's Larry's Toolbox water conservation program, including creation of a website containing information and forms and preparation of informational bill inserts for distribution to participating municipal utility districts.

Ms. Chapman reported that the Authority's Communication, Conservation, and Reuse Committee recommends approval of a proposal from Alliance for Water Efficiency for conducting a workshop for operators and directors regarding tiered water rates modeling in the amount of \$1,500.00 plus travel expenses. She said the workshop is tentatively scheduled for May 31, 2016.

Ms. Chapman reported that the Authority's Communication, Conservation, and

Reuse Committee recommends approval of the purchase of one American Water Works Association manual titled, "M1 Principles of Water Rates, Fees and Charges," in the amount of \$103.00 to lend to well owners participating in the Larry's Toolbox water conservation program's Effective Tiered Water Rates initiative.

Ms. Chapman reported that a meeting of the Authority's constituent water conservation committee is scheduled for April 26, 2016.

Ms. Chapman reported that the Authority's "Larry the Talking Sprinkler" water conservation marketing and education campaign has been selected to receive an award by the Texas American Water Works Association.

Ms. Chapman reported on Glass House Strategy's activities related to the Authority's communication and education programs, including redesign of the Authority's logo, finalization of the Authority's Spring 2016 newsletter for distribution, and development of a series of educational videos through a spokesperson partnership with Randy Lemmon, including television, radio, digital, print, and social media, to expand the Authority's "Larry the Talking Sprinkler" water conservation marketing and educational campaign.

Following review and discussion, Director Gay moved to authorize:

- (1) execution of an Alternative Water Supply Credit Agreement with Fort Bend County Municipal Utility District No. 169;
- (2) approval of a proposal from Alliance for Water Efficiency for conducting a workshop for operators and directors regarding tiered water rates modeling in the amount of \$1,500.00 plus travel expenses; and
- (3) approval of the purchase of one American Water Works Association manual titled, "M1 Principles of Water Rates, Fees and Charges," in the amount of \$103.00.

Director Patton seconded the motion, which was approved by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Lightbody presented and reviewed with the Board the written bookkeeper's report, including checks for payment, transfers, monthly receipts, past due accounts, a summary of investments, a schedule of debt service payments, a schedule of the number of inspections completed for the Authority's WISE Guys Program, and the income statement for the Enterprise Fund. A copy of the bookkeeper's report is attached. Following review and discussion, Director Gay moved to approve the bookkeeper's report. Director Hebert seconded the motion, which was approved by unanimous vote.

HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

Mr. Oliver reported that the Authority's Finance and Policy Committee recommended approval of a request from the Board of Directors of Fort Bend County Municipal Utility District No. 30 ("FB 30") for a waiver of the Authority's Import Water Fee, for a period not to exceed 180 days, for water that FB 30 expects to receive as payment-in-kind from a municipal utility district located outside of the boundaries of the Authority pursuant to an emergency water supply agreement between the districts. A copy of FB 30's request is attached. Following review and discussion, Director Gay moved to approve FB 30's request for a waiver of the Authority's Import Water fee. Director Hebert seconded the motion, which was approved by unanimous vote.

RENEWAL OF LETTER OF CREDIT

Mr. Oliver reviewed the terms for a proposed one-year renewal of the Authority's Letter of Credit issued by Central Bank in the amount of \$1,000,000 in favor of CenterPoint Energy, due to expire on June 4, 2016. Following discussion, Director Gay moved to approve a one-year renewal of the Letter of Credit issued by Central Bank in favor of CenterPoint Energy. Director Patton seconded the motion, which was approved by unanimous vote.

OPERATION OF AUTHORITY FACILITIES

Mr. Clayton presented and reviewed with the Board the operator's report and reported on the operations of the Authority's facilities, including inspections, maintenance, repairs, joint facility expenses, and water accountability. A copy of the operator's report is attached. He reported that cost estimates are being obtained for repair of a sinkhole that developed along the Authority's Main Segment 12C near a drainage channel crossing in Cinco Southwest Municipal Utility District No. 1. Following review and discussion, Director Gay moved to approve the operator's report. Director Hebert seconded the motion, which carried unanimously.

ADOPT UPDATED CRISIS MANAGEMENT MEDIA RELATIONS PLAN

The Board reviewed an updated Crisis Management Media Relations Plan. Following review and discussion, Director Gay moved to adopt the updated Crisis Management Media Relations Plan, subject to finalization. Director Hebert seconded the motion, which was approved by unanimous vote.

REGULATORY MATTERS

SUBSIDENCE DISTRICT REGULATIONS AND PERMITTING, AUTHORITY'S GROUNDWATER REDUCTION PLAN ("GRP"), AND RELATED AGREEMENTS

Mr. Froehlich presented and reviewed with the Board the engineer's report. A

copy of the engineers report is attached.

