

MINUTES
NORTH FORT BEND WATER AUTHORITY

December 21, 2023

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 21st day of December, 2023, 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
Bruce Fay	Assistant Secretary
Donald Abrahamson II	Assistant Secretary
Michael Rusk	Assistant Secretary

and all of the above were present in person except for Directors Houghton, Patton, and Rusk, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Lindsay Kovar, Julia Frankovich, 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; David Oliver, Christina Miller 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 public comments. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on November 28, 2023. 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 ADOPT A RESOLUTION ESTABLISHING THE 2024 WATER PROVIDER
CONSERVATION PROGRAM ("WPC PROGRAM")

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and

Reuse Matters (the "Memorandum"), a copy of which is attached. Ms. Milberger reported on the Authority's planned participation in constituent and other events.

Ms. Milberger reported that the video of the completed Path of Water animation is complete and streaming on the Authority's social media platforms.

Ms. Milberger reported that an awards page has been added to the Authority's website.

Ms. Milberger reported that 139 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during November 2023.

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 2023 WPC Program. She reported that the WPC Program webinars held in November are available on the Authority's YouTube station.

Ms. Milberger discussed implementation of the Authority's 2024 WPC Program. She reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board adopt a Resolution Establishing the 2024 WPC Program.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize third quarter rebate payments to the participants in the 2022 Larry's Toolbox Water Conservation Program that earned the required points necessary to receive a reduced 2023 water rate in the total amount of \$378,524.47.

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

- (1) adoption of a Resolution Establishing the 2024 WPC Program; and
- (2) authorization of third quarter rebate payments to the participants in the 2022 Larry's Toolbox Water Conservation Program that earned the required points necessary to receive a reduced 2023 water rate in the total amount of \$378,524.47.

Director Fay seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND CONFERENCE ATTENDANCE

The Board reviewed the Authority's Travel Reimbursement Guidelines.

CONTRACTS

The Board concurred to defer this item.

FINANCIAL AND BOOKKEEPING MATTERS, ADOPT BUDGET FOR FISCAL YEAR END DECEMBER 31, 2024, 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. A copy of the bookkeeper's report is attached.

Mr. Watson reviewed a proposed budget for the fiscal year ending December 31, 2024.

Following review and discussion, Director Abrahamson moved to (1) approve the bookkeeper's report, including payment of the bills; and (2) adopt the budget for the fiscal year ending December 31, 2024, 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, and water accountability. A copy of the operator's report is attached.

Mr. Clayton reviewed quotes from Edustrial Solutions for increased prices beginning January 1, 2024, for quarterly mowing of the Authority's easements in the amount of \$18,802.12 (\$75,208.48 annually) and twice-a-month mowing of the Bellaire Pump Station site in the amount of \$2,200.00 per month (\$26,400.00 annually) for the total annual amount of \$101,608.48. Mr. Clayton stated that the current annual price for mowing both the easements and the Bellaire Pump Station site is \$71,208.48. He noted that the Authority's previous mowing contractor requested an increase in its annual price to \$74,000.00 in June, 2022. Following review and discussion, the Board requested that Mr. Clayton solicit another proposal for mowing services for review.

Following review and discussion, Director Hollingsworth moved to approve the operator's report. 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 that an Over-Conversion Credit Application for the Authority's 2022-2023 permit term was submitted to the Fort Bend Subsidence District (the "FBSD"). He stated that it is anticipated that the Authority will receive approximately 1.4 billion gallons of over conversion credits for the permit term. He recommended approval of an invoice from the FBSD for the difference between the Authority's initial permit fee and the actual water pumpage and alternative water over conversion during the permit term in the amount of \$30,000.00.

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 approval of Fort Bend County Fresh Water Supply District No. 2's ("FWSD 2") request for reimbursement in the amount of \$98,411.95 for 21,629,000 gallons of groundwater pumpage mistakenly reported for its well located outside of the Authority's GRP during calendar year 2023.

Mr. Froehlich recommended approval of Tamarron Homeowners Association's request for a credit for 8,377,000 gallons of pumpage that was billed in the amount of \$38,115.35 due to the erroneous installation of a meter on an irrigation pump during the Authority's automated meter reader installation project.

Mr. Froehlich reminded the Board of the previously approved methodology for Fort Bend County M.U.D. No. 214's ("FB 214") calculation of the amount of water imported into the Authority's boundaries by reporting the metered usage of each residence within the Authority's boundaries on a monthly spreadsheet. He recommended approval of FB 214's request for a credit for 3,413,100 gallons of pumpage in the amount of \$15,529.15 that was billed for usage that occurred outside of the Authority's boundaries from September 2022 through August 2023.

Mr. Froehlich reported on coordination with ABHR on the preparation of a proposed joinder agreement with the City of Pleak and Fort Bend County Municipal Utility District No. 157 ("FB 157") for the city's temporary use of FB 157's surface water capacity obtained through its GRP Participant Agreement with the Authority.

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 13C and 16B. A chart summarizing the status of property acquisition matters is attached to the engineer's report.

Mr. Froehlich reported that the Authority's automated meter reader installation project is 82% complete. A chart summarizing the status of the project is attached to the engineer's report. Mr. Froehlich recommended approval of Pay Estimate No. 12

submitted by Accurate Meter & Backflow in the amount of \$19,462.50.

Mr. Froehlich reported on the status of construction of the Authority's Main Segment 11A. He recommended approval of Pay Estimate No. 2 submitted by Main Lane Industries, Ltd. in the amount of \$938,244.02.

Mr. Froehlich reported on the status of construction of the Authority's Main Segment 8B Casing Extension Project at FM 723. He stated a Notice to Proceed was issued to T Construction, LLC, effective January 2, 2024.

