

MINUTES

NORTH FORT BEND WATER AUTHORITY

January 27, 2021

The Board of Directors (the “Board”) of the North Fort Bend Water Authority (the “Authority”) met in regular session by teleconference and videoconference, with access by telephone and video available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott’s emergency disaster declaration dated March 13, 2020, on the 27<sup>th</sup> day of January, 2021, and the roll was called of the members of the Board being present by either telephone or video:

Peter Houghton	President
Robert Patton	Vice President
Melony Gay	Secretary
Robert Darden	Assistant Vice President
Bruce Fay	Assistant Secretary
Donald Abrahamson, II	Assistant Secretary
Dana Hollingsworth	Assistant Secretary

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

Also attending all or part of the teleconference and/or the videoconference were Matt Froehlich, Julia Frankovich, Kyle Jones, Ian Pietz, Whitney Milberger, and Tiffany Moore of BGE, Inc. (“BGE”); Taylor Watson, Cynthia Colondres, and Pam Lightbody of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC; Francine Stefan of Post Oak Municipal Advisors LLC; David Oliver, Christina Miller, Aaron Carpenter, and Justine M. Cherne of Allen Boone Humphries Robinson LLP (“ABHR”); Mike Thornhill of the West Harris County Regional Water Authority (the “WHCRWA”); Wendy Lundeen of AECOM Technical Services, Inc.; Aimee Edwards of Binkley & Barfield, Inc.; Camille Sowell and Kaitlyn White of CP&Y, Inc.; Neil Barnsdale and Meera Victor of Carollo Engineers, Inc.; John Lacy of Costello, Inc.; Mike Halde of HR Green, Inc.; Jeremy Austin of Half Associates, Inc.; Kyle Kaspar of Jones & Carter, Inc.; John Strange of JNS Consulting Engineers, Inc.; Charles Shumate of Lockwood, Andrews & Newnam, Inc.; Callie Bletsch of MBCO Engineering, LLC; Calvin Browne of Municipal District Services, LLC; Rich Patrick of Ninyo & Moore; Sylvester Johnson and Katherine Mears of RPS Infrastructure, Inc.; Gary Hodges of Raba Kistner, Inc.; Cliff Brouhard, City Engineer for the City of Fulshear; Daniel McGraw, Utilities Manager for the City of Fulshear; Michael Abshire and Mark Van Dyck of Big Oaks Municipal Utility District; Steve Haas of Cinco Municipal Utility District No. 8; Kerry Crellin of Cinco Southwest Municipal Utility District No. 4; Stephen Talecki of Cornerstones Municipal Utility District; Betty Stewart of Fort Bend County Municipal Utility District No. 2; Linda Yorlano and Christopher Bell of Fort

Bend County Municipal Utility District No. 30; Craig Lewis of Fort Bend County Municipal Utility District No. 50; Kafi Dalcour of Fort Bend County Municipal Utility District No. 116; Brian Joseph of Fort Bend County Municipal Utility District No. 119; Randy Carter of Fort Bend County Municipal Utility District No. 142; Chuck Matheson and Mashhood Shah of Grand Lakes Municipal Utility District No. 4; John Pertgen and Carl Peters of Kingsbridge Municipal Utility District; and additional members of the public, including Javier Infante, David Johnson, Jonathan Marks, Susan Ruske, Fernando Ulin, Jeri Wilson, and Abate Wolde-Kirkos.

Ms. Miller reviewed certain recommended protocols for conducting the Authority's meeting via teleconference and videoconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at [www.districtdirectory.org/agendapackets/nfbwa](http://www.districtdirectory.org/agendapackets/nfbwa) and the Authority's website at <https://www.nfbwa.com/meetings/>.

#### OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS

Mr. Clayton reported that COVID-19 concerns were not impacting the Authority's operations or water quality.

#### COMMENTS FROM THE PUBLIC

Ms. Miller offered any members of the public attending the meeting by telephone or videoconference the opportunity to make public comment. There were no public comments.

#### APPROVE MINUTES

The Board considered approving the minutes of the regular Board meeting held December 17, 2020, and the special Board meeting held January 7, 2021. After review and discussion, Director Hollingsworth moved to approve the minutes as written. Director Abrahamson seconded the motion, which passed unanimously.

