

MINUTES
NORTH FORT BEND WATER AUTHORITY

February 25, 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 25th day of February, 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 Houghton, 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"); Pam E. Lightbody of AVANTA Services; Dale Clayton of Severn Trent Services, Inc.; 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 January 28, 2015, and special meeting held on February 13, 2015. 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 Patton opened the meeting to receive public comments. There being no public comments, Director Patton 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 that presentations on the Authority's purpose and goals are scheduled for several municipal utility districts and a community association.

Ms. Kovar reported on the status of effluent reuse or alternative water credit projects/contracts for Grand Lakes M.U.D. Nos. 1, 2, and 4, Cinco M.U.D. No. 1, Fort Bend County M.U.D. No. 34, Fort Bend County M.U.D. No. 151, and Fort Bend County M.U.D. No. 169. 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.

Ms. Kovar reported on the number of evaluations completed under the Authority's W.I.S.E. Guys Irrigation System Evaluation Program.

Ms. Kovar reported that members of the Texas A&M AgriLife Extension Service gave a presentation during the February 24, 2015, water conservation committee meeting. She discussed the water conservation committee's meeting schedule and development of a list of proposed water conservation programs.

Ms. Kovar updated the Board on Glass House Strategy, LLC's ("GH") activities related to the Authority's winter water conservation marketing campaign, including preparation of a tri-fold water conservation brochure and the Authority's next newsletter. She recommended approval of GH's proposal for a revised estimate of 2015 media costs for the purchase of cable television advertisements in the amount of \$40,000.00 and Facebook advertisements in the amount of \$2,000.00.

In response to the Board's previous request for clarification of inaccurate information included in recent news articles regarding the Authority's proposed development of landscape irrigation system requirements, Ms. Kovar reviewed a summary of a timeline and a brief description of the procedures and efforts undertaken by the Authority to notify and obtain comments on the requirements from municipal utility districts and other stakeholders during the past three years.

Following review and discussion, Director Gay moved to approve GH's proposal for a revised estimate of 2015 media costs and authorize BGE to submit applications for state and federal funding for the Grand Lakes M.U.D. Nos. 1, 2, and 4 proposed effluent reuse project. Director Hebert seconded the motion, which was approved by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

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, the income statement for the Enterprise Fund, and the quarterly investment report. A copy of the bookkeeper's report is attached. Ms. Lightbody and Mr. Oliver responded to questions regarding the summary of investments from Anna Agnew of Cinco M.U.D. No. 7. 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.

HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

Ms. Lightbody reported on a request for waiver of late penalty fees from Fort Bend County M.U.D. No. 133. She noted that the request stated that the district's bookkeeper incorrectly sent payment to North Harris County Regional Water Authority instead of the Authority. She reviewed the payment history of the account. Following discussion, Director Gay moved to grant a one-time waiver of the late penalty fees to Fort Bend County M.U.D. No. 133 because of the district's good faith effort to make timely payment. Director Hebert 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 maintenance, repairs, and water accountability. A copy of the operator's report is attached. He reported on an emergency repair made to a water valve and expenses related to the operations of the Authority's joint facilities with the West Harris County Regional Water Authority.

Mr. Clayton reviewed and recommended approval of a proposal from Macaulay Controls Company for installation of filters for the analyzers at the Bellaire Pump Station in the amount of \$1,790.47. He stated that the filters will decrease the amount of maintenance needed for the analyzers.

Following review and discussion, Director Gay moved to approve the operator's report, including the proposal from Macaulay Controls Company. 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. Shumate presented and reviewed with the Board the engineer's report. A copy of the engineer's report is attached.

Mr. Shumate 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 schedule for Cinco M.U.D. No. 1's construction of its test well for a joint brackish groundwater study in the Jasper aquifer.

Mr. Shumate reported on the status of chloramine conversion reimbursement projects. He recommended reimbursement of chloramine conversion costs incurred by Fort Bend County M.U.D. No. 58 and Fort Bend County M.U.D. No. 146.

ENGINEERING MATTERS

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

Mr. Shumate updated the Board on construction of the connection water line for Fort Bend County M.U.D. No. 206, Main Segments 10A and 10B, and combined Main Segments 13A and 16A. He recommended approving Change Order No. 3 to the construction contract for Main Segment 10B and a final pay estimate for the construction of combined Main Segments 13A and 16A.

Mr. Shumate reported on warranty inspections for Main Segments 7A, 8B, and 12B.

Mr. Shumate discussed the project to construct the connection water line for Grand Mission M.U.D. No. 1's water plant no. 3 and recommended selecting the district's engineer, Jones & Carter, Inc., as the design sub-consultant for the project.

Mr. Shumate reported that the first phase of BGE's Communication Study of alternatives for transmission of real-time pumpage information from remote water plant sites to the Authority is complete and recommendations are being prepared. He stated that the initial analysis indicates that cellular communication between the Bellaire Pump Station and the remote water plant sites is the preferred transmission method.

Mr. Shumate reported that BGE's evaluation of Fort Bend County M.U.D. No. 194's request for the Authority's participation in the cost of the completed repair of a paving failure at a crossing of Main Segment 7C was discussed during the February, 2015 Committee meetings. He stated that the Committees concurred to recommend that the Board participate in 50% of the cost of the repair and directed BGE to review the Authority's Crossing Guidelines for necessary updates.

REGIONAL PLANNING MATTERS

JOINT PROJECTS AND WATER SUPPLY CONTRACT AND PROJECTS

Mr. Shumate 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. Shumate reported on the status of the Northeast Water Purification Plant expansion project. He noted that a supplement to the Authority's Water Supply Contract with the City of Houston (the "City") was approved by the Board and the City and that the City approved agreements with the other participants in the project.

Mr. Shumate discussed the regional water planning process, including potential financing from the State Water Implementation Fund for Texas for the Authority's portions of the Northeast Water Purification Plant expansion project and the second source transmission line construction project. He requested that the Board consider appointing him as the Authority's non-voting representative to the Region H Water Planning Group.

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

- (1) authorize reimbursement of chloramine conversion costs to Fort Bend County M.U.D. No. 58 in the amount of \$295,120.91 and Fort Bend County M.U.D. No. 146 in the amount of \$14,093.75;
- (2) approve Change Order No. 3 to the construction contract for Main Segment 10B in the amount of \$55,230.00;
- (3) approve Pay Estimate No. 11 and Final for the project to construct combined Main Segments 13A and 16A in the amount of \$20,453.96 and authorize final acceptance of the project;
- (4) authorize BGE to negotiate a contract with Jones & Carter, Inc. for design services for the project to construct the connection water line to Grand Mission M.U.D. No. 1's water plant no. 3;
- (5) authorize reimbursement of 50% of the cost of the repair of the paving failure at a crossing of Main Segment 7C completed by MUD 194 in the amount of \$22,948.56; and
- (6) appoint Charles Shumate, P.E. as the Authority's non-voting representative to the Region H Water Planning Group.

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

CONTRACTS FOR SERVICES

The Board concurred to defer this item.

LEGISLATIVE MATTERS

Mr. Oliver updated the Board on legislative matters.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:55 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney and pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:14 p.m. Director Gay moved to authorize McFarland PLLC to proceed with an appeal of the amount awarded for Parcel Nos. 10A.08, 10A.09, and 10A.10 (Avalon Homeowners Association) by the Special Commissioners at the February 12, 2015, condemnation hearing. Director Hebert seconded the motion, which was approved by unanimous vote except for Director Spell who was not present for the discussion or the vote.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE FEBRUARY 25, 2015, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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