

MINUTES

NORTH FORT BEND WATER AUTHORITY

August 27, 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 27th day of August, 2025, at HUB 510, 10419 W. Hidden Lake Lane, Suite B, 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, Liliana Gregorian, and Whitney Milberger of BGE, Inc. ("BGE"); Taylor Watson and Stephanie Bahn of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC; Terrell Palmer 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

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on July 23, 2025. After review and discussion, Director Abrahamson moved to approve the minutes as written. Director Hollingsworth seconded the motion, which passed unanimously.

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

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 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 recommended approval of Root Lab's: (1) cost estimate of construction items for rehabilitation of the Authority's mobile learning lab in an amount not to exceed \$200,000.00; and (2) an invoice for design of the project in the amount of \$11,700.00.

Ms. Milberger reported that 147 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during July 2025.

Ms. Milberger reported that information regarding the Authority's Homeowners Association Irrigation Management Pilot Program is posted on the Authority's website.

Ms. Milberger reviewed updates made to the Reuse System and Credit Summary Charts, copies of which are attached to the CCR Report. She reported that approximately 6,050,000 million gallons of reclaimed water have been utilized in the Authority beginning in 2016.

Ms. Milberger discussed implementation of the Authority's Water Provider Conservation Program. She reported that a webinar is scheduled at 2:00 p.m. on September 30, 2025.

Ms. Miller reviewed a Facility Rental Policy and Agreement with Fort Bend County Municipal Utility District Nos. 122 and 123 for the Creekside at Lakemont Park Facility in the amount of \$12,000.00 plus a security deposit in the amount of \$350.00. She stated that the Board's regular meetings are scheduled to be held at the new facility beginning in October 2025.

Ms. Milberger responded to a Director's inquiries regarding a delay in reporting by the weather station at Fort Bend County Municipal Utility District No. 50.

Following review and discussion, Director Abrahamson moved to approve the CCR Report as presented, including: (1) Root Lab's cost estimate of construction items for rehabilitation of the Authority's mobile learning lab in an amount not to exceed \$200,000.00; (2) Root Lab's invoice for design of the rehabilitation of the Authority's mobile learning lab in the amount of \$11,700.00; and (3) the Facility Rental Policy and Agreement with Fort Bend County Municipal Utility District Nos. 122 and 123 for the Creekside at Lakemont Park Facility. Director Hollingsworth 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, a schedule of debt service payments, and a chart tracking the amounts expended by the Authority related to the City of Fulshear's ("COF") rate challenge. A copy of the bookkeeper's report is attached. Mr. Watson additionally reviewed charts tracking expenses against the deposit received for BGE's evaluation of serving the Oxbow tract and funds deposited in separate accounts by the Authority and the West Harris County Regional Water Authority ("WHCRWA") for the Bellaire Pump Station (the "BPS") Phase II Improvements Project. Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report as presented, including the checks presented for payment. 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 reported on an unexpected temporary stoppage of water delivered by the City of Houston ("COH") in late July 2025 due to low pressure experienced during COH's preparations for a water line repair. He reported that there were no interruptions to the Authority's supply of water during the event or during the repair conducted on August 5, 2025. Mr. Clayton reported on coordination with COH to ensure COH notifies the Authority of future repairs.

Mr. Clayton reported that the Authority's Capital Planning and Design Committee (the "CPD Committee") recommended replacing a bad phase wire for booster pump no. 6 in the approximate amount of \$9,000.00. He additionally reported that a quote for testing all the other wires at the BPS is being solicited at the recommendation of the CPD Committee.

Mr. Clayton reported that the Authority's CPD Committee recommended replacing a leaking bleach tank at the BPS due to the age of the tank. He stated that a quote is being solicited for the replacement.

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

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

Ms. Miller stated that the Fort Bend Subsidence District (the "FBSD") has posted a summary of its Committee's findings and scheduled a public hearing regarding proposed amendments to the FBSD's Regulatory Plan on September 23, 2025. She discussed recommended updates to a draft letter to be sent to the FBSD regarding the FBSD's updated regulatory plan and the Authority's positions related to the schedule for surface water conversion for Regulatory Area B, the schedule for the next surface water conversion for Regulatory Area A, and areas within the Authority's GRP experiencing increased subsidence.

