

MINUTES

NORTH FORT BEND WATER AUTHORITY

April 27, 2022

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 27th day of April 2022, at the offices of BGE, Inc. ("BGE"), 10777 Westheimer, 1st Floor, Lubbock Conference Room, Houston, Texas, and the roll was called of the members of the Board:

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 in person except for Director Hollingsworth, thus constituting a quorum.

Also present in person were Matt Froehlich, Whitney Milberger, and Kyle Jones, of BGE; Taylor Watson of Municipal Accounts & Consulting, L.P.; John Pertgen and Carl Peters of Kingsbridge Municipal Utility District; Ernest Adimora-Nweke, member of the public; Sylvester Johnson of RPS Infrastructure, Inc.; Officer Joe McQueen; and Christina Miller, Aaron Carpenter, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

In order to provide additional public access, the Authority established a Zoom teleconference and videoconference option for the Authority's consultants and members of the public to listen to the meeting and to address the Board.

On the teleconference or videoconference for all or a portion of the meeting were Julia Frankovich of BGE; Dale Clayton and Mirna Bonilla-Odums of Inframark, LLC; Joi Bass, Laurena Gonzales, and Polly Thurston of Mighty Citizen; Mike Halde of HR Green, Inc.; Gregg Haan of LJA Engineering, Inc.; Kyle Kaspar of Quiddity Engineering, LLC; Lindsey Delong, Utilities Supervisor for the City of Fulshear; Michael Abshire, Sonyan Stephens, and Mark Van Dyck of Big Oaks Municipal Utility District; Stephen Talecki of Cornerstones Municipal Utility District; Linda Yorlano 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 and Jeanette Spinks of Fort Bend County Municipal Utility District No. 119; Philip Huseman of Fort Bend County Municipal Utility District No. 142; Dara

Sigloch of Fort Bend County Municipal Utility District No. 182; Mashhood Shah of Grand Lakes Municipal Utility District No. 4; and David Johnson and Johnathan Marks, members of the public.

COMMENTS FROM THE PUBLIC

Director Houghton offered any members of the public attending the meeting in-person or by telephone or videoconference the opportunity to make public comments. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on March 23, 2022. After review and discussion, Director Gay moved to approve the minutes as written. Director Darden seconded the motion, which passed unanimously.

PUBLIC COMMUNICATION, WATER CONSERVATION, AND REUSE MATTERS, AND WATER CONSERVATION PROGRAMS

Ms. Bass gave a presentation on the plan and goals of the Authority's Water Force Campaign, including updated photographic images and preliminary examples of social media messages for the campaign scheduled to debut on May 15, 2022. Ms. Bass and Ms. Milberger responded to Mr. Talecki's questions and comments regarding use of the campaign messages by municipal utility districts located within the Authority.

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and Reuse Matters (the "Memorandum"), a copy of which is attached.

Ms. Milberger reported that the Authority hosted its water conservation mobile teaching lab, activities, and a booth at Fort Bend County Municipal Utility District No. 35's Native Plant Event and Festival on April 23, 2022. She reported that the Authority is scheduled to similarly participate at events scheduled by Fort Bend County Municipal Utility District No. 146 on May 24, 2022, and Fort Bend County Municipal Utility District No. 124 on October 15, 2022.

Ms. Milberger reported that the Authority will sponsor booth no. 120 at the Association of Water Board Directors summer conference scheduled to be held June 23-25, 2022.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommends that the Board approve (1) purchasing educational materials in an amount not to exceed \$2,000.00; (2) purchasing a new display and tablecloth in an amount not to exceed \$2,000.00; and (3) printing informational materials in an amount not to exceed \$500.00.

Ms. Milberger reported that the Authority's CCR Committee recommends that the Board approve renewing the Authority's annual membership in the American Water Works Association in the amount of \$9,259.00.

Ms. Milberger reported that the Authority's CCR Committee recommends that the Board approve sponsoring the Water for Texas 2023 Conference at the Silver sponsorship level in the amount of \$2,500.00.

