

## MINUTES

### NORTH FORT BEND WATER AUTHORITY

December 19, 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 19<sup>th</sup> day of December, 2024, 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 Darden, thus constituting a quorum.

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

#### COMMENTS FROM THE PUBLIC AND OPERATION OF AUTHORITY FACILITIES

Members of the public were provided with the opportunity to make comments. Luther Jack Moller, Secretary of Fort Bend County Municipal Utility District No. 124, distributed printed materials to the Board.

#### APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on November 21, 2024. After review and discussion, Director Hollingsworth moved to approve the minutes as written. Director Abrahamson seconded the motion, which passed unanimously.

#### TRAVEL REIMBURSEMENT GUIDELINES AND CONFERENCE ATTENDANCE

The Board reviewed the Authority's Travel Reimbursement Guidelines.

## CONTRACTS

Ms. Miller reviewed a supplemental engagement letter with ABHR for legislative services in connection with the 2025 Legislative Session. Following review and discussion, Director Patton made a motion to approve the supplemental engagement letter with ABHR. Director Hollingsworth seconded the motion, which passed unanimously.

## PUBLIC COMMUNICATION, WATER CONSERVATION, AND REUSE MATTERS AND RESOLUTION ESTABLISHING THE 2025 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. She stated that updates have been made to the Communications Dashboard attached to the CCR Report.

Ms. Milberger stated that there were 103 submissions for the Authority's Fall 2024 Art Contest for elementary school students in the second and third grades of Bonnie Holland Elementary School. She reported on coordination of pizza parties for the classrooms.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve: (1) Mighty Citizen's proposal for 2025 Marketing and Planning services in an amount not to exceed \$234,000.00; (2) Mighty Citizen's proposal for Care Package Essentials Annual Renewal for ongoing website support and hosting in the amount of \$7,990.00; and (3) Root Lab LLC's quote for the design of the Authority's mobile learning lab rehabilitation project in an amount not to exceed \$30,000.00.

Ms. Milberger reported that 110 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during November 2024.

Ms. Milberger updated that Board on the status of the Authority's Homeowners Association Irrigation Management Pilot Program. She stated that information regarding the 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.

Ms. Milberger discussed implementation of the Authority's WPC Program. She reported that the Authority's CCR Committee recommended that the Board approve third quarter rebate payments to the participants in the 2023 WPC Program that earned

the required points necessary to receive a reduced 2024 water rate in the total amount of 269,609.11.

Ms. Milberger reported on development of the 2025 WPC Program. She reported that the Authority's CCR Committee recommended that the Board adopt a Resolution Establishing the 2025 WPC Program.

Following review and discussion, Director Hollingsworth moved to approve the CCR Report, including: (1) Mighty Citizen's proposal for 2025 Marketing and Planning services in an amount not to exceed \$234,000.00; (2) Mighty Citizen's proposal for Care Package Essentials Annual Renewal for ongoing website support and hosting in the amount of \$7,990.00; (3) Root Lab LLC's quote for the design of the Authority's mobile learning lab rehabilitation project in an amount not to exceed \$30,000.00; (4) third quarter rebate payments to the participants in the 2023 WPC Program that earned the required points necessary to receive a reduced 2024 water rate in the total amount of 269,609.11; and (5) adoption of a Resolution Establishing the 2025 WPC Program. Director Abrahamson seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS, CONDUCT HEARING, AND PROPOSAL FROM OMNICAP GROUP LLC

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.

Mr. Watson discussed a payment owed to the West Harris County Regional Water Authority (the "WHCRWA") in the amount of \$3,469,877.11 for the reconciliation of project costs through December 31, 2021, pursuant to the Agreed-Upon Procedures Report ("AUP") prepared by McCall Gibson Swedlund Barfoot PLLC ("MGSB") and the Authority's Amended and Restated Joint Facilities Agreement (the "Agreement") with the WHCRWA for the Authority's Surface Water Supply Project ("SWSP") with the WHCRWA. Mr. Watson additionally reported that payment is due to the Authority from the WHCRWA in the amount of \$351,703.97 for the reconciliation of WIF expenditures made through June 15, 2024, pursuant to an AUP prepared by MGSB and the Agreement.