Ms. Miller reviewed a proposed Consent to Assignment of a portion of excess water capacity from Fort Bend County Fresh Water Supply District No. 2 ("FWSD 2") to Fort Bend County Municipal Utility District No. 141 ("FB 141"). She stated that the partial assignment is for a three-year term. She reminded the Board that the Authority is unable to enter into new Water Supply Agreements or Groundwater Reduction Plan Participant Agreements ("GRPPA") at this time, so entities are entering into agreements for temporarily use of existing excess water capacity.

Ms. Miller discussed providing authorization for GRPPA participant Brazoria-Fort Bend Counties Municipal Utility District No. 3's ("BFB 3") provision of temporary water service to Brazoria County Municipal Utility District No. 87 ("BC 87") for one year during BC 87's construction of a new well in an amount not to exceed BFB 3's total allocation.

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

Mr. Froehlich reported that the results of the tests performed to date for Per- and Polyfluoroalkyl Substances ("PFAS") per the U.S. Environmental Protection Agency's ("EPA") PFAS National Primary Drinking Water Regulation were below the published EPA Maximum Contaminant Levels. He stated that the Authority will continue to conduct monthly PFAS testing.

Mr. Froehlich reported that the Authority's Over-Conversion Credit Certificate for the 2023-2024 permit term has not yet been received from the FBSD. He additionally reported that the Authority's permit renewal application was submitted to the Harris-Galveston Subsidence District for the 2025-2026 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.

Mr. Froehlich recommended payment of Fort Bend County Municipal Utility District No. 37's request for reimbursement of Progress Payment No. 4 for its

chloramine conversion project in the amount of \$8,178.50, pending an executed receipt.

Mr. Froehlich reported on BGE's review of the Authority's transmission system model to evaluate options and parameters for potentially serving the Oxbow Tracts. He recommended scheduling a special Board meeting on September 3, 2025, to discuss the options.

Mr. Froehlich recommended approval of the Authority's Emergency Response Plan (the "ERP") and submission of a certification of completion to the Environmental Protection Agency ("EPA") by September 30, 2025, to comply with the America's Water Infrastructure Act of 2018.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of the design and the construction of water lines for the Authority's 2027 surface water supply system, including for 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 No. 255 and FWSD 2.

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 that a report is being finalized for the transient analysis performed for Main Segments 17A, 17C, and 18B. He stated that BGE is evaluating options for future transient analysis services.

Mr. Froehlich reported on the status of cathodic protection design services for Main Segments 16B and 17B. He reported that BGE is preparing a proposal to develop a bid package for replacing the missing, damaged, and disconnected test stations throughout the system.

Mr. Froehlich reported that MIS' population study report is anticipated to be completed by the end of September 2025.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported that that a Notice to Proceed for construction of the BPS Phase II Improvements Project was issued to MC2 Civil, LLC on August 26, 2025, and the project length is 365 calendar days.

Mr. Froehlich reported that a Notice to Proceed for recommended minor structural and aesthetic repairs to the BPS was issued to Expoxy Design Systems, Inc. on August 18, 2025.

Mr. Froehlich reported that Great Barrier Roof, LLC's installation of a new thermoplastic polyolefin roof on the BPS is complete and the final pay estimate remains pending.

Mr. Froehlich reported that BGE will prepare and submit a renewal application for the Authority's Storm Water Quality Permit prior to the November 21, 2025, expiration date.

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 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 WHCRWA's bookkeeper confirmed that the Authority has adequate accrued interest earnings in the Joint Facilities Account for the Surface Water Supply Project to pay the Authority's share of Cash Calls received for the construction of Kinder Morgan Segments 1, 3, and 5 and the I-10 Meter Station totaling \$35,332,100.40.

Mr. Froehlich reported that BGE has no comments regarding the WHCRWA's 2024 Annual Agreed-Upon Procedures Report for the Surface Water Supply Project.

Mr. Froehlich reported that COH is soliciting proposals for a Construction Manager at Risk and Statements of Qualifications for professional engineering services for the East Water Purification Plant Enhancement Project - Project 1 Expansion.

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 responded to inquiries from Steve Talecki of Cornerstones Municipal Utility District regarding the status of construction for Main Segment 11A and the anticipated delivery date for surface water to Cinco Municipal Utility District No. 1.