Ms. Milberger reported that the Authority's CCR Committee recommends that the Board approve paying the annual support subscription with TruePoint Solutions in the amount of \$12,650.00.

Ms. Milberger discussed reporting requirements for non-exempt retail providers to submit annual reports documenting implementation of their annual water conservation plan to the Authority by May 1, 2022.

Ms. Milberger reported that 109 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during March 2022.

Ms. Milberger reviewed updates made to the Reuse Systems Summary Chart, a copy of which is attached to the Memorandum.

Ms. Milberger discussed implementation of the Authority's 2022 Water Provider Conservation Program, including distribution of a link to the resource folder for the program to all 49 interested participants in the program. She reported that the Authority's CCR Committee recommends that the Board approve printing and mailing bill inserts for distribution to the participants in the Authority's 2022 Water Provider Conservation Program and for Authority event outreach in an amount not to exceed \$6,000.00.

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

- (1) purchasing educational materials in an amount not to exceed \$2,000.00;
- (2) purchasing a new display and tablecloth in an amount not to exceed \$2,000.00;
- (3) printing informational materials in an amount not to exceed \$500.00;
- (4) renewing the Authority's annual membership in the American Water Works Association in the amount of \$9,259.00;
- (5) sponsoring the Water for Texas 2023 Conference at the Silver sponsorship level in the amount of \$2,500.00;
- (6) paying the annual support subscription with TruePoint Solutions in the

amount of \$12,650.00; and

(7) printing and mailing bill inserts in an amount not to exceed \$6,000.00.

Director Abrahamson seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller reported on transition of the Authority's pumpage and surface water reporting system to TrueBill while concurrently using the Authority's current reporting system with The Texas Network. She reported that the Authority's CCR Committee recommends terminating the contract with The Texas Network. Following discussion, Director Gay moved to authorize execution of a letter of termination for the Authority's contract with The Texas Network. Director Abrahamson seconded the motion, which passed unanimously.

RENEWAL OF LETTER OF CREDIT

Ms. Miller reported that the Authority's Letter of Credit issued by Central Bank in the amount of \$1,000,000.00 in favor of CenterPoint Energy Houston Electric, LLC ("CenterPoint") is currently due to expire on June 4, 2022. She discussed the requirements of maintaining the Letter of Credit while the Authority is performing construction activities on CenterPoint property. She stated that the Authority's Finance and Policy Committee recommends that the Board authorize renewal of the Letter of Credit to June 4, 2023, for a fee of \$10,000.00. Following review and discussion, Director Gay moved to authorize renewal of the Letter of Credit to June 4, 2023, for a fee of \$10,000.00, to include execution of (i) an Application and Agreement; (ii) a Disbursement Request and Authorization; (iii) Amendment No. 12 to Letter of Credit; and (iv) execution of any necessary ancillary documents. Director Abrahamson seconded the motion, which passed unanimously.

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, a current period and year-to-date actual versus budget comparison, and a schedule of debt service payments. A copy of the bookkeeper's report is attached. Following review and discussion, Director Gay moved to approve the bookkeeper's report, including payment of the invoices as presented. Director Abrahamson seconded the motion, which passed unanimously.

The Board did not conduct a hearing regarding any delinquent fees or rule violations.

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. Following review and discussion, Director Gay moved to approve the operator's report as presented. Director Abrahamson seconded the motion, which passed unanimously.

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 the monthly amounts of surface water delivered and reclaimed water utilized by the Authority. He reported that the Fort Bend Subsidence District's ("FBSD") annual groundwater hearing is scheduled to be held April 28, 2022.

Mr. Froehlich and Ms. Miller reported on City of Sugar Land's request to delay the 2025 surface water conversion deadline and related public comments given during the FBSD's Board meeting held prior to the Authority's Board meeting. She stated that the matter will be monitored, and the Board will be kept informed of any developments.

Mr. Froehlich reported that FBSD's evaluation of its Joint Regulatory Plan is ongoing.

Mr. Froehlich reported that a meeting of FBSD stakeholders is scheduled for May 17, 2022.