Mr. Watson reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge.

Mr. Watson reviewed a proposed budget for the fiscal year ending December 31, 2025.

Ms. Miller discussed a proposed agreement with Omnicap Group LLC for annual interim arbitrage rebate and yield restriction compliance services for the

Authority's 19 outstanding bond issues for a fee of \$1,350.00 for each annual report for each bond issue in the total amount of \$25,650.00 per year.

Following review and discussion, Director Hollingsworth moved to approve (1) the bookkeeper's report, including the checks presented for payment; and (2) a proposed agreement with Omnicap Group LLC for annual interim arbitrage rebate and yield restriction compliance services for the Authority's outstanding bond issues in the total amount of \$25,650.00 per year. Director Abrahamson 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 reported that the cost of the repair of the concrete driveway near the east vault at the Bellaire Pump Station (the "BPS") increased approximately \$4,000.00 due to the necessary removal of an additional 17 feet of concrete.

Mr. Clayton reported on a main water line break on Main Segment 4B.

Following review and discussion, Director Abrahamson moved to approve (1) the increase in the contract amount for the repair of the concrete driveway at the BPS; and (2) the operator's report. Director Patton 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 the results for the three tests performed to date for the Authority 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 BGE submitted the Authority's application for Over-Conversion Credits for the October 2023 through September 2024 permit term to the Fort Bend Subsidence District ("FBSD"). He additionally reported on BGE's attendance at FBSD's Board meeting on December 11, 2024.

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 the Authority's Capital Planning and Design Committee ("CPD Committee") recommended that the Board approve BGE's proposal in the amount of \$10,000.00 for preparing the Authority's required Risk and Resilience Assessment and Emergency Response Plan due March 31 and September 30, 2025, respectively, in compliance with the EPA's America's Water Infrastructure Act.

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

Mr. Froehlich reported on the status of property acquisition matters and stated that field work for Segments 14 and 15 will begin soon. A chart summarizing the status of property acquisition matters is attached to the engineer's report.

Mr. Froehlich reported that all of the Authority's automated meter readers have been installed. 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 reported that no pay estimates were submitted by Main Lane Industries, Ltd. 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, as previously reported, 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 reported that start-up for the project was held on December 18, 2024. He stated that a few items are anticipated to be resolved before bringing the plant online by the end of the week.

Mr. Froehlich reported on the status of 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.

Mr. Froehlich reported that the Authority's CPD Committee recommended that the Board authorize BGE to begin negotiations with HR Green, Inc. and Lockwood, Andrews and Newnam, Inc. for agreements for professional design consulting services for Segments 16B and 17B, respectively.

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. He reported that the Texas Historical Commission approved an extension of the antiquities permit.

Mr. Froehlich reported that the development of a long-term asset maintenance plan for the Authority's facilities, including the BPS, transmission lines, and meter stations, is anticipated to be completed in December 2024 or January 2025.

Mr. Froehlich reported that a kickoff meeting was held for the expanded transient analysis for the 2027 System to include Main Segments 17A, 17C, and 18B.

Mr. Froehlich reported that the Authority's CPD Committee recommended that the Board approve BGE's proposal for design and construction phase services for the cathodic protection systems for Main Segments 17A, 17C, and 18B in the amount of \$42,818.60. He stated that V&A Consulting Engineers, Inc. will be utilized as a subconsultant for the services.

#### 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 reported that plans were forwarded to the City of Houston ("COH"). Mr. Froehlich stated that BGE is addressing comments on the design plans received from COH's Building Code Enforcement.

Mr. Froehlich reported that that a proposal is being prepared to replace loose and broken blocks and add structural epoxy to the cracks in the walls of the BPS.