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

- (1) payment of Fort Bend County Municipal Utility District No. 37's request for reimbursement of Progress Payment No. 4 for its chloramine conversion project in the amount of \$8,178.50, pending an executed receipt;

- (2) the Authority's ERP and submission of a completion certification to the EPA;
- (3) payment of the Authority's share of Cash Calls received for the construction of Kinder Morgan Segments 1, 3, and 5 and the I-10 Meter Station totaling \$35,332,100.40 from the Authority's accrued interest earnings in the Joint Facilities Account for the Surface Water Supply Project;
- (4) the Consent to Assignment of a portion of excess water capacity from FWSD 2 to FB 141; and
- (5) authorization for BFB 3's provision of temporary water service to BC 87 for one year during BC 87's construction of a new well in an amount not to exceed BFB 3's total allocation.

Director Hollingsworth seconded the motion, which passed unanimously, except for Director Rusk who abstained from the vote related to the Consent to Assignment of a portion of excess water capacity from FWSD 2 to FB 141.

FINANCING PLAN MATTERS AND NOTICE OF 2026 PRELIMINARY FEES

Mr. Palmer gave a presentation regarding the Authority's Series 2025 Bonds and outstanding bond issues. He stated that the Authority's Series 2025 Bonds are the last series to be issued through the Texas Water Development Board (the "TWDB") for funding from the State Water Implementation Revenue Fund for Texas ("SWIRFT"). Mr. Palmer discussed the savings achieved by the Authority by issuing bonds through the TWDB for funding from SWIRFT and the resulting impact on lowering the Authority's fees. He recommended that the Authority issue its Series 2025 Bonds. He additionally recommended no changes to the Authority's current GRP Fee and Surface Water Fee for the Authority's 2026 fiscal year.

Ms. Miller discussed the proposed schedule for issuing bonds through the TWDB for funding from SWIRFT in the amount of \$36,735,000.00 to finance construction of the Authority's internal water distribution lines on October 22, 2025. She recommended approval of the Financing Agreement with the TWDB due for submission to the TWDB by September 11, 2025.

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.

Following review and discussion, Director Abrahamson moved to: (1) approve the Financing Agreement with the TWDB; and (2) 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 Hollinsworth seconded the motion, which passed unanimously.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Wednesday, September 24, 2025, at HUB 510. Ms. Miller stated that the October 22, 2025, Board meeting is scheduled at the new meeting location at the Creekside at Lakemont Park Facility. Ms. Milberger described the new meeting location.

Ms. Miller discussed changing the Board's online document sharing site from SharePoint to OneDrive. Following discussion, Director Abrahamson moved to change the Authority's online document sharing site to OneDrive. Director Hollingsworth seconded the motion, which passed unanimously.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:57 p.m., pursuant to Section 551.072, Texas Government Code, to discuss the purchase, exchange, lease, or value of real property. The Board determined that the attendance in this executive session of Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested his presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:00 p.m., the Board reconvened in open session. Director Abrahamson moved to authorize an appraisal and submit a final offer and if rejected, condemnation proceedings for Parcel 16B.09. Director Hollingsworth seconded the motion, which passed unanimously.

EXECUTIVE SESSION

The Board convened in executive session at 7:01 p.m., pursuant to 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. The Board determined that the attendance in this executive session of Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested his presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:09 p.m., the Board reconvened in open session. Following discussion, Director Abrahamson moved to decline COF's settlement offer related to COF's rate challenge. Director Hollingsworth seconded the motion, which passed unanimously.


EXECUTIVE SESSION

The Board convened in executive session at 7:09 p.m., pursuant to 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. Adam Richie of Maynard Nexsen PC joined the meeting via teleconference. The Board determined that the attendance in this executive session of Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested his presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:15 p.m., the Board reconvened in open session. Following discussion, Director Abrahamson moved to decline North Harris County Regional Water Authority's agreement offer regarding COH's litigation with the Houston Waterworks Team related to the Northeast Water Purification Plant Expansion Project. 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)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Attendance Sheets.....	1
Communication, Conservation, and Reuse Report.....	1
Bookkeeper's report.....	3
Operator's report.....	3
Engineer's report.....	4