#### PUBLIC COMMUNICATION, WATER CONSERVATION, AND REUSE MATTERS, AND LARRY'S TOOLBOX WATER CONSERVATION PROGRAM ("LARRY'S TOOLBOX PROGRAM")

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and Reuse matters, a copy of which is attached, and responded to Board members' questions.

Ms. Milberger reported that the Authority's first quarterly newsletter for 2021 is scheduled for distribution in February 2021.

Ms. Milberger reported that BGE gave a virtual presentation regarding the Authority's large-scale infrastructure projects and water conservation programs at the Fort Bend Subsidence District's (the "FBSD") Board meeting held earlier in the day at the request of the FBSD.

Ms. Milberger reported that BGE will give a virtual presentation to the residents of the Cinco Southwest municipal utility districts in February, 2021.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board authorize placing 4" X 4" water conservation educational displays in 13 community newsletters for five months in the total amount of \$9,940.00. Ms. Miller explained that the displays will be placed after the Authority's communication and public outreach campaign is finalized. Discussion ensued regarding distribution of the displays to the operators of municipal utility districts within the Authority and the City of Fulshear.

Ms. Milberger reported that she is coordinating with Mighty Citizen to address the Directors' comments to the previously reviewed Creative Brief outlining strategic planning for the Authority's communication and public outreach campaign, including conservation matters.

Ms. Milberger reported that the 2021 Association of Water Board Directors Mid-Winter Conference scheduled January 29, 2021 to January 30, 2021, will be held virtually.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize renewing the Authority's annual membership in The Alliance for Water Efficiency in the amount of \$750.00.

Ms. Milberger reported that 61 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program ("WISE Guys Program") during December 2020. She reported that the Authority's CCR Committee recommended that the Board authorize purchasing the following items for distribution as prizes in 2021 pursuant to the WISE Guys Program Giveaway Incentive Program: (1) twenty-four \$100.00 gift cards totaling \$2,400.00; and (2) twenty Rachio R3 - 8 Zone Irrigation Controllers totaling \$3,799.80.

Ms. Milberger noted that charts indicating the status of effluent reuse and alternate water credit projects/contracts and tracking reuse usage amounts are attached to the Memorandum Regarding Water Conservation and Reuse matters. Director Abrahamson stated that the chart of alternative water projects should be updated to reflect that Fort Bend County Municipal Utility District No. 57 has begun construction of its alternative water credit project.

Ms. Milberger reported that the Authority has received its reuse credits from the

FBSD for the 2018-2019 permit year, and that pursuant to their Alternative Water Supply Credit Agreements with the Authority, the following entities will be issued credits towards their Authority fees: Cinco Municipal Utility District No. 1, Fort Bend County Municipal Utility District No. 169, and Fort Bend County Municipal Utility District No. 182 in the amounts of \$180,289.49, \$125,224.48, and \$1,120.02, respectively.

Ms. Milberger reported on BGE's coordination with district engineers related to retrofitting the irrigation systems for the Authority's joint reclaimed water system projects with Grand Lakes Municipal Utility District Nos. 1, 2, and 4 (collectively, "Grand Lakes") and Fort Bend County Municipal Utility District Nos. 146 and 194 ("FB 146 and FB 194").

Ms. Milberger reported that Fort Bend County Municipal Utility District No. 50 is finalizing the feasibility report for the reclaimed water system pilot program for submission to BGE. She reported that BGE is reviewing an engineering proposal for conducting a feasibility study for a proposed reclaimed water system pilot program from Fort Bend County Municipal Utility District No. 229.

Ms. Milberger reported on implementation of the 2020 Larry's Toolbox Program. She stated that there were 51 total participants in the 2020 Larry's Toolbox Program and 47 of the participants earned the required nine points necessary to receive a reduced 2021 water rate. She reported that Fort Bend County Municipal Utility District No. 142 ("FB 142") and the City of Fulshear excelled in the program by earning more points than the other participants for a total of 19 points each. Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize purchasing 13 plaques to distribute to the Board of FB 142 and the City Council members of the City of Fulshear to recognize their achievements in an amount not to exceed \$700.00.

