

MINUTES
NORTH FORT BEND WATER AUTHORITY

July 23, 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 23rd day of July, 2024, 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
Donald Abrahamson II	Assistant Secretary
Michael Rusk	Assistant Secretary
Craig Lewis	Assistant Secretary

and all of the above were present in person, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Ian Pietz, Larry Goldberg, 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 ("Inframark"); Christina Miller and Justine M. Cherne of Allen Boone Humphries Robinson LLP; and persons listed on the attached attendance sheets.

COMMENTS FROM THE PUBLIC

Members of the public were provided with the opportunity to make comments. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on June 25, 2024, and special meeting held on June 27, 2024. 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

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 renewing the Authority's annual membership in the Texas Water Conservation Association in the amount of \$454.00.

Ms. Milberger reported that 90 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during June 2024.

Ms. Milberger reported on implementation of the Authority's Homeowners Association Irrigation Management Pilot Program. She stated that two Homeowners Associations have registered for the program. She encouraged the meeting attendees to submit proposed Homeowners Associations for water usage evaluations.

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 Water Provider Conservation Program ("WPC Program"). She thanked those who attended the Conservation Committee Appreciation Dinner for the 2023 WPC Program held on June 27, 2024.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize first 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 \$148,547.11.

Following review and discussion, Director Abrahamson moved to approve the CCR Report, including:

(1) renewing the Authority's annual membership in the Texas Water Conservation Association in the amount of \$454.00; and

(2) first 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 \$148,547.11.

Director Hollingsworth seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller presented a Badger Meter Beacon SAAS Managed Solution Master Agreement with Badger Meter, Inc. for monthly portal connectivity services for the Authority's automated offsite meter readers. Following review and discussion, Director

Abrahamson moved to approve the agreement as presented. Director Hollingsworth seconded the motion, which passed unanimously.

RENEWAL OF AUTHORITY'S INSURANCE POLICIES

Ms. Miller reported that the Authority's Finance and Policy Committee and Capital Planning and Design Committee recommended approval of a proposal from McDonald & Wessendorff Insurance for renewal of the Authority's insurance policies due to expire on August 2, 2024. She explained the increase in the premium from \$260,867.11 to \$280,915.11 was mainly due to an increase in the amounts for property, boiler and machinery, automobile, and general and excess liability policies. Following review and discussion, Director Abrahamson moved to approve the insurance renewal proposal as presented. 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, and a schedule of debt service payments. He additionally reviewed 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.

Ms. Miller provided an update on COF's rate challenge. She reported that the Public Utility Commission ("PUC") denied COF's motion for a rehearing. She stated that the deadline for COF to file a lawsuit initiating judicial review of the PUC's order dismissing COF's rate challenge is August 17, 2024.

Ms. Miller reported that the Authority received the first cash calls from the West Harris County Regional Water Authority (the "WHCRWA") for the Northeast Water Purification Plant ("NEWPP") Meter Station and Kinder Morgan Segment 6 for the Authority's joint Surface Water Supply Project with the WHCRWA in the amounts of \$7,406,227.23 and \$12,262,462.27, respectively.

Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report, including the checks and cash calls 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, and water accountability. A copy of the operator's report is attached. Mr. Clayton reported that the water accountability included on the report was updated with

final readings to 99.24%.

Ms. Miller reported on Inframark's operational efforts related to Hurricane Beryl's impact on the City of Houston's ("COH") water pressure. She stated that the Authority stopped taking water from COH for approximately 12 hours and reconnected after COH's water pressure had stabilized.

Following review and discussion, Director Abrahamson moved to approve the operator's report. 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 on Fort Bend Subsidence District ("FBSD") and Harris-Galveston Subsidence District ("HGSD") permit renewal matters, including BGE's submission of permit renewal applications to FBSD and HGSD for the 2024-2025 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. He reported that BGE received a request and issued an acknowledgment letter to COF for a new well to serve Tamarron West.

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 16B, 14, and 15. 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 nearly complete. 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 Main Segment 11A is nearing completion. He recommended approval of a Third Amendment to the Authority's Agreement for Professional Design Consulting Services with RPS Infrastructure, Inc. for increases in the construction costs and additional submittal review in the amount of \$30,419.05.

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 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 stated that the contractor is installing the meter station.

Mr. Froehlich reported on the status of the 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. He reminded the Board that a design consultant will be engaged for Main Segment 13D after right-of-entry access is obtained.

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.

Mr. Froehlich reported on the status of Fort Bend County Municipal Utility District No. 58's ("FB 58") request for the future restoration of hike and bike trails inadvertently constructed by the district on the Authority's easement for Main Segment 17B. He reported that it is anticipated that FB 58 will approve the necessary easements, and any accompanying agreements related to the request at its August 13, 2024, Board meeting.

Mr. Froehlich reported on coordination with Inframark on the 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.

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.

Mr. Froehlich recommended approval of a proposal from BGE for structural design services for the installation of additional structural support for the vertical supports of the hoist trolley system at the BPS in the amount of \$67,650.00.

Mr. Froehlich reported that quotes were solicited for the installation of a new roof for the BPS. He recommended that the Board award a construction contract to Great Barrier Roof, LLC ("GBR") to install a new Thermoplastic Polyolefin roof system for the BPS in the amount of \$98,512.14. The Board concurred that, in its judgment, GBR was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

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. Pietz reviewed a video of the construction site and updated the Board on COH's NEWPP Expansion Project per its Design-