

MINUTES
NORTH FORT BEND WATER AUTHORITY

April 22, 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 22nd day of April, 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 Director Hebert, thus constituting a quorum.

Also present for all or part of the meeting were Dave Scholler, Charles Shumate, Lindsay Kovar, and Matt Froehlich of Brown & Gay Engineers, Inc. ("BGE"); Vinny Minchillo and Natalie Salhanick of Glass House Strategy, LLC ("GHS"); Pam E. Lightbody of AVANTA Services; Mark Yentzen of Severn Trent Services, Inc. ("STSI"); David Oliver 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 March 25, 2015 and special meeting held on April 1, 2015. After review and discussion, Director Gay 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. There being no public comments, Director Houghton closed the meeting to public comments.

PUBLIC COMMUNICATIONS AND WATER CONSERVATION AND REUSE

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

Ms. Kovar reported on presentations on the Authority's purpose and goals given to municipal utility districts. She reviewed a schedule for presentations planned for several municipal utility districts and community associations, as well as, during the Association of Water Board Directors summer conference.

Ms. Kovar and Director Patton reported on presentations and awards given during the Texas Water 2015 conference to the Authority, Ms. Kovar, and GHS for water conservation efforts. Mr. Minchillo additionally reported on state and national awards received by the Authority, Ms. Kovar, and the Authority's "Larry the Sprinkler" water conservation marketing campaign.

Mr. Minchillo updated the Board on activities related to the Authority's water conservation marketing campaign, including production of a television commercial, installation of a new billboard, and preparation of a newsletter and tri-fold water conservation brochures. Ms. Salhanik reported that public responses to the radio commercials and Facebook Page have been positive and discussed updates made to the Authority's website. Discussion ensued regarding enhancing public communications related to water conservation for landscape irrigation systems, including the Authority's W.I.S.E. Guys Irrigation System Evaluation Program.

Ms. Kovar reported on the status of effluent reuse or alternative water credit projects/contracts for Cinco M.U.D. No. 1, Fort Bend County M.U.D. No. 34, Grand Lakes M.U.D. Nos. 1, 2, and 4, Fort Bend County M.U.D. No. 169, Fort Bend County M.U.D. No. 151, and Fort Bend County M.U.D. No. 146. She discussed applications for state and federal funding prepared by BGE for the Grand Lakes M.U.D. Nos. 1, 2, and 4 proposed effluent reuse project and preparation of an agreement with the Authority.

Ms. Kovar reported on the Authority's W.I.S.E. Guys Irrigation System Evaluation Program and the status of developing an implementation plan for the water conservation and public outreach initiatives developed by the Authority's Water Conservation Committee. She additionally reported on distribution of the current tri-fold water conservation brochure and the schedule for use of the Authority's water conservation mobile teaching lab by three community associations.

Ms. Kovar reported on the status of submission of Water Conservation Reports by municipal utility districts within the Authority and on BGE's coordination with STSI on preparation of the Authority's annual report on implementation of the Water Conservation Plan.

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, 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 W.I.S.E. Guys Irrigation System Evaluation Program, and the income statement for the Enterprise Fund. A copy of the bookkeeper's report is attached. She reviewed an invoice from the City of Houston (the "COH") for costs incurred prior to December 1, 2014, per the Second Supplement to the Authority's Water Supply Contract with the COH for the Northeast Water Purification Plant expansion project. Following review and discussion, Director Gay moved to approve the bookkeeper's report as presented, including payment of the invoice from the COH. Director Patton seconded the motion, which was approved by unanimous vote.

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

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, and water accountability. A copy of the operator's report is attached. Following review and discussion, Director Gay moved to approve the operator's report. Director Patton seconded the motion, which was approved by unanimous vote.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND WATER LOSS AUDIT

Ms. Kovar reported on coordination with STSI on the preparation of an annual report on implementation of the Authority's Water Conservation Plan for submission to the Texas Commission on Environmental Quality and the Texas Water Development Board prior to May 1, 2015, as required. Mr. Yentzen stated that the Authority is not required to submit an annual water loss audit. Following discussion, Director Gay moved to authorize submission of the annual report on implementation of the Authority's Water Conservation Plan. Director Patton seconded the motion, which was approved by unanimous vote.

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

DISCUSS AUTHORITY COMMITTEE STRUCTURE

The Board and the Authority's consultants discussed reorganizing the structure of the Authority's committees for increased efficiency.

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, the schedule for Cinco M.U.D. No. 1's construction of its test well for a joint brackish groundwater study in the Jasper aquifer, and a request for early surface water service from Fort Bend Improvement District No. 24.

ENGINEERING MATTERS

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

Mr. Scholler updated the Board on construction of the connection water line for Fort Bend County M.U.D. No. 206, construction of Main Segments 10A and 10B, and the warranty inspection schedules for completed Main Segments 7C and 9A construction projects. He recommended approving one pay estimate for the Main Segment 10A construction project.

REPORTS AND STUDIES

Mr. Froehlich reviewed a Memorandum regarding the Supervisory Control and Data Acquisition ("SCADA") System Phase I - Communication Study, a copy of which is attached. He summarized BGE's study of the first of three phases in establishing a SCADA system between the Authority's Bellaire Pump Station and existing and future meter stations at remote water plants receiving surface water. He reviewed recommendations for improvements at the Authority's meter stations and recommended cellular as the telecommunications platform. Mr. Scholler reported on the preparation of a professional engineering services proposal for coordination with Shrader Engineering on preparing a design package for the proposed improvements and telecommunications platform installation.

REGIONAL PLANNING MATTERS

JOINT PROJECTS AND WATER SUPPLY CONTRACT AND PROJECTS

Mr. Scholler reported on warranty items to be completed by the contractor for the Bellaire Pump Station construction project.

Mr. Scholler discussed matters related to the Coastal Water Authority's Luce Bayou project, including the status of the design and construction contracts for the canal and pump station projects.

Mr. Scholler reported on the status of the COH Northeast Water Purification Plant expansion project, including a site visit to the plant on April 8, 2015, and receipt of three Statements of Qualifications for the project. Mr. Scholler and Mr. Oliver discussed the role of the project participants' selection reviewers during the design/build delivery method for the project.

Mr. Scholler discussed the regional water planning process, including development of the regional water plan and potential financing from the State Water Implementation Fund for Texas for the Authority's portions of the COH Northeast Water Purification Plant expansion project and the second source transmission line construction project. He reported on the Texas Water Development Board's schedule for announcing the project prioritization list and for receiving final applications for the projects chosen to receive financial assistance in the first round of funding.

Following review and discussion, Director Gay moved to approve the engineer's report, including payment of Pay Estimate No. 2 in the amount of \$154,234.67 for construction of Main Segment 10A. Director Fay seconded the motion, which was approved by unanimous vote.

Mr. Oliver reviewed with the Board a Mutual Non-Disclosure Agreement with the COH pursuant to the Second Supplement to the Authority's Water Supply Contract with the COH for the Northeast Water Purification Plant expansion project and discussed execution of Certificates Regarding Confidential Information. Following review and discussion, Director Gay moved to authorize execution of the Mutual Non-Disclosure Agreement with the COH pursuant to the Second Supplement to the Authority's Water Supply Contract with the COH for the Northeast Water Purification Plant expansion project. Director Patton 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.

LEGISLATIVE MATTERS

Mr. Oliver updated the Board on matters related to the 84th Regular Session of the Texas Legislature.

CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session.

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


Asst. Secretary, Board of Directors

(SEAL)



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