Ms. Milberger reported on implementation of the 2021 Larry's Toolbox Program. She stated that 52 municipal utility districts have submitted enrollment forms and North Mission Glen Municipal Utility District is a new participant in the program. She reported on the schedule for holding webinars regarding the program for consultants and distribution of bill messages and templates.

Ms. Milberger reported that three participants in the 2021 Larry's Toolbox water conservation program applied for Authority funding for the Homeowners Association/Golf Course Irrigation System Evaluation and Water Budget initiative. She stated that the CCR Committee recommended that the Board approve funding the initiative for all three applicants: Fort Bend County Municipal Utility District Nos. 34 and 37, and North Mission Glen Municipal Utility District.

In response to Director Hollingsworth's questions, Mr. Froehlich reported that BGE is scheduled to meet with representatives from the City of Fulshear on February 3, 2021, and will hold future quarterly meetings with the City Council of the City of

Fulshear.

Following review and discussion, Director Patton moved to approve the Water Conservation and Reuse report, including:

- (1) authorize placing 4" X 4" water conservation educational displays in 13 community newsletters for five months in the total amount of \$9,940.00;
- (2) authorize renewing the Authority's annual membership in The Alliance for Water Efficiency in the amount of \$750.00;
- (3) authorize purchasing the following items for distribution as prizes in 2021 pursuant to the WISE Guys Program Giveaway Incentive Program: (1) twenty-four \$100.00 gift cards totaling \$2,400.00; and (2) twenty Rachio R3 - 8 Zone Irrigation Controllers totaling \$3,799.80; and
- (4) authorize purchasing 13 plaques to distribute to the Board of FB 142 and the City Council members of the City of Fulshear to recognize their achievements in the 2020 Larry's Toolbox Program in an amount not to exceed \$700.00.

Director Gay seconded the motion, which passed unanimously.

## CONTRACTS

The Board concurred to defer this item.

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

Mr. Watson presented the bookkeeper's report, including receipts, a list of checks presented for payment, fund and wire transfers, a supplemental cash flow report, account balances, current period and year-to-date actual versus budget comparisons, and a schedule of debt service payments. A copy of the bookkeeper's report is attached. Following review and discussion, Director Fay moved to approve the bookkeeper's report, including payment of the bills. Director Hollingsworth seconded the motion, which passed unanimously, except for Director Gay who was not present for the vote.

## ANNUAL DISCLOSURE STATEMENTS

The Board considered accepting the annual disclosure statements of the Authority's bookkeeper and Investment Officer. Ms. Miller explained that the annual disclosure statements are intended to disclose relationships of the Authority's bookkeeper and Investment Officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the Authority. After review and discussion, Director Hollingsworth moved to accept the annual disclosure statements of the bookkeeper and Investment Officer and direct that the statements be

filed with the Texas Ethics Commission and retained in the Authority's official records. Director Fay seconded the motion, which passed unanimously, except for Director Gay who was not present for the vote.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Miller reported on the Authority's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

#### OPERATION OF AUTHORITY FACILITIES

Mr. Clayton presented 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. Mr. Clayton reported that the motor for the Authority's Booster Pump No. 1 was evaluated without removal and is currently operating with no issues. Following review and discussion, Director Patton moved to accept the operator's report. Director Hollingsworth seconded the motion, which passed unanimously, except for Director Gay who was not present for the vote.

#### REGULATORY MATTERS: SUBSIDENCE DISTRICT REGULATIONS AND PERMITTING, AND AUTHORITY'S GROUNDWATER REDUCTION PLAN ("GRP")

Mr. Froehlich presented the engineer's report, a copy of which 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.

Mr. Froehlich reported that BGE provided an acknowledgement letter in response to a notification of a proposed annexation from Fort Bend County Municipal Utility District No. 143.

Mr. Froehlich stated that, as previously reported, GRP Participation Agreements have been sent to legal counsel for Brazoria-Fort Bend Counties Municipal Utility District No. 3 and Fort Bend County Municipal Utility District No. 168 for review.

#### ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of property acquisition matters for Main Segments 13 and 17. Charts summarizing the status of property acquisition matters are attached to the engineer's report.