Mr. Froehlich reported that, at FBSD's March 23, 2022, meeting, FBSD approved two new well permits for inclusion in the Authority's aggregate well permit for (1) Brazoria-Fort Bend Counties Municipal Utility District No. 3's Well No. 2433; and (2) Cross Creek Ranch Community Association's Well No. 2439.

Mr. Froehlich reported that BGE issued no objection letters to Fort Bend County Municipal Utility District No. 229 ("FB 229") for two proposed annexations: (1) a 13.02-acre tract related to plant facilities that will add no equivalent single-family connections ("ESFCs"); and (2) a 117.17-acre tract related to residential development that will add 346 ESFCs.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of property acquisition matters for Main Segment 13 and the surface water line connection for Fresh Water Supply District No. 2

("FWSD 2"). 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 Municipal Utility District Nos. 1, 2, and 4 (collectively, "Grand Lakes"). He stated that construction is approximately 95% complete and discussed delays in the delivery of materials. He recommended that the Board approve Pay Estimate No. 13, submitted by McKinney Construction, Inc. ("McKinney") for the project in the amount of \$219,450.00.

Mr. Froehlich reported on the status of construction of the Grand Lakes Reuse Irrigation System Retrofit Project. He stated that construction is approximately 35% complete. He recommended that the Board approve Pay Estimate No. 2 submitted by Glamco for the project in the amount of \$145,628.92.

Mr. Froehlich reported on the status of construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with Fort Bend County Municipal Utility District Nos. 146 and 194 ("FB 146 and FB 194"). He stated that construction is approximately 90% complete. He recommended that the Board approve Pay Estimate No. 10 submitted by McKinney for the project in the amount of \$9,153.25. Mr. Froehlich discussed coordination with McKinney to advance the two reclaimed water distribution system projects more quickly towards completion.

Mr. Froehlich reported on the status of construction of the FB 146 and FB 194 Reuse Irrigation System Retrofit Project. He stated that construction is approximately 5% complete. He recommended that the Board approve Pay Estimate No. 1 submitted by Earthcare Landscaping for the project in the amount of \$39,983.06.

Mr. Froehlich reported that Accurate Meter & Backflow, LLC's installation of the first phase of automated meters for the Authority's automated meter installation project is 25% complete with 59 installed meters. He reviewed a list of two Right of Entry Agreements ready for execution for the project.

Mr. Froehlich reported on the status of RPS Infrastructure, Inc.'s design of Main Segment 11A. He stated that BGE is working with the design consultant on addressing additional comments from Fort Bend County. He requested authorization to advertise the project for bids once all plan approvals are received.

Mr. Froehlich reported that the Texas Department of Transportation's ("TxDOT") project to widen FM 723 at Bellaire Boulevard is scheduled to bid in August 2022 and begin construction in March or April 2022. He stated that BGE's design of the project to extend the steel casing on Main Segment 8B at FM 723 as required by TxDOT's project is complete. He said that BGE has resumed coordination with TxDOT

on preparing the Standard Utility Agreement for reimbursement of engineering and construction costs to the Authority.

Mr. Froehlich reported on the status of the design of water lines for the Authority's proposed 2025 surface water supply system (the "2025 System") by the following design consultants: (1) IDS Engineering Group ("IDS") for the design of Main Segment 13B; (2) BGE for the design of Main Segment 18A; and (3) Carollo Engineers, Inc. for the design of Main Segment 19. Mr. Froehlich reported that BGE completed its review and provided comments to IDS on the 95% submittal. He requested authorization to advertise the project for bids once all plan approvals for Main Segment 13B are received.

Mr. Froehlich reported on the status of Quiddity Engineering LLC's (formerly known as Jones & Carter, Inc.) design of Main Segment 13Ci and the surface water line connection for FB 229. He stated that BGE is proposing that the design of Main Segment 13Ci be divided into two phases to begin with the portion that will extend from the existing transmission system to FB 229.

Mr. Froehlich reported on the status of Binkley & Barfield, Inc.'s design of Main Segments 13Cii and 13D. He reported on coordination with ABHR and the Authority's acquisition consultant to notify property owners of the Authority's need to access their properties for this project.

Mr. Froehlich reported on the status of HR Green, Inc.'s design of the Authority's 2025 System surface water line connection for FWSD 2's water plant no. 2. He stated that the engineer for FWSD 2 is incorporating the Authority's surface water line connection for FWSD 2's water plant no. 1 into the scope of the design for the water plant and plans to advertise for bids for the project in May or June of 2022.

Mr. Froehlich reported on the status of the second phase of the transient analysis for the 2025 System.

Mr. Froehlich reported that ABHR is updating a draft Summary of Terms related to a proposed joint reclaimed water system project with Fort Bend County Municipal Utility District No. 34 with the interested parties based on additional information provided by BGE. Ms. Miller discussed proposed revisions to the terms in response to Director Houghton's inquiry.

Mr. Froehlich reported that BGE's subconsultant, Corona Environmental Consulting, LLC, will submit the draft technical memorandum for the second phase of the Authority's water blending study to BGE for review next week.

Mr. Froehlich reported on the status of a System Environmental Determination Form and a Cultural Resources Study required for the 2025 System. He stated that the remaining excavations and geoarchaeological investigations will be completed upon

receipt of the necessary easements and/or Right of Entry Agreements sent to certain property owners for access. He recommended payment of invoices from the geoarchaeological investigator and excavation contractor for work along Main Segments 11 and 17 in the total amount of \$7,671.58.

Mr. Froehlich reported on the status of cathodic protection system modifications and additional surveying for Main Segment 3 to maintain corrosion standards. He reported that BGE is reviewing the recently received report on the additional testing results for Main Segment 3 performed after installation of the grounding mats and rectifier decoupler. He stated that the results show the improvements significantly reduced the induced alternating electric current levels and they are within an acceptable range. He stated that the corrosion control consultant is recommending additional testing during peak months and over a 24-hour period. He stated that BGE will additionally discuss this recommendation at the next meeting of the Authority's Capital Planning and Design Committee.

Mr. Froehlich reported on the status of BGE's design of an offset of the Authority's existing water line around a proposed storm sewer required by Fort Bend County's planned improvements to Old Richmond Road. He stated that Fort Bend County Drainage District approved the design plans and they have been resubmitted to Fort Bend County Engineering and City of Houston ("COH") for signatures. He stated that the project will advertise for bids once all plan approvals are received.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Jones reported on the status of design, permitting, construction, and property acquisition, as appropriate, for the Authority's joint Surface Water Supply Project with the West Harris County Regional Water Authority (the "WHCRWA"), including Segments A, B1, B2, B3, C1, and C2, the Kinder Morgan subsegments, the Segment 3 subsegments, the Repump Station, and the Central Pump Station. A copy of a chart listing the status of construction is included in the engineer's report.

Mr. Jones reported that the Texas Water Development Board (the "TWDB") approved the release of escrowed funds for payment of the cash calls for the Surface Water Supply Project for the Repump Station, Segment A1/A2, and the Central Pump Station to the WHCRWA.

Ms. Miller discussed the status of the Authority's negotiations related to an Amended and Restated Joint Facilities Agreement with the WHCRWA. She stated that comments from the WHCRWA on the latest terms have not yet been received.

Mr. Jones stated that, as previously reported, construction, final testing, and startup of the Coastal Water Authority's Luce Bayou Interbasin Transfer Project are complete, and the pump station, pipelines, and canal system are operational.

Mr. Jones reported that BGE is reviewing COH's notice of the Authority's Fiscal Year 2023 Preliminary Water Rate for the East Water Purification Plant in the amount of \$0.9919, and a true-up report for the operations of the plant for fiscal year 2021.

Mr. Jones updated the Board on COH's Northeast Water Purification Plant ("NEWPP") Expansion Project per its Design-Build Agreement with the Houston Waterworks Team and reviewed drone video footage of the project site. He reported on the status of construction for the Influent Pump Station, raw water lines, North Plant, Central Plant, and the Balance of Plant. Mr. Pietz stated that Phase 1 of the project will provide 80 million gallons per day ("MGD") of capacity and is currently anticipated to be completed approximately one month behind schedule in early 2023. He reported that Phase 2 of the project will provide 320 MGD of capacity and is currently anticipated to be completed approximately one month behind schedule in the summer of 2025.

Mr. Jones reported that the TWDB approved the release of escrowed funds for payment of Cash Call No. 11 for the NEWPP Expansion Project to COH.

Mr. Froehlich reported that BGE will attend a meeting of the TWDB's Region H Planning Group on May 4, 2022.

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

- (1) approve Pay Estimate No. 13, submitted by McKinney for construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with Grand Lakes in the amount of \$219,450.00;
- (2) approve Pay Estimate No. 2, submitted by Glamco for construction of the Grand Lakes Reuse Irrigation System Retrofit Project in the amount of \$145,628.92;
- (3) approve Pay Estimate No. 10 submitted by McKinney for the Authority's joint reclaimed water system project with FB 146 and FB 194 in the amount of \$9,153.25;
- (4) approve Pay Estimate No. 1 submitted by Earthcare Landscaping for construction of the FB 146 and FB 194 Reuse Irrigation System Retrofit Project in the amount of \$39,983.06;
- (5) authorize advertisement for bids for Main Segments 11A and 13B once plans are fully approved; and
- (6) authorize payment of invoices from the geoarchaeological investigator and excavation contractor for work along Main Segments 11 and 17 in the total amount of \$7,671.58.

Director Abrahamson seconded the motion, which passed unanimously.

PARTICIPATION AS AMICUS PARTY

Ms. Miller stated that there were no updates related to the Authority's amicus brief filed in *San Jacinto River Authority v. City of Conroe and City of Magnolia*. She reported that it is anticipated that the Texas Supreme Court will hear the *Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1* matter.

FINANCING PLAN MATTERS

Ms. Miller reported that the TWDB has scheduled its annual meeting with ABHR, BGE, and Post Oak Municipal Advisors LLC to discuss the Authority's financial health and annual project review in May 2022. She stated that an update regarding the meeting will be provided to the Board.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed (1) two Water Line Easements for Main Segment 17A; and (2) two Right of Entry Agreements with Quadvest, L.P. and Pin Oak Enclave Community Association, Inc. for the Authority's automated meter reader installation project. Charts listing the Water Line Easements and Right of Entry Agreements are attached. Following review and discussion, Director Gay moved to authorize execution of the Water Line Easements and Right of Entry Agreements as presented. Director Abrahamson seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold a special meeting at 5:30 p.m. on May 4, 2022, and a regular meeting at 6:00 p.m. on May 25, 2022. The Board concurred with the schedule for the Authority's Committee meetings on May 9, 10, and 11, 2022.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:22 p.m., pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney regarding the Authority's legal rights and obligations related to (1) Public Utility Commission of Texas Docket No. 53363; Petition of the City of Fulshear Appealing the Decision of the North Fort Bend Water Authority to Increase Groundwater Reduction Plan and Surface Water Fees; and (2) a settlement offer for the Authority's Water Line Easement for Parcel 01A.01.

RECONVENE IN OPEN SESSION

At 7:36 p.m., the Board reconvened in open session. Director Gay moved to decline the settlement offer for the Authority's Water Line Easement for Parcel 01A.01, and requested that ABHR decline requests for participating in any negotiations related

to the previously acquired easement. Director Patton seconded the motion, which passed unanimously.

REGIONAL PLANNING MATTERS (CONTINUED)

Mr. Froehlich reported on an agreement between COH and the Brazos River Authority ("BRA") related to BRA's assumption of rights in the proposed Allens Creek Reservoir project.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Memorandum Regarding Water Conservation and Reuse	2
Bookkeeper's report.....	4
Operator's report.....	5
Engineer's report.....	5
Charts Listing Realty Interests and Right of Entry Agreements.....	10