

MINUTES  
NORTH FORT BEND WATER AUTHORITY

August 27, 2024

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 27<sup>th</sup> day of August, 2024, at The Club at Falcon Point, 24503 Falcon Point Drive, Katy, Texas, and the roll was called of the members of the Board:

Peter Houghton	President
Robert Patton	Vice President
Dana Hollingsworth	Secretary
Robert Darden	Assistant Vice President
Donald Abrahamson II	Assistant Secretary
Michael Rusk	Assistant Secretary
Craig Lewis	Assistant Secretary

and all of the above were present in person except Director Hollingsworth, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Larry Goldberg, Whitney Milberger, and Miriam Valdez of BGE, Inc. ("BGE"); Taylor Watson and Stephanie Bahn of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC ("Inframark"); Francine Stephan of Post Oak Municipal Advisors; Christina Miller, Audrey Briscoe, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

COMMENTS FROM THE PUBLIC

Members of the public were provided with the opportunity to make comments. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on July 23, 2024. After review and discussion, Director Darden moved to approve the minutes as written. Director Patton seconded the motion, which passed unanimously.

PUBLIC COMMUNICATION, WATER CONSERVATION, AND REUSE MATTERS

Ms. Milberger reviewed a Communication, Conservation, and Reuse Report (the "CCR Report"), a copy of which is attached. Ms. Milberger reported on the Authority's previous and planned participation in constituent and other events, including conferences. She stated that updates have been made to the Communications

Dashboard attached to the CCR Report.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve sponsoring: (1) the Katy Turkey Dash on Thanksgiving, November 28, 2024, in the amount of \$500.00; and (2) the 2025 Gulf Coast Water Conservation Symposium at the bronze level in the amount of \$500.00.

Ms. Milberger reported on updates made to the Authority's website, including the addition of a one-page educational flyer regarding the Authority's fee included on water bills and a Kids' Corner webpage.

Ms. Milberger reported that 113 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during July 2024.

Ms. Milberger reported on implementation of the Authority's Homeowners Association Irrigation Management Pilot Program. She reported that Masuen Consulting, LLC ("Masuen") has begun a water usage analysis for Bella Terra West Homeowners Association and completed the water usage analysis for Grand Meadow at Parkway Lakes Homeowners Association ("GM"). She stated that the CCR Committee reviewed the water usage analysis report for GM. Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve payment of an invoice submitted by Masuen for delivery of the water usage analysis report for GM in the amount of \$1,500.00. She stated that a future invoice is anticipated to be submitted by Masuen for conducting a water management meeting for GM in the amount of \$500.00.

Ms. Milberger reviewed updates made to the Reuse System and Credit Summary Charts, copies of which are attached to the CCR Report.

Ms. Milberger discussed implementation of the Authority's Water Provider Conservation Program ("WPC Program"). She reported that the Authority's CCR Committee recommended that the Board approve issuing checks for Annual Fee Credits for the 2021-2022 and 2022-2023 permit terms, pursuant to the Authority's Alternative Water Supply Credit Agreement with Cinco Municipal Utility District No. 1, in the amounts of \$221,371.82 and \$218,340.29, respectively.

Ms. Milberger reviewed registration information for the Authority's webinar for the WPC Program's Water Conservation Committee scheduled at 2:00 p.m. on August 29, 2024.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize a first quarter rebate payment to Fort Bend County Municipal Utility District No. 37 ("FB 37") as a participant in the 2023 WPC Program that earned

the required points necessary to receive a reduced 2024 water rate in the total amount of \$1,294.42.

Following review and discussion, Director Patton moved to approve the CCR Report, including:

- (1) sponsoring the Katy Turkey Dash on Thanksgiving, November 28, 2024, in the amount of \$500.00;
- (2) sponsoring the 2025 Gulf Coast Water Conservation Symposium at the bronze level in the amount of \$500.00;
- (3) paying an invoice submitted by Masuen for delivery of the water usage analysis report for GM in the amount of \$1,500.00;
- (4) issuing checks for Annual Fee Credits for the 2021-2022 and 2022-2023 permit terms, pursuant to the Authority's Alternative Water Supply Credit Agreement with Cinco Municipal Utility District No. 1, in the amounts of \$221,371.82 and \$218,340.29, respectively; and
- (5) a first quarter rebate payment to FB 37 as a participant in the 2023 WPC Program that earned the required points necessary to receive a reduced 2024 water rate in the amount of \$1,294.42.

Director Darden seconded the motion, which passed unanimously.

## CONTRACTS

Ms. Miller recommended approval of an Event Space Rental Agreement with HUB510 for the Authority's regular monthly meetings beginning in October 2024, subject to incorporation of attorney revisions.

Ms. Miller recommended approval of an engagement letter for Land Acquisition and Condemnation Professional Legal Services with Phelps Dunbar LLP for a tract of land owned by Harrison Interests, Ltd. She stated that the matter is unable to be handled by the Authority's current attorney, McFarland PLLC, due to a conflict.

Following review and discussion, Director Abrahamson moved to approve: (1) the Event Space Rental Agreement with HUB510; and (2) the engagement letter for Land Acquisition and Condemnation Professional Legal Services with Phelps Dunbar LLP, as presented. Director Darden seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS AND CONDUCT HEARING

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. He additionally reviewed a chart tracking the

amounts expended by the Authority related to the City of Fulshear's ("COF") rate challenge. Mr. Watson distributed a quarterly investment report. Copies of the bookkeeper's and quarterly investment reports are attached.

Ms. Miller provided an update on COF's rate challenge. She reported that COF filed suit in District Court regarding the State Office of Administrative Hearings' dismissal of COF's rate challenge case.

Mr. Watson and Ms. Miller responded to Board inquiries regarding requirements related to 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").

Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report, including the checks presented for payment. Director Darden seconded the motion, which passed unanimously.

#### 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 stated that the Authority's annual average water accountability is more representative than the monthly water accountability due to the timing of the meter readings.

Mr. Clayton reported that the Authority's Capital Planning and Design Committee ("CPD Committee") recommended approval of a quote from Edustrial Solutions for repair of the concrete driveway near the east vault at the Bellaire Pump Station (the "BPS") in the amount of \$10,178.65. Following review and discussion, the Board requested that an additional quote for the proposed repair be obtained.

Mr. Clayton reported that the Authority's CPD Committee recommended approval of a quote from Edustrial Solutions for an annual survey and inspection of the Authority's 480 manholes in the total amount of \$27,600.00.

Ms. Miller reported that Inframark was ready to begin testing the water delivered by the Authority for Per- and Polyfluoroalkyl Substances ("PFAS"), pending Board approval.

Following review and discussion, Director Abrahamson moved to approve the operator's report, including (1) the quote from Edustrial Solutions for an annual survey and inspection of the Authority's 480 manholes in the total amount of \$27,600.00; and (2) testing the water delivered by the Authority for PFAS. Director Darden 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 Fort Bend Subsidence District and Harris-Galveston Subsidence District permit renewal matters for the 2024-2025 permit year. He additionally reported on permit renewal procedures for the Authority's GRP participants for the 2024-2025 permit year.

Mr. Froehlich reported on matters related to the Authority's GRP, including the monthly amounts of surface water delivered, groundwater pumped, and reclaimed water utilized by the Authority. He reported that BGE received a request and issued an acknowledgment letter to Quadvest for a new well to serve the Olympia Falls development in Fresno, Texas.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of property acquisition matters and stated that preparation of metes and bounds descriptions is focused on the Authority's Main Segments 16B, 14, and 15. A chart summarizing the status of property acquisition matters is attached to the engineer's report.

Mr. Froehlich recommended approval of two invoices from CenterPoint for pipeline maintenance fees totaling \$20,420.00.

Mr. Froehlich reported that the Authority's automated meter reader installation project is nearly complete. A chart summarizing the status of the project is attached to the engineer's report.

Mr. Froehlich reported on the status of construction of water lines for the Authority's 2027 surface water supply system (the "2027 System"). He stated that the construction of Main Segment 11A is nearing completion. He reviewed and recommended approval of Pay Estimate No. 9 submitted by Main Lane Industries, Ltd. in the amount of \$238,558.46 for the project.

Mr. Froehlich reported on the status of construction of the 2027 System surface water line connection for Fort Bend County Fresh Water Supply District No. 2's ("FWSD 2") water plant no. 2. He stated that construction is complete, and connection and testing will be performed after construction of FWSD 2's water plant no. 2 is completed at the end of 2024.

Mr. Froehlich reported on the status of construction of the Authority's 2027 System surface water line connection and meter station for Fort Bend County Municipal Utility District No. 255 ("FB 255") administered by FB 255 in connection with FB 255's

water plant project. He stated that the contractor is installing the meter station.

Mr. Froehlich reported on the status of the design of surface water lines for the 2027 System by the following design consultants: (1) IDS Engineering Group for Main Segment 13B; (2) Quiddity Engineering, LLC for Main Segment 13C, Phase 1; (3) BGE for Main Segment 18A; (4) Carollo Engineers, Inc. for Main Segment 19; (5) Binkley & Barfield, Inc. for Main Segment 17A; (6) R.G. Miller Engineers, Inc. for Main Segment 17C; and (7) JNS Engineers, LLC for Main Segment 18B. He reported that the Authority's CPD Committee recommended approval of BGE's preparation of a proposal and an agreement for design services for Main Segment 13D.

Mr. Froehlich reported that completion of work on the 2027 System Environmental Determination Form ("EDF") and Cultural Resources Study ("CRS") is on hold pending access to property located at the southwest corner of FM 1093 and FM 359. He stated that additional services required to renew EDF approvals and update the CRS to the current standards are underway.

Mr. Froehlich reported on the status of Fort Bend County Municipal Utility District No. 58's ("FB 58") request for the future restoration of hike and bike trails inadvertently constructed by the district on the Authority's easement for Main Segment 17B. He reported that FB 58 approved the necessary easements, and any accompanying agreements related to the request at its August 13, 2024, Board meeting.

Mr. Froehlich reported on coordination with Inframark regarding the development of a long-term asset maintenance plan for the Authority's facilities, including the BPS, transmission lines, and meter stations.

Mr. Froehlich reported that the Authority's CPD Committee recommended approval of BGE's proposal for expanding the transient analysis for the 2027 System to include the detailed design of Segments 17A, 17C, and 18B for a lump sum fee of \$41,690.00.

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

Mr. Froehlich reported on the status of agency review of the design plans for the BPS Phase II Improvements Project. He stated that a response has not yet been received from the Texas Commission on Environmental Quality regarding a variance request related to the air gap in the ground storage tanks.

Mr. Froehlich reported on the status of structural design services for the installation of additional structural support for the vertical supports of the hoist trolley system at the BPS.

Mr. Froehlich reported that ABHR is coordinating with the attorney for Great Barrier Roof, LLC regarding contract matters related to the proposed installation of a

new Thermoplastic Polyolefin roof for the BPS.

Mr. Froehlich 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, including Segments A1 and A2, combined Segments B1 and B2, Segments B3, C1, and C2, the Kinder Morgan subsegments, the Segment 3 subsegments, the Repump Station, the Central Pump Station, and the three meter stations. Copies of a chart and summaries of the status of design/construction are included in the attached engineer's report. Mr. Froehlich responded to Board inquiries related to the schedule for the Kinder Morgan subsegments.

Mr. Froehlich reported on BGE's review of the Fiscal Year 2023 True-up for the East Water Purification Plant and stated that BGE will discuss its comment related to the percentage used for administrative costs with the City of Houston ("COH").

Mr. Froehlich updated the Board on COH's Northeast Water Purification Plant ("NEWPP") Expansion Project per its Design-Build Agreement with the Houston Waterworks Team. He reported on the status of construction and testing, as applicable, for the Influent Pump Station, North Plant, Central Plant, South Plant, and the Balance of Plant. Status summaries are included in the attached engineer's report. Mr. Froehlich reminded the Board that COH's existing northeast water plant went offline and COH is delivering water from the Phase 1 facilities of the NEWPP Expansion Project to its constituents.

Mr. Froehlich reported on a meeting held with the engineer for the Region H Water Planning Group to provide an update on the Authority's projects.

Mr. Froehlich responded to Board inquiries regarding cathodic protection for the Authority's pipelines. He additionally responded to attendee inquiries regarding the status of the construction of Main Segment 11A and chloramine conversion requirements.

