

MINUTES

NORTH FORT BEND WATER AUTHORITY

December 18, 2025

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 18th day of December, 2025, at the Creekside Event Center, 21555 Lakemont Bend Lane, Richmond, 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 Houghton, thus constituting a quorum.

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

COMMENTS FROM THE PUBLIC

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on November 20, 2025. 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 RESOLUTION ESTABLISHING THE 2026 WATER PROVIDER CONSERVATION PROGRAM ("WPC PROGRAM")

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.

Ms. Milberger reported on the preparation of a presentation regarding the Authority’s distribution system and growth in response to LJA, Inc.’s request for a “Lunch and Learn” event for their engineers.

Ms. Milberger 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 approving payment of Root Lab LLC’s December 2025 invoice for the mobile learning lab rehabilitation project in the amount of \$24,117.60.

Ms. Milberger reported that 122 irrigation system evaluations were completed through the Authority’s W.I.S.E. Guys Irrigation System Evaluation Program during November 2025.

Ms. Milberger reported that information regarding the Authority’s Homeowners Association Irrigation Management Pilot Program is posted on the Authority’s website. She reported that Hines, Inc. is performing water use analysis services for Townewest Homeowners Association located in Fort Bend County Municipal Utility District No. 2.

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 WPC Program. She stated that there were no recommended changes to the program for 2026. She reported that the Authority’s CCR Committee recommended adopting a Resolution Establishing the 2026 WPC Program.

Ms. Milberger reported that the Authority’s CCR Committee recommended approval of third quarter rebate payments to the successful participants in the 2024 WPC Program that earned a reduced 2025 water rate in the amount of \$326,429.24.

Following review and discussion, Director Abrahamson moved to approve the CCR Report as presented, including: (1) payment of Root Lab LLC’s December 2025 invoice for the mobile learning lab rehabilitation project in the amount of \$24,117.60; (2) adopting a Resolution Establishing the 2026 WPC Program; and (3) payment of third quarter rebate payments to the successful participants in the 2024 WPC Program that earned a reduced 2025 water rate in the total amount of \$326,429.24. Director Hollingsworth seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND CONFERENCE ATTENDANCE

The Board reviewed the Authority's Travel Reimbursement Guidelines.

CONTRACTS

Ms. Miller reported that the Authority's Finance and Policy Committee recommended approval of a Renewal Agreement for Investment Advisory Services with Hilltop Securities Asset Management, LLC ("HSAM") for the term December 31, 2025, to December 31, 2026. She stated there was no change in the fees of \$84,000.00 to be paid in equal quarterly amounts of \$21,000.00. Following review and discussion, Director Abrahamson moved to approve the Renewal Agreement for Investment Advisory Services with HSAM, as presented. Director Hollingsworth seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, ADOPT BUDGET FOR FISCAL YEAR END DECEMBER 31, 2026, 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, a schedule of debt service payments, and a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge. A copy of the bookkeeper's report is attached. Mr. Watson additionally reviewed charts tracking funds deposited in separate accounts by the Authority and the West Harris County Regional Water Authority (the "WHCRWA") for the Bellaire Pump Station (the "BPS") Phase II Improvements Project.

Mr. Watson reviewed a proposed budget for the Authority's fiscal year ending December 31, 2026, including the proposed budget for the BPS.

Mr. Watson reviewed calculations for the Authority's annual review of the O&M Reserve Account, Improvement Fund Reserve Balance Policy, and Revenue Fluctuation Reserve.

Following review and discussion, Director Abrahamson moved to: (1) approve the bookkeeper's report, including the checks presented for payment; and (2) adopt the budget for the Authority's fiscal year ending December 31, 2026, as presented. Director Hollingsworth 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, water accountability, and ongoing meter testing. A copy of the operator's

report is attached. Mr. Clayton explained that the higher-than-normal water accountability for November 2025 was due to a meter that was found to be inaccurately reading. He stated that the meter is being repaired.

Mr. Clayton reported on coordination with BGE to remove one of three meter run lines at the BPS in place of replacing a 30-inch main line valve and a 30-inch butterfly valve for a large cost savings.

