

MINUTES
NORTH FORT BEND WATER AUTHORITY

June 24, 2015

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 24th day of June, 2015, 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	Director
Pat Hebert	Director

and all of the above were present except Directors Spell and Fay, thus constituting a quorum.

Also present for all or part of the meeting were Dave Scholler and Charles Shumate of Brown & Gay Engineers, Inc. ("BGE"); Pam E. Lightbody of AVANTA Services; Mark Yentzen of Severn Trent Services, Inc.; Christina Miller and Justine M. Cherne of Allen Boone Humphries Robinson LLP; and persons listed on the attached attendance sheets.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on May 27, 2015. After review and discussion, Director Hebert moved to approve the minutes as written. Director Patton seconded the motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Director Houghton opened the meeting to receive public comments. Steve Talecki of Cornerstones Municipal Utility District addressed the Board and stated that Mr. Shumate and Lindsay Kovar gave a good presentation on Authority matters during the Association of Water Board Directors summer conference. Mr. Shumate reported on the presentation and attendance at the Authority's exhibit hall booth at the conference. There being no additional public comments, Director Houghton closed the meeting to public comments.

PUBLIC COMMUNICATIONS AND WATER CONSERVATION AND REUSE

Mr. Shumate presented and reviewed with the Board a Memorandum Regarding Water Conservation and Reuse, a copy of which is attached. He discussed training opportunities and matters related to public communications, water conservation, and effluent reuse.

Mr. Shumate reported on presentations given to municipal utility districts regarding the Authority's purpose, goals, and activities. He reviewed a schedule for presentations planned for several municipal utility districts and community associations, as well as during the American Waterworks Association lunch scheduled for June 25, 2015.

Mr. Shumate reported on the Authority's W.I.S.E. Guys Irrigation System Evaluation Program ("WISE Guys Program"), including distribution of new bill inserts providing information on the program. He reported that Irrigation Systems Evaluation Cost Sharing Agreements with Fort Bend County Municipal Utility District Nos. 123, 130, 133, and 194 were ready for execution.

Mr. Shumate reported on new requests for a combined effluent reuse project from Fort Bend County Municipal Utility District Nos. 146 and 194 and an alternate water credit project from Fort Bend County Municipal Utility District No. 118. He reviewed a chart indicating the status of effluent reuse or alternate water credit projects/contracts.

Mr. Shumate reported on the status of developing an implementation plan for the water conservation and public outreach initiatives developed by the Authority's Water Conservation Committee and discussion ensued.

Mr. Shumate updated the Board on BGE's coordination with Glass House Strategy, LLC on activities related to the Authority's water conservation marketing campaign, including the anticipated schedules for launching the Authority's updated website and distributing the summer newsletter. He discussed preparation of a bill insert to communicate the local cost savings achieved by passage of Proposition 6 during the November 5, 2013, Texas General Election authorizing the creation of a State Water Implementation Fund for Texas to assist with financing priority projects in the State Water Plan.

Mr. Shumate reported on BGE's review of Water Conservation Reports submitted by municipal utility districts within the Authority.

Following review and discussion, Director Gay moved to authorize: (1) the Authority's consultants to prepare an alternate water use agreement with Fort Bend County Municipal Utility District Nos. 146 and 194; and (2) execution of Irrigation Systems Evaluation Cost Sharing Agreements with Fort Bend County Municipal Utility

District Nos. 123, 130, 133, and 194. Director Hebert seconded the motion, which was approved by unanimous vote.

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

Ms. Lightbody presented and reviewed with the Board the bookkeeper's report, including invoices for payment, fund 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 as presented. Director Hebert seconded the motion, which was approved by unanimous vote.

Ms. Lightbody reported that there were no delinquent fees or rule violations for consideration.

ANNUAL REPORT FILING

Ms. Miller reviewed the Authority's updated financial and operating data included in the Annual Report prepared 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, and direct that the report be filed appropriately and retained in the Authority's official records. Director Hebert seconded the motion, which was approved by unanimous vote.

PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board conducted an annual review of the Authority's Procedures for Continuing Disclosure Compliance and concurred that no action was necessary.

OPERATION OF AUTHORITY FACILITIES

Mr. Yentzen 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, water accountability, and a report on performance of Texas 811 line locations. A copy of the operator's report is attached. Mr. Yentzen reported on efforts to address offline surface water connections for Fort Bend County Municipal Utility District Nos. 133 and 142. Following review and discussion, Director Gay moved to approve the operator's report. Director Hebert seconded the motion, which was approved by unanimous vote.