Mr. Froehlich reported on the status of construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with Grand Lakes. He stated that a Notice to Proceed will be issued to McKinney Construction, Inc., effective February 1, 2021.

Mr. Froehlich reported on the status of construction of the wastewater treatment plant improvements for the Authority's joint reclaimed water system project with Grand Lakes pursuant to a contract with JTR Constructors Inc. He discussed solicitation of a quote for replacing a weatherhead as required by CenterPoint Energy and adding items to protect the facilities and facilitate long-term maintenance.

Mr. Froehlich reported on the status of construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with FB 146 and FB 194. He reviewed and recommended approval of Change Order No. 1 to the contract with McKinney Construction, Inc. for the project in the amount of \$0 to address the Texas Water Development Board's (the "TWDB") comments related to including wage rate requirements in the construction contract. The Board determined that Change Order No. 1 is beneficial to the Authority.

Mr. Froehlich reported on the status of construction for the Authority's surface water line connection for Fort Bend County Municipal Utility District No. 30's Water Plant No. 3. He stated that construction is approximately 97% complete and the contractor, D.L. Elliot Enterprises, Inc., is awaiting permanent power from CenterPoint Energy to complete testing and start up.

Mr. Froehlich reported on the status of Farwest Corrosion Control Company's performance of repairs for the Authority's cathodic protection system and preparation of reports on the testing performed on the system. He stated that BGE is reviewing the final reports for the Bellaire Pump Station and shorted casing on Main Segment 1. He stated that the final report on isolation issues on Main Segments 8A and 10 is expected to be received soon.

Mr. Froehlich reported on BGE's coordination with the engineer and attorney for FB 146 and the planned coordination with ABHR for the preparation of an agreement for proposed modifications to the Authority's reclaimed water system facilities related to the installation of increased filtration at FB 146's wastewater treatment plant.

Mr. Froehlich reported that RPS Infrastructure, Inc. is addressing the City of Houston's ("COH") comments on the design plans for Main Segment 11A. He recommended approval of an amendment to the Authority's Agreement for Professional Design Consulting Services with RPS Infrastructure, Inc. in the amount of \$22,629.50. He stated that the amendment includes additional design, survey, and geotechnical services related to the proposed meter station at the Cinco Municipal Utility District No. 1 water plant and on-going erosion control improvements along

Buffalo Bayou.

Mr. Froehlich reported on BGE's design of the project to extend the steel casing on Main Segment 8B at FM 723 due to the Texas Department of Transportation's project to widen FM 723 at Bellaire Boulevard. He stated that the BGE is addressing COH's comments to the plans.

Mr. Froehlich reported on the status of a System Environmental Determination Form and a Cultural Resources Study required for the Authority's proposed 2025 surface water supply system, noting that the Authority was in receipt of the Antiquities Permit from the Texas Historical Commission. He stated that work on the wetlands delineation required by the United States Army Corps of Engineers will begin soon. He discussed the proposed schedules for performing a pedestrian survey required for the Cultural Resources Study and a geoarchaeological assessment along Buffalo Bayou required by the Texas Historical Commission. Mr. Froehlich stated that BGE is developing an approach to formalize rights of access needed to complete the Cultural Resources Study.

Mr. Froehlich reported that the Authority's CCR Committee recommended development of a comprehensive plan for proposed effluent reuse projects within the Authority. He stated that the potential effluent reuse project with Fort Bend County Municipal Utility District Nos. 34 and 35 will be considered during development of the comprehensive plan.

Mr. Froehlich reported on the status of the second phase of the Authority's water blending study. He stated that BGE is reviewing water quality data received from COH's technical consultant for the Northeast Water Purification Plant ("NEWPP") and preparing a Phase 2 Executive Summary, Technical Memorandum No. 11.

Mr. Froehlich reported on BGE's preparation of a schedule for notifying the impacted municipal utility districts of required conversion to chloramine disinfection systems for the Authority's proposed 2025 surface water supply system.

Mr. Froehlich discussed updates made to the routing studies for Main Segments 13 and 16. Ms. Miller reported that the routing studies for Main Segments 13 and 16 will be presented to the Board upon receipt of value studies for the tracts of land included for right-of-way acquisition from PAS Property Acquisition Services, LLC, the Authority's property acquisition consultant.