Mr. Clayton reported that the Authority's Capital Planning and Design Committee ("CPD Committee") recommended raising three concrete manholes to grade in Main Segment 5 at a cost of \$38,664.88.

Following review and discussion, Director Abrahamson moved to approve the operator's report, including raising three concrete manholes to grade in Main Segment 5 at a cost of \$38,664.88. Director Hollingsworth 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 that Inframark is performing the recommended quarterly testing for Per- and Polyfluoroalkyl Substances ("PFAS") per the U.S. Environmental Protection Agency's PFAS National Primary Drinking Water Regulation.

Mr. Froehlich reported that the Fort Bend Subsidence District (the "FBSD") voted to implement proposed amendments to the FBSD's Regulatory Plan to, among other items: (1) amend the surface water conversion date from 2027 to 2030; and (2) enact groundwater reduction requirements for Regulatory Area B with a conversion date requirement of 2050. Ms. Miller reported that the FBSD intends to make further modifications following a hearing to be held in January 2026. Ms. Miller reported that copies of the proposed amendments were requested from the FBSD for use in developing and submitting comments on behalf of the Authority for the FBSD's public hearing. She reported that it is anticipated that proposed amendments will include procedures for surface water conversion benchmarks and annual reporting and regulation related to areas experiencing increased subsidence. Ms. Frankovich stated that implementation of groundwater reduction requirements for Regulatory Area B will impact imported water into the Authority.

Mr. Froehlich reported that the Authority's Over-Conversion Credit Certificate for the 2024-2025 permit term was submitted to the FBSD. He stated that the Authority's Over-Conversion Credit Certificate for the 2023-2024 permit term has not yet been received from the FBSD.

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.

Mr. Froehlich reported that BGE provided a conditional approval letter in response to Fort Bend County Municipal Utility District No. 142's request for a new well.

Mr. Froehlich recommended approval of Accurate Meter & Supply's proposed programming and testing of endpoint installations on the 24-inch meters at the BPS for compatibility with the Authority's automated meter infrastructure in the amount of \$3,500.00.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of the design and construction of water lines for the Authority's 2027 surface water supply system, as appropriate, including Main Segments 11A, 13B, 13C Phase 1, 13D, 16B, 17A, 17B, 17C, 18A, 18B, and 19, and the surface water connection lines for Fort Bend County Municipal Utility District Nos. 132 and 255 and Fort Bend County Fresh Water Supply District No. 2. Mr. Froehlich reported that the Authority's CPD Committee recommended approval of Pay Estimate No. 4 in the amount of \$29,151.00 for the construction of the surface water connection line for Fort Bend County Fresh Water Supply District No. 2.

Mr. Froehlich reported that contracts with Principal Services, Ltd. for the construction of Main Segment 18A are being routed for signature.

Mr. Froehlich reported on the status of BGE's preparation of a revised Environmental Determination Form and a Cultural Resources Study for the Authority's 2027 surface water supply system for submission to the appropriate agencies.

Mr. Froehlich reported on the status of transient analysis services and cathodic protection design services for Main Segments 16B and 17B.

Ms. Frankovich reported on BGE's review of the updated population study performed by Municipal Information Services. She reviewed charts of updated population projections through 2100, historical and updated water demand projections through 2100, and a comparison of previous and updated water demand projections. She stated that the population within the Authority, including GRP contract participants, is anticipated to increase from 418,668 in 2024 to 812,402 in 2100. Ms. Frankovich reported that it is anticipated that the Authority will need to construct additional internal surface water distribution lines to meet GRP requirements. She reviewed graphs summarizing the Authority's 2025 usage, including expected ranges and weather trends, and responded to inquiries and comments. Ms. Frankovich stated that the updated population and water demand projections will be used in a future Rate

Study for the Authority.

Mr. Froehlich reported that the Authority's CPD Committee recommended approval of a proposal from BGE for investigating and analyzing future surface water transmission line sizing for potential service beyond the currently proposed system in the amount of \$26,000.00.

Mr. Froehlich reported that Fort Bend County plans to widen Fulshear-Gaston Road from FM 723 to FM 359. He stated that Fort Bend County acquired right-of-way located along the south side of Fulshear-Gaston Road in the Authority's easement for Main Segment 8B. He stated that BGE is coordinating with Fort Bend County and its design consultant regarding this conflict and any necessary modifications to the Authority's water line and easement.