Mr. Froehlich reported on matters related to the Authority's GRP, including monthly groundwater and surface water use by municipal utility districts receiving surface water from the Authority and permitting matters.

ENGINEERING MATTERS

ROUTING ANALYSES, DESIGN, AND CONSTRUCTION PROJECTS

Mr. Froehlich reported that the Authority's Capital Planning and Design Committee recommends approval of Change Order No. 5 from BGE for an increase in the hourly rate for right-of-way services from \$75.00 to \$85.00 for an average estimated rate of \$300 per parcel.

Mr. Froehlich reported on the status of the Authority's projects to construct Main Segments 10A and 10B, and recommended approval of two pay estimates submitted by Hurtado Construction Company for the projects. He stated that the contractor is addressing minor finalization items.

Mr. Froehlich reported on the status of Fort Bend County Municipal Utility District No. 134A's construction of a surface water line connection and meter stations for its Water Plant No. 2.

Mr. Froehlich reported on the status of the Authority's project to construct a surface water line connection for Grand Mission Municipal Utility District No. 1's Water Plant No. 3. He stated that a notice to proceed with construction of the project will be issued to Principal Services, Ltd. in May, 2016. He reported that the Authority's Capital Planning and Design Committee recommends approval of a proposal from Environmental Allies, Inc. for storm water pollution prevention program services during construction of the project in the amount of \$1,275.00.

Mr. Froehlich reported on the status of the preparation of design plans for the Authority's projects to construct surface water line connections for Fort Bend County Municipal Utility District No. 30's Water Plant No. 3 by Jones & Carter, Inc. and Fort Bend County Improvement District No. 24 by BGE.

Mr. Froehlich reported on the warranty inspection schedules for the Authority's completed construction projects for combined Main Segments 13A and 16A and the surface water line connection for Fort Bend County Municipal Utility District No. 206. He stated that E.P. Brady Ltd. is addressing warranty items for combined Main Segments 13A and 16A.

FACILITIES, PROJECTS, AND COMMUNICATION SYSTEMS

Mr. Froehlich reported on the status of the Authority's Meter Station Communication Upgrades project pursuant to its contract with BL Technology, Inc. and recommended approval of one pay estimate for the project.

Mr. Froehlich reported on the status of TLC Engineering's evaluation of the Authority's facilities as required per the Authority's bond covenants.

REGIONAL PLANNING MATTERS

JOINT PROJECTS, WATER SUPPLY CONTRACT, AND PROJECTS AND FUNDING

Mr. Froehlich reported on matters related to the Authority's joint facilities with the West Harris County Regional Water Authority, including the status of design contracts for the three water line segments for the Surface Water Supply Project.

Mr. Froehlich reported on City of Houston ("COH") water supply matters. He discussed the status of the Coastal Water Authority's Luce Bayou project, including the construction schedules for the Capers Ridge pump station and the design schedules for the canal and three miles of parallel 96-inch water lines.

Mr. Bauhof reported on the status of the COH's Northeast Water Purification Plant Expansion project per its Design-Build Agreement with CH2M Hill, Inc., including site survey, geotechnical investigations, and concept development. He stated that the Basis of Design tasks (Component 1) are on schedule and budget.

Following review and discussion, Director Gay moved to approve the engineer's report, including the following authorizations:

- (1) approval of Change Order No. 5 from BGE for an increase in the hourly rate for right-of-way services from \$75.00 to \$85.00 for an average estimated rate of \$300 per parcel;
- (2) approval of a proposal from Environmental Allies, Inc. for storm water pollution prevention program services during construction of a surface water line connection for Grand Mission Municipal Utility District No. 1's Water Plant No. 3 in the amount of \$1,275.00; and
- (3) approval of the following pay estimates:
Main Segment 10A, Pay Estimate No. 9 in the amount of \$158,281.40,
Main Segment 10B, Pay Estimate No. 11 in the amount of \$11,485.59, and
Meter Station Communication Upgrades, Pay Estimate No. 1 in the amount of \$516,330.00.

Director Hebert seconded the motion, which was approved by unanimous vote.

CONTRACTS FOR SERVICES

Mr. Oliver reviewed with the Board an engagement letter from Dwayne L. Mason of Greenberg Traurig, LLP for legal services related to trademark, copyright, and licensing matters. Following review and discussion, Director Gay moved to authorize execution of the engagement letter. Director Hebert seconded the motion, which was approved by unanimous vote.

REALTY INTEREST ACQUISITION

There was no discussion regarding realty interest acquisition matters.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:41 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the Authority's attorney.

RECONVENE IN OPEN SESSION

At 7:03 p.m., 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)




Secretary, Board of Directors

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