DISCUSS AUTHORITY COMMITTEE STRUCTURE

The Board concurred to table committee meetings and formation of new committees pending discussion on reorganizing the structure of the Authority's committees for increased efficiency at the July regular meeting.

REGULATORY MATTERS

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

Mr. Scholler presented and reviewed with the Board the engineer's report. A copy of the engineer's report is attached.

Mr. Scholler 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, permitting and reporting matters, and the construction schedule for Cinco Municipal Utility District No. 1's test well for a joint brackish groundwater study in the Jasper aquifer. He reported that an Over-Conversion Credit Certificate in the amount of 5,093,000,000 gallons for the Authority's October 1, 2013 - September 30, 2014, permit period has been received from the Fort Bend Subsidence District (the "FBSD") and stated that the Authority has accrued approximately 10.9 billion gallons of over-conversion credits. He stated that an application for over-conversion credits for the 2014-2015 permit period will be submitted to the FBSD.

Mr. Scholler reported that BGE is evaluating a request from the engineer for Fort Bend County Municipal Utility District No. 132 for delivery of water by May, 2016.

ENGINEERING MATTERS

ROUTING ANALYSES, DESIGN AND CONSTRUCTION PROJECTS, FACILITIES, AND CONTRACTS

Mr. Scholler reported that record drawings are being prepared for the completed surface water line connection to Fort Bend County Municipal Utility District No. 206. He updated the Board on construction of Main Segments 10A and 10B, the design of the surface water line connections for Fort Bend County Municipal Utility District No. 134A's water plant no. 2 and Grand Mission Municipal Utility District's water plant no. 3, and the warranty inspection schedule for Main Segment 7C. He recommended approval of two pay estimates for the construction projects.

REPORTS AND STUDIES

Mr. Shumate reported that Mr. Froehlich held a kickoff meeting on June 1, 2015,

and design is underway for the Phase 2 implementation of a Supervisory Control and Data Acquisition System between the Authority's Bellaire Pump Station and existing and future meter stations at remote water plants receiving surface water.

REGIONAL PLANNING MATTERS

JOINT PROJECTS AND WATER SUPPLY CONTRACT AND PROJECTS

Mr. Scholler reported on City of Houston ("COH") water supply matters. He discussed the status of the Coastal Water Authority's Luce Bayou project, including the status of the design of the pump station. He reported on the status of the Northeast Water Purification Plant Expansion project and stated that the design-build team proposals for the plant expansion project are due October 27, 2015.

Mr. Scholler discussed the status of finalizing the COH's O&M True-up calculations for fiscal years 2013 and 2014, including preparation and submission of comments to the COH and documentation needed from the COH.

Mr. Scholler discussed potential financing of the Authority's portions of the COH's Northeast Water Purification Plant Expansion and Second Source Water Line projects from the State Water Implementation Fund for Texas. He stated that the Authority's application for financial assistance in the first round of funding was submitted to the Texas Water Development Board on June 4, 2015, and has been declared administratively complete.

Mr. Scholler discussed the regional water planning process, including the Region H Water Planning Group's schedule for public comments and hearings on the draft 2016 Water Plan.

Following review and discussion, Director Gay moved to approve the engineer's report, including the following pay estimates for construction projects: (1) Main Segment 10A, Pay Estimate No. 4 in the amount of \$377,403.63, and (2) Main Segment 10B, Pay Estimate No. 9 in the amount of \$11,833.74. Director Hebert seconded the motion, which was approved by unanimous vote.

CONTRACTS FOR SERVICES

There was no discussion regarding contracts for services.

REALTY INTEREST ACQUISITION

There was no discussion regarding realty interest acquisition matters.

CONVENE IN EXECUTIVE SESSION

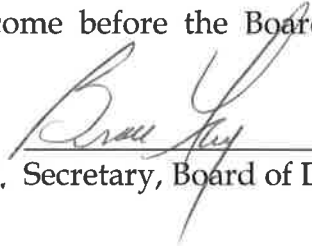
The Board convened in executive session at 6:49 p.m., pursuant to Section

551.071, Texas Government Code, to conduct a private consultation with attorney.

RECONVENE IN OPEN SESSION

At 6:58 p.m., the Board reconvened in open session. Director Gay moved to authorize execution of a Power of Attorney and conflict waiver in response to the Internal Revenue Service's request for information for its examination of the Authority's Series 2010B Bonds. Director Hebert seconded the motion, which was approved by unanimous vote.

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



ASST. Secretary, Board of Directors

(SEAL)

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