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

- (1) two invoices from CenterPoint for pipeline maintenance fees totaling \$20,420.00;
- (2) Pay Estimate No. 9 submitted by Main Lane Industries, Ltd. for construction of the Authority's Main Segment 11A in the amount of \$238,558.46;
- (3) BGE's preparation of a proposal and an agreement for design services for Main Segment 13D; and
- (4) the proposal from BGE for expanding the transient analysis for the 2027

System to include the detailed design of Segments 17A, 17C, and 18B for a lump sum fee of \$41,690.00.

Director Darden seconded the motion, which passed unanimously.

#### FINANCING PLAN MATTERS

Ms. Miller reported that COH provided notice of the adopted Fiscal Year 2025 O&M Budget and Water Rate of \$1.6163 for the NEWPP.

Ms. Miller reviewed the procedures for cash defeasance of the Authority's Series 2016A Bonds with unused funds and interest earnings from the Authority's Grand Lakes reclaimed water distribution system project. Following discussion, Director Abrahamson moved to approve: (1) a notice of cash redemption and Material Event Notice; (2) an Escrow Agreement; (3) a Letter of Instruction to Trustee; and (4) authorize the preparation of a Verification Report. Director Darden seconded the motion, which passed unanimously.

#### NOTICE OF 2025 PRELIMINARY FEES

Ms. Miller reminded the Board that the Authority normally distributes a preliminary notice of the anticipated GRP Fee and Surface Water Fee for the next calendar year prior to the end of September to assist retail water providers located within the Authority in developing their budgets for the next fiscal year. She noted that the Authority's financial advisor recommended no changes to the Authority's current GRP Fee and Surface Water Fee for the Authority's 2025 fiscal year. Following review and discussion, Director Patton moved to authorize the distribution of a notice stating that the Authority anticipates there will be no change to the current fees to all retail water providers served by the Authority. Director Abrahamson seconded the motion, which passed unanimously.

#### REALTY INTEREST ACQUISITION

Ms. Miller discussed a proposed Water Line Easement to be granted FB 58. She reported that ABHR is counsel for FB 58 and discussed with the Board the Authority's option to retain independent counsel or to have ABHR represent it in connection with the preparation of the proposed Water Line Easement to be granted by FB 58. Following review and discussion, Director Darden moved to approve a legal conflict waiver for ABHR's preparation of a Water Line Easement to be granted by FB 58. Director Abrahamson seconded the motion, which passed unanimously.

Ms. Miller reviewed (1) a Water Line Easement and Temporary Construction Easement and a side letter agreement for Parcels 13C.04 and 13C.04TE; and (2) a Water Line Easement for Parcels 16B.08, 16B.10, 16B.12, 16B.13, 16B.14, 17A.01, & 17A.02, as listed on the attached Realty Interests Chart. Following review and discussion, Director

Abrahamson moved to approve: (1) the Water Line Easement and Temporary Construction Easement and side letter agreement for Parcels 13C.04 and 13C.04TE; and (2) a Water Line Easement for Parcels 16B.08, 16B.10, 16B.12, 16B.13, 16B.14, 17A.01, & 17A.02, as presented. Director Patton seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold its next regular meeting on Tuesday, September 24, 2024.

Ms. Miller reviewed changes to the Board’s regular meeting schedule. She stated that the October regular meeting of the Board is scheduled to be held on Wednesday, October 23, 2024, at HUB510. She reminded the Board that the November and December 2024 regular meetings will be rescheduled to the Thursday before the regularly scheduled dates due to the Thanksgiving and Christmas holidays.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:58 p.m., pursuant to (1) Section 551.071, Texas Government Code, to seek the advice of its attorney regarding pending or contemplated litigation or to seek and receive legal advice by the Authority’s attorney; and (2) Section 551.072, Texas Government Code, to discuss the purchase, exchange, lease, or value of real property.

RECONVENE IN OPEN SESSION

At 7:00 p.m., the Board reconvened in open session. Director Darden moved to approve obtaining an appraisal for Parcel 16B.11. Director Lewis seconded the motion, which passed unanimously.

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

(SEAL)



  
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Secretary, Board of Directors

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