Mr. Froehlich recommended beginning negotiations on agreements for professional services with the following design consultants for the Authority's proposed 2025 surface water supply system for the Main Segments as listed:

1. Segment 13Ci - Jones & Carter, Inc.;



2. Segments 13Cii and D - Binkley & Barfield, Inc.;
3. Segment 13B - IDS Engineering Group;
4. Segment 18A - BGE;
5. Segment 19 - Carollo Engineers, Inc.; and
6. Fort Bend County Freshwater Supply District No. 2 ("FWSD 2") - HR Green, Inc.

Mr. Froehlich reported that performance of an inspection of the Authority's surface water supply system by an independent firm of engineers experienced in conducting such inspections is required every five years following the date on which the Authority's system was placed in service. He recommended approval of a proposal for the inspection from CP&Y, Inc. in an amount not to exceed \$49,854.00.

Mr. Froehlich reported on the schedule for advertisement for bids for the Authority's smart meter conversion project that includes adoption of the Badger Meter® software for the proposed installation of automated smart meter readers on the Authority's well, surface water, and reuse meters. He stated that the results of the bids for the smart meter conversion project are scheduled to be presented at the Authority's February Committee and Board meetings.

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

Mr. Jones reported on BGE's coordination with (1) Worldwide Power Products, LLC on removing the existing generators from the Bellaire Pump Station; and (2) Texas Microgrid, LLC ("TM") on installing, commissioning, and servicing natural gas generators and associated equipment to provide auxiliary power for the Bellaire Pump Station pumps in place of the existing generators. Mr. Jones stated that the final remaining generator is scheduled for removal on February 3, 2021. He stated that TM completed installation of the second set of generators and began testing and start-up on January 25, 2021. Mr. Jones recommended approval of a final progress invoice submitted by TM in the amount of \$118,178.40. He reported that payment for the previously approved Change Order No. 1 submitted by TM remains outstanding.

Mr. Jones reported that the COH City Council approved the Letter Agreement between the WHCRWA, the Authority, and COH related to the Authority's joint Surface Water Supply Project (the "SWSP") with the WHCRWA on January 6, 2021.

Mr. Jones reported on changes made to the insurance provisions of the construction contracts for the SWSP Segments S3-A2 and S3-A3. He stated that outside construction legal counsel, Munsch Hardt Kopf & Harr PC ("Munsch Hardt"), is reviewing additional proposed changes to the construction contracts for the SWSP.

Mr. Jones reported on the status of design, permitting, construction, and property acquisition, as appropriate, for the SWSP, including Segments A, B1/B2, B3,

C1, and C2, Kinder Morgan Segments, Segment 3 subsegments, the Repump Station, and the Central Pump Station.

Mr. Jones discussed the status of the Authority's negotiations related to an Amended and Restated Joint Facilities Agreement with the WHCRWA. He reported that ABHR and BGE are currently reviewing a revised draft of the agreement received from the WHCRWA on January 17, 2021, which included comments to design and construction and operations and maintenance provisions.

Mr. Jones reported that Munsch Hardt is reviewing BGE's comments to the Construction Management Plan provided to the WHCRWA.

Mr. Pietz reported on the status of construction of the Coastal Water Authority's Luce Bayou Interbasin Transfer Project, including the Capers Ridge Pump Station and the dual 96-inch raw water pipelines.

Mr. Pietz reviewed drone video footage of the project site and updated the Board on COH's NEWPP Expansion Project per its Design-Build Agreement with the Houston Waterworks Team ("HWT"). He recommended that the Authority submit a request to the TWDB for the release of escrowed funds to pay COH's Cash Call No. 10, due February 26, 2021, in the amount of \$77,789,006.28. He reported on the status of construction for Early Work Package Nos. 2, 4, and 6, the Influent Pump Station, and the Balance of Plant package. Mr. Pietz reported on a meeting held with HWT's Joint Venture Board on January 20, 2021, to discuss the progress and management of the NEWPP Expansion Project. He stated that future meetings with HWT's Joint Venture will be held bimonthly.

