

MINUTES

NORTH FORT BEND WATER AUTHORITY

January 29, 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 29th day of January, 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 Directors Houghton, Abrahamson, and Rusk, 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 Justine M. Cherne 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, addressed the Board regarding a request he made for a copy of the Authority's water blending study. Ms. Miller explained that the Authority has not performed a water blending study and stated the West Harris County Regional Water Authority (the "WHCRWA") may have performed a water blending study. In response to Mr. Moller's comments, Ms. Frankovich discussed the U.S. Environmental Protection Agency's ("EPA") Per- and Polyfluoroalkyl Substances ("PFAS") National Primary Drinking Water Regulation. Ms. Miller stated that the Authority delivers water that meets federal and state regulatory requirements.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on December 19, 2024. After review and discussion, Director Hollingsworth moved to approve the minutes as written. Director Lewis 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 reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve Director Patton's attendance at the 2025 WaterReuse Symposium scheduled to be held in Tampa, Florida, on March 16-19, 2025.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve renewing the Authority's 2025 membership in the Alliance for Water Efficiency in the amount of \$787.50.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve paying a fee in the amount of \$3,500.00 for the continued use of five images from the 2021 photo shoot for three additional years.

Ms. Milberger reported that 99 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during December 2024.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve paying the annual management fee in the amount of \$12,000.00 per the Authority's Amended and Restated W.I.S.E. Guys Irrigation System Agreement with Vepo, LLC.

Ms. Milberger updated that Board on the status of the Authority's Homeowners Association Irrigation Management Pilot Program. She reported that the reports are complete for the three evaluations performed to date. She stated that the Authority's CCR Committee recommended that the Board approve paying Masuen Consulting for consultation services for Bella Terra West in the amount of \$500.00. Ms. Milberger stated that information regarding the program is posted on the Authority's website.

Director Hollingsworth requested that Ms. Milberger publicize the significant water usage savings of 15 to 40% identified in the evaluation report for Bella Terra West,

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 participants in the 2024 WPC Program have completed their submittals, and the results will be presented at the February regular meeting of the Board. Ms. Milberger stated that interest forms for the 2025 WPC Program are posted to the Authority's website.

Following review and discussion, Director Hollingsworth moved to approve the CCR Report, including: (1) Director Patton's attendance at the 2025 WaterReuse Symposium; (2) renewing the Authority's 2025 membership in the Alliance for Water Efficiency in the amount of \$787.50; (3) paying a fee in the amount of \$3,500.00 for the continued use of five images from the 2021 photo shoot for three additional years; (4) paying the annual management fee in the amount of \$12,000.00 per the Authority's Amended and Restated W.I.S.E. Guys Irrigation System Agreement with Vepo, LLC; and (5) paying Masuen Consulting for consultation services for Bella Terra West in the amount of \$500.00. Director Darden seconded the motion, which passed unanimously.

CONTRACTS

The Board concurred to defer this item.

FINANCIAL AND BOOKKEEPING MATTERS, 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 reported that the Authority received payment from the WHCRWA in the amount of \$351,703.97 for the reconciliation of WIF expenditures made through June 15, 2024, pursuant to the Agreed-Upon Procedures Report prepared by McCall Gibson Swedlund Barfoot PLLC 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 reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge.

Following review and discussion, Director Hollingsworth moved to approve the bookkeeper's report and payment of the checks presented for payment, except for the check in the amount of \$6,261.00 for reimbursement of Fort Bend County Municipal

Utility District No. 37 for Payment Request No. 1 for conversion of its water plant no. 1 to chloramines disinfection, pending execution of a receipt. Director Darden seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS

The Board considered accepting the annual disclosure statements of the Authority's bookkeeper and Investment Officer. Ms. Miller explained that in accordance with the Authority's Investment Policy, the Authority's bookkeeper and Investment Officer, are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the Authority. She stated that the disclosure statements are filed annually with the Texas Ethics Commission. Following review and discussion, Director Hollingsworth moved to accept the annual disclosure statements of the bookkeeper and Investment Officer and direct that the statements be filed with the Texas Ethics Commission and retained in the Authority's official records. Director Lewis seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Miller reported on the Authority's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

ADOPTION OF COVERED APPLICATIONS POLICY

Ms. Miller discussed legislation enacted by the Texas Legislature that requires all governmental entities to adopt a policy prohibiting the use of certain social media applications and services on government-owned or leased devices. She stated that a model policy was developed by the Texas Departments of Public Safety and Information Resources for use by governmental entities. Ms. Miller reviewed the proposed Covered Applications Policy with the Board. After review and discussion, Director Darden moved to adopt a Resolution Adopting Covered Applications Policy and direct that the resolution be filed appropriately and retained in the Authority's official records. 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 reported that no operational issues were caused by the recent freezing weather event. He additionally reported on his coordination with BGE regarding water accountability reading procedures for the automated meter readers.