Mr. Froehlich reported that Notice to Proceed was issued to 5engineering, LLC to perform a third party audit of the Authority's facilities.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported that a draft cash call for design and construction engineering, management, inspection, and materials testing services for the BPS Phase II Improvements Project was sent to the WHCRWA on November 4, 2025. He stated that a final cash call is anticipated to be sent soon to the WHCRWA.

Mr. Froehlich reported on the status of construction of the BPS Phase II Improvements Project pursuant to the Authority's contract with MC2 Civil, LLC.

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 WHCRWA, 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 reported that the schedule for the Authority's annual fiscal year 2026 loan payments to the City of Houston ("COH") for the Luce Bayou project and estimated payment schedules for fiscal years 2027, 2028, and 2029 are being reviewed.

Mr. Froehlich updated the Board on COH's Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team. Status summaries for Phases 1, 2A, and 2, and the Balance of Plant are included in the attached engineer's report. Mr. Froehlich reviewed a video of the project site and facilities and responded to inquiries.

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

- (1) Accurate Meter & Supply's programming and testing of endpoint installations on the 24-inch meters at the BPS for compatibility with the Authority's automated meter infrastructure in the amount of \$3,500.00;
- (2) Pay Estimate No. 4 in the amount of \$29,151.00 for the construction of the surface water connection line for Fort Bend County Fresh Water Supply District No. 2; and
- (3) a proposal from BGE for investigating and analyzing future surface water transmission line sizing for potential service beyond the currently proposed system in the amount of \$26,000.00.

Director Hollingsworth seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

The Board concurred to defer this item.

ARBITRAGE REBATE REPORTS

Ms. Miller reviewed arbitrage rebate and yield restriction liability reports prepared by OmniCap Group, LLC for the Authority's Series 2016B, 2017, 2019A, and 2023 Bonds. She reported that there is no action required at this time.

EMINENT DOMAIN REPORT

Ms. Miller reported on the Authority's filing requirements related to eminent domain authority and stated that the Authority's Eminent Domain Authority Annual Report will be filed with the Comptroller of the State of Texas as required.

REALTY INTEREST ACQUISITION

Ms. Miller discussed the following proposed real estate documents: (1) a proposed easement for Parcel 11.B.19 to be granted by Willow Fork Drainage District ("WFDD"); (2) an appraisal for the possible condemnation of Parcel 16B.09 owned by Katy 309 Ventures; and (3) a Water Line and Meter Easement for Parcel 16B.16 to be granted by Fort Bend County Municipal Utility District No. 130 ("FB 130"). She reported that ABHR is counsel for WFDD, Katy 309 Ventures, and FB 130 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 real estate documents. Following review and discussion, Director Abrahamson moved to approve legal conflict waivers for ABHR's preparation of the real estate documents as discussed. Director Hollingsworth seconded the motion, which passed unanimously.

Ms. Miller reviewed and recommended approval of: (1) a Water Line Easement; for Parcel 16B.11 to be granted by Maria Cristina Gaytan and Harold T. Parker, Jr.; (2) a Water Line and Meter Easement for Parcel 16B.16 to be granted by FB 130; and (3) a side letter agreement with Robert S. McDaniel and Diana L. McDaniel for Parcel 17A.04. Following review and discussion, Director Abrahamson moved to approve the easements and side letter as recommended. Director Hollingsworth seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold its next regular meeting on January 28, 2026.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:11 p.m., pursuant to Section 551.072, Texas Government Code, to discuss the purchase, exchange, lease, or value of real property pursuant to Section 551.071, Texas Government Code.

RECONVENE IN OPEN SESSION

At 7:16 p.m., the Board reconvened in open session. Director Abrahamson moved to authorize: (1) offers for easements for Parcels 11B.19 and 11B.20 in the amounts discussed; (2) performance of an appraisal for Parcel 16B.09; and (3) payment of \$40,000.00 per the Decision and Award of Special Commissioners for Parcel 17A.20. Director Hollingsworth seconded the motion, which passed unanimously.

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


Secretary, Board of Directors

(SEAL)



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