Mr. Froehlich reported on the status of construction of the Authority's 2027 surface water supply system (the "2027 System") surface water line connection for FWSD 2's water plant no. 2. He recommended approval of Pay Estimate No. 2 submitted by Reddico Construction Company, Inc. in the amount of \$271,350.00. Mr. Froehlich additionally reported that FWSD 2's construction of its water plant no. 1 and related connection surface water line is scheduled for completion in the third quarter of 2024.

Mr. Froehlich reported on the status of construction of the Authority's 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.

Mr. Froehlich reported that a one-year warranty inspection was held for the Authority's Grand Lakes Reclaimed Water Distribution System project and no deficiencies were found.

Mr. Froehlich reported on the status of the design of water lines for the 2027 System by the following design consultants: (1) IDS Engineering Group for Main Segment 13B; (2) Quiddity Engineering, LLC for Phases 1 and 2 of Main Segment 13Ci and the surface water line connection for Fort Bend County Municipal Utility District No. 229; (3) Binkley & Barfield, Inc. for Main Segments 13Cii and 13D; (4) BGE for Main Segment 18A; and (5) Carollo Engineers, Inc. for Main Segment 19.

Mr. Froehlich reported that completion of work on the 2027 System Environmental Determination Form and Cultural Resources Study is deferred pending access to property located at the southwest corner of FM 1093 and FM 359.

Mr. Froehlich reported that additional transient analysis of the surface water transmission system is underway and anticipated to be completed by the end of January 2024.

Mr. Froehlich reported on coordination with ABHR on a proposed letter agreement related to Fort Bend County Municipal Utility District No. 58's request for the future restoration of hike and bike trails inadvertently constructed on the

Authority's easement in Main Segment 17B.

Mr. Froehlich reported on the status of BGE's performance of an electricity audit in compliance with energy efficiency reporting requirements for the Authority.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported on the status of the design of the Bellaire Pump Station Phase II Improvements Project. He stated that BGE submitted a revised technical memorandum, 30% plans, and a cost estimate for the project to West Harris County Regional Water Authority ("WHCRWA") for review and comment on November 27, 2023.

Mr. Froehlich reported the Stormwater Quality Permit for the Bellaire Pump Station has been renewed until November 21, 2024.

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 Segment 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.

Ms. Kovar updated the Board on the City of Houston's ("COH") Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team ("HWT") and reviewed drone video footage of the project site. She reported on the status of construction and testing, as applicable, for the Influent Pump Station, North Plant, Central Plant, and the Balance of Plant. Status summaries are included in the attached engineer's report. Ms. Kovar stated that Phase 1 of the project will provide 80 million gallons per day ("MGD") of capacity. She stated that the original contract completion date for Phase 1 was February 20, 2023 and HWT submitted a request for Substantial Completion on December 13, 2023. She reported that the 14-day acceptance testing for Phase 1 of the project was successfully completed and discussed obtaining the Texas Commission on Environmental Quality's and COH's approval for allowing water to flow through the distribution system. Ms. Kovar reported that Phase 2 of the project will provide 320 MGD of capacity and is anticipated to be completed on time in the summer of 2025.

Mr. Froehlich reported that the Texas Water Development Board's (the "TWDB") approval of the Engineering Feasibility Report for the 2027 System required for funding is deferred pending completion of the required Environmental Determination Form and the Cultural Resources Study for the 2027 System.

Following review and discussion, Director Hollingsworth moved to approve the

engineer's report as presented, including approval of:

- (1) FWSD 2's request for reimbursement in the amount of \$98,411.95;
- (2) Tamarron Homeowners Association's request for a credit for 8,377,000 gallons of pumpage that was billed in the amount of \$38,115.35;
- (3) FB 214's request for a credit for 3,413,100 gallons of pumpage that was billed in the amount of \$15,529.15;
- (4) Pay Estimate No. 12 submitted by Accurate Meter & Backflow for the Authority's automated meter reader installation project in the amount of \$19,462.50;
- (5) Pay Estimate No. 2 submitted by Main Lane Industries, Ltd. for construction of the Authority's Main Segment 11A in the amount of \$938,244.02; and
- (6) Pay Estimate No. 2 submitted by Reddico Construction Company, Inc. for the Authority's surface water line connection for FWSD 2's water plant no. 2 in the amount of \$271,350.00.

Director Abrahamson seconded the motion, which passed unanimously.

PARTICIPATION AS AMICUS PARTY

Ms. Miller updated the Board on the status of the amicus brief filed with the Texas Supreme Court in the *San Jacinto River Authority v. City of Conroe and City of Magnolia* matter.

FINANCING PLAN MATTERS

Ms. Miller reported that there has been no response yet to a letter submitted to the TWDB to request approval for the Authority's proposed use of remaining funds from the joint reclaimed water system project with Grand Lakes Municipal Utility District Nos. 1, 2, and 4 towards payment of the debt service payments for the project.

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 four Water Line Easements, two side letter agreements, two Water Line and Temporary Construction Easements, and two additional side letter agreements for the parcels and from the Grantors listed on the attached Realty Interests Chart. Following review and discussion, Director Fay moved to authorize execution of

the realty acquisition documents, as presented. Director Abrahamson seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Tuesday, January 23, 2024.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:47 p.m., pursuant to Section 551.071, Texas Government Code, for consultation with attorney. The Board determined that the attendance in this executive session of Mr. Froehlich and Ms. Kovar was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:07 p.m., the Board reconvened in open session. No action was taken by the Board.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:07 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 7:25 p.m., the Board reconvened in open session. Following review and discussion, Director Abrahamson moved to authorize appraisal services for the easement tracts as discussed. Director Hollingsworth seconded the motion, which passed unanimously.

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

(SEAL)



ASST. [Signature]
Secretary, Board of Directors

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