Mr. Froehlich reported on BGE's coordination with Inframark on preparing the Authority's Water Usage Survey and Water Conservation Plan Annual Report.

Following review and discussion, Director Abrahamson moved to approve the engineer's report as presented, including:

- (1) approve Change Order No. 1 in the amount of \$0 to the contract with McKinney Construction, Inc. for construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with FB 146 and FB 194, based upon the Board's finding that the change order is beneficial to the Authority and the engineer's recommendation;
- (2) approve an amendment to the Authority's Agreement for Professional Design Consulting Services with RPS Infrastructure, Inc. for Main Segment 11A in the amount of \$22,629.50;
- (3) authorize negotiations on agreements for professional services with the recommended design consultants for Main Segments 18A and 19, portions of Main Segment 13, and the connection surface water line for FWSD 2;

- (4) approve a proposal from CP&Y, Inc. for performing an inspection of the Authority's surface water supply system in an amount not to exceed \$49,854.00;
- (5) approve payment of an invoice submitted by TM in the amount of \$118,178.40; and
- (6) authorize BGE to submit a request to the TWDB for the release of escrowed funds to pay COH's Cash Call No. 10 for the NEWPP Expansion Project in the amount of \$77,789,006.28.

Director Hollingsworth seconded the motion, which passed unanimously, except for Director Gay who was not present for the vote.

#### PARTICIPATION AS AMICUS PARTY IN SAN JACINTO RIVER AUTHORITY V. CITY OF CONROE AND CITY OF MAGNOLIA

Ms. Miller stated there is no update on the amicus brief filed in *San Jacinto River Authority v. City of Conroe and City of Magnolia*. She stated the Board will kept apprised of any developments in the matter.

#### FINANCING PLAN MATTERS

Ms. Miller reported that the Authority's financial advisor, Terrell Palmer, coordinated with BGE on recommended changes to the Multi-Year Commitment Annual Loan Closing Schedule required for submission to the TWDB for the Authority's projects funded by the State Water Implementation Revenue Fund for Texas. She stated there were no changes in the funding commitment for the SWSP. She reported on changes made to the funding commitment for the Authority's participation in the COH's NEWPP Expansion Project to reallocate \$11,080,000.00 committed in 2022 and \$1,955,000.00 committed in 2023 to 2021. She stated that the 2021 commitment of \$5,805,000.00 for the Authority's 2025 Capital Improvement Plan was reallocated to 2022, because the environmental approvals for the proposed projects are pending and the Authority has funding to cover anticipated 2021 costs. Following discussion, Director Fay moved to authorize submission of the Multi-Year Commitment Annual Loan Closing Schedule to the TWDB with the changes as recommended. Director Abrahamson seconded the motion, which passed unanimously, except for Director Gay who was not present for the vote.

#### ARBITRAGE REBATE REPORT FOR SERIES 2015 BONDS

Ms. Miller reported that the Authority is not required to remit payment to the Internal Revenue Service per the previously distributed arbitrage rebate and yield restriction liability report for the Authority's Series 2015 Bonds prepared by OmniCap Group, LLC. Following review and discussion, Director Abrahamson moved to approve the report as submitted. Director Hollingsworth seconded the motion, which

passed unanimously, except for Director Gay who was not present for the vote.

ADOPT AMENDED ORDER ESTABLISHING A RECORDS RETENTION PROGRAM  
AND DESIGNATING A RECORDS MANAGEMENT OFFICER

The Board concurred to defer this item.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

LEGISLATIVE MATTERS

Ms. Miller stated there were no updates related to the 87<sup>th</sup> Regular Session of the Texas Legislature.

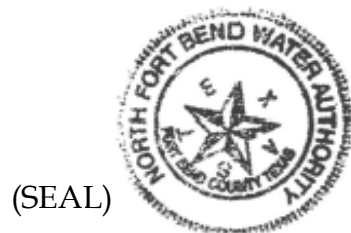
CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:14 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 COH, pursuant to Section 551.071, Texas Government Code. Director Gay was not present. The Board determined that the attendance in this executive session of Mr. Froehlich, Mr. Pietz, and Mr. Jones 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 6:51 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.



/s/ Melony Gay  
Secretary, Board of Directors

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