Mr. Froehlich reported that the final contract with Great Barrier Roof, LLC, for the proposed installation of a new thermoplastic polyolefin roof for the BPS is pending receipt of the contractor's bonds and Certificate of Insurance.

Mr. Froehlich reported on the status of design, permitting, construction, and property acquisition, as appropriate, for the Authority's SWSP 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 recommended approval of Change Order No. 1 for combined Segments A1 and A2 and Change Order No. 2 for combined Segments B1 and B2 in the amounts of \$380,263.83 and \$686,213.50, respectively.

Mr. Froehlich recommended approval of payment to the WHCRWA in the amount of \$3,469,877.11 for the reconciliation of project costs through December 31, 2021, pursuant to the AUP prepared by MGSB and the Authority's Agreement with the WHCRWA for the Authority's SWSP with the WHCRWA, as previously approved during the bookkeeper's report.

Mr. Froehlich reported on the Authority's consultants' coordination with COH on East Water Purification Plant matters. He stated that COH plans to temporarily decrease water delivery to the Authority to 12 to 14 million gallons due to the shutdown of a 66-inch water line to establish a new connection with a 72-inch water line. He stated that the proposed shutdown of the water line has been rescheduled to begin the week of January 6, 2025, and is scheduled to last six to eight weeks.

Mr. Froehlich updated the Board on COH's Northeast Water Purification Plant Expansion Project ("NEWPP Expansion Project") per its Design-Build Agreement with the Houston Waterworks Team ("HWT"). He reported that the Authority's payment of Cash Call No. 14 pursuant to the notice issued by COH for the remaining amount of management reserve funds for the project in the amount of \$12,028,342.32 is due on May 7, 2025.

Mr. Froehlich 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 reported that the substantial completion date for Phase I of the project was July 10, 2024, and HWT has 120 days from September 20, 2024, to complete the remaining punchlist items. He reported that Phase I is anticipated to be completed at the end of 2024 and Phase II is anticipated to be completed in the summer of 2025, which is four to five months later than contracted.

Mr. Froehlich reviewed Consensus Items 43R and 44, approved by all parties participating in COH's NEWPP Expansion Project to pay for project legal costs for litigation with HWT being funded through the use of Management Reserve Funds.

Mr. Froehlich reported that the Region H Water Planning Group met on December 4, 2024.

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

- (1) BGE's proposal in the amount of \$10,000.00 for preparing the Authority's required Risk and Resilience Assessment and Emergency Response Plan due March 31 and September 30, 2025, respectively, in compliance with the EPA's America's Water Infrastructure Act;
- (2) authorization for BGE to begin negotiations with HR Green, Inc. and

Lockwood, Andrews and Newnam, Inc. for agreements for professional design consulting services for Segments 16B and 17B, respectively;

- (3) BGE's proposal for design and construction phase services for the cathodic protection systems for Main Segments 17A, 17C, and 18B in the amount of \$42,818.60; and
- (4) payment to the WHCRWA for the reconciliation of SWSP project costs through December 31, 2021, in the amount of \$3,469,877.11.

Director Hollingsworth seconded the motion, which passed unanimously.

#### FINANCING PLAN MATTERS

Ms. Miller reported on coordination with the Authority's financial advisor regarding the Authority's financing plan.

#### 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 was filed with the Comptroller of the State of Texas as required.

#### REALTY INTEREST ACQUISITION

Ms. Miller reviewed (1) a Water Line Easement and Temporary Construction Easement, and a side letter agreement for Parcels 13C.02, 13C.02TEA, 13C.02TEB, 13C.02TEC, and 13C.02TED; and (2) a Water Line Easement and a side letter agreement for Parcel 13D.02B, 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 the side letter agreement; and (2) the Water Line Easement and the side letter agreement, as presented. Director Hollingsworth seconded the motion, which passed unanimously.

#### MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Wednesday, January 22, 2025.

#### CONVENE EXECUTIVE SESSION

The Board did not convene in executive session.

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

  
Secretary, Board of Directors

(SEAL)



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