Mr. Clayton reported that the Authority's Capital Planning and Design Committee recommended approval of two quotes from Texas Hot Taps for the replacement of two 20-inch gate valves, nos. 4B.01 and 5.01, in the amounts of \$58,145.39 and \$62,185.79, respectively.

Following review and discussion, Director Hollingsworth moved to approve the operator's report, including the two quotes from Texas Hot Taps for the replacement of two 20-inch gate valves, nos. 4B.01 and 5.01, in the amounts of \$58,145.39 and \$62,185.79, respectively. Director Lewis 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 tests performed to date for PFAS per EPA's 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 is preparing the Authority's Annual Groundwater Reports for submission to the Fort Bend Subsidence District ("FBSD") and the Harris-Galveston Subsidence District before the end of January 2025.

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 on coordination with ABHR to provide a response to a request for acceptance of two new wells into the Authority's GRP from GRP contract participant Fort Bend County Municipal Utility District No. 141. He reminded the Board that the Authority is unable to provide additional capacity until the Authority's SWSP with WHCRWA is operational.

Mr. Froehlich reported that BGE provided an acknowledgement letter to Fort Bend County Municipal Utility District No. 41 for a proposed 2.31-acre annexation.

Mr. Froehlich reported on the status of BGE's preparation of 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 is underway. 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, and the final pay estimate remains outstanding. 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.

Mr. Froehlich reported that 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 is complete. He stated that a reimbursement request from FB 255 remains pending.

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 on the status of BGE's negotiations with HR Green, Inc. and Lockwood, Andrews and Newnam, Inc. for agreements for professional design consulting services for Segments 16B and 17B, respectively. He stated that the agreements are anticipated to be ready for review at the February regular meeting of the Board.

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 on the status of BGE's development of a long-term asset maintenance plan for the Authority's facilities, including the Bellaire Pump Station (the "BPS"), transmission lines, and meter stations. He stated that the plan is anticipated to be presented to the Capital Planning and Design Committee in February 2025.

Mr. Froehlich reported on the status of the expanded transient analysis for the 2027 System to include Main Segments 17A, 17C, and 18B.

Mr. Froehlich reported on the status of design services for the cathodic protection systems for Main Segments 17A, 17C, and 18B.

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 a proposal is being prepared for replacing loose and broken blocks and adding structural epoxy to the cracks in the walls of the BPS.

Mr. Froehlich reported that a pre-construction meeting will be scheduled with Great Barrier Roof, LLC, for 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 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 reported on the Authority's consultants' coordination with COH on COH's temporary decrease of water delivery to the Authority in the amount of 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 the line was shut down on January 14, 2025, and reopened on January 17, 2025, to prepare for the recent freezing weather event. He stated that COH anticipates closing the line again and beginning work soon. He stated that the work is anticipated 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”).

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 reported that the Region H Water Planning Group Strategy Management Committee met on January 17, 2025.

Ms. Miller requested that approval of Payment Request No. 1 submitted by FB 37 for conversion of its water plant no. 1 to chloramines disinfection be added to the engineer’s report as an action item.

Following review and discussion, Director Hollingsworth moved to approve the engineer’s report as presented, including approval of Payment Request No. 1 in the amount of \$6,261.00 submitted by FB 37 for conversion of its water plant no. 1 to chloramines disinfection, pending FB 37’s execution of a receipt. Director Darden seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

Ms. Miller reported that the Authority is not required to remit payment to the Internal Revenue Service per the previously distributed arbitrage rebate and yield restriction liability report for the Authority’s Series 2019B and 2019C Bonds prepared by OmniCap Group, LLC.

Ms. Miller reported on coordination with the Authority’s financial advisor regarding the Authority’s financing plan. She additionally reported that a proposal for performing an updated Rate Study for the Authority will be obtained for review at either the February or March Board meetings.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

LEGISLATIVE UPDATE

Ms. Miller reported on the status of certain proposed bills with potential impact to the Authority during the 89th Regular Session of the Texas Legislature.

Director Paton reported on interesting facts he learned during his attendance at the 89th Regular Session of the Texas Legislature, including population projections, surface water sources, the status of springs in the state, and stressors on state water demands.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Wednesday, February 26, 2025.

CONVENE EXECUTIVE SESSION

The Board did not convene in executive session. Ms. Miller reported on procedural updates to the ongoing litigation between COH and HWT related to construction delays for NEWPP. She reported that Ian Pietz of BGE gave his deposition last week and the new judge for the case ordered a second round of mediation.

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


Secretary, Board of Directors

(SEAL)



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