

MINUTES  
NORTH FORT BEND WATER AUTHORITY

October 3, 2018

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in special session, open to the public, on the 3rd day of October, 2018, at the offices of BGE, Inc., 10777 Westheimer, 3rd Floor, Houston, Texas, outside 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, except Directors Hebert and Fay, thus constituting a quorum.

Also present for all or part of the meeting were Steve Talecki of Cornerstones Municipal Utility District; Charles Matheson of Grand Lakes Municipal Utility District No. 4; Francine Stefan of Post Oak Municipal Advisors LLC; Lindsay Kovar, Fred Bauhof, Matthew Froehlich, Shayna Johnson, and Whitney Milberger of BGE, Inc.; Pamela Logsdon and Pam E. Lightbody of AVANTA Services; Dale Clayton of Inframark, LLC; and Christina Miller and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

AUTHORITY FINANCING PLAN

Ms. Miller reported that the Texas Water Development Board (the "TWDB") approved the release of escrowed funds from the Authority's Series 2017 Bonds to pay Cash Call 7B to the City of Houston (the "COH") for funding of Early Work Package 6 for the COH's Northeast Water Purification Plant ("NEWPP") Expansion Project per its Design-Build Agreement with the Houston Waterworks Team in the amount of \$42,814,106.48.

AUTHORITY'S \$121,040,000 WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2018B ("SERIES 2018B BONDS") AND \$68,845,000 WATER SYSTEM REVENUE BONDS, SERIES 2018C ("SERIES 2018C BONDS")

Ms. Stefan reported on interest rates and maturity dates for the Authority's Series 2018B Bonds and Series 2018C Bonds pursuant to funding from the State Water Implementation Revenue Fund for Texas through a private placement issuance with the

TWDB. Ms. Miller reviewed the documents and procedures related to issuing the Authority's junior lien and senior lien debt. She stated that the Authority is required to have pledged revenue analyses performed and recommended authorizing McGrath & Co., PLLC, to perform the required pledged revenue securities analyses consistent with their current engagement letter. She stated that the closing date for the Authority's Series 2018B Bonds and Series 2018C Bonds is scheduled for November 8, 2018.

Following review and discussion regarding the Series 2018B Bonds, Director Gay moved to: (1) adopt a Resolution Authorizing the Issuance, Sale, and Delivery of the North Fort Bend Water Authority Water System Junior Lien Revenue Bonds, Series 2018B; Approving the Form and Substance and Authorizing the Execution of a Ninth Supplemental Indenture of Trust Relating to Such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject; (2) authorize the Board of Directors to sign all documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action in connection with the issuance of the Authority's Series 2018B Bonds; (3) authorize execution of a Certificate Regarding Provision of Financial Advice; (4) authorize McGrath & Co., PLLC to perform a pledged revenue analysis; and (5) approve issuing a check to the Attorney General for bond issue transcript review. Director Patton seconded the motion, which was approved by unanimous vote.

Following additional review and discussion regarding the Series 2018C Bonds, Director Gay moved to: (1) adopt a Resolution Authorizing the Issuance, Sale, and Delivery of the North Fort Bend Water Authority Water System Revenue Bonds, Series 2018C; Approving the Form and Substance and Authorizing the Execution of an Tenth Supplemental Indenture of Trust Relating to Such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject; (2) authorize the Board of Directors to sign all documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action in connection with the issuance of the Authority's Series 2018C Bonds; (3) authorize execution of a Certificate Regarding Provision of Financial Advice; (4) authorize McGrath & Co., PLLC to perform a pledged revenue analysis; and (5) approve issuing a check to the Attorney General for bond issue transcript review. Director Patton seconded the motion, which was approved by unanimous vote.

#### REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported on matters related to the Authority's joint facilities with the West Harris County Regional Water Authority (the "WHCRWA"). Ms. Miller stated the Joint Facilities Committee meeting is scheduled October 12, 2018. She reported on a scheduled meeting between the consultants for the WHCRWA and the Authority to discuss amending the Authority's Joint Facilities Agreement with the WHCRWA.

Mr. Bauhof reported on the status of the COH's NEWPP Expansion Project per its Design-Build Agreement with the Houston Waterworks Team and responded to Board members' questions.

BUDGET WORKSHOP FOR FISCAL YEAR END DECEMBER 31, 2019

The Board conducted a budget workshop for fiscal year ending December 31, 2019.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:22 p.m., to conduct a private consultation with its attorney regarding the Authority's legal rights and obligations under the Second Supplement to the Water Supply Contract with the COH pursuant to Section 551.071, Texas Government Code. The Board determined that the attendance in this executive session of Ms. Kovar, Mr. Froehlich, Mr. Bauhof, and Ms. Johnson was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 6:35 p.m., the Board reconvened in open session. No action was taken by the Board.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:36 p.m., to conduct a private consultation with its attorney regarding the Authority's legal rights and obligations under the Joint Facilities Agreement with the WHCRWA pursuant to Section 551.071, Texas Government Code. The Board determined that the attendance in this executive session of Ms. Kovar, Mr. Froehlich, Mr. Bauhof, and Ms. Johnson was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 6:54 p.m., the Board reconvened in open session. No action was taken by the Board.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:55 p.m., pursuant to Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property. Director Spell was not present for the executive session. The Board determined that the attendance in this executive session of Ms. Kovar, Mr. Froehlich, Mr. Bauhof, and Ms. Johnson was necessary in order for the Board to obtain the

necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:07 p.m., the Board reconvened in open session. Director Gay moved to authorize appraisal services for Parcel Nos. 11.11, 16B.01, and 18B.02, as necessary. Director Darden seconded the motion, which was approved by unanimous vote, except for Director Spell who was not present for the executive session or vote.

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

  
Secretary, Board of Directors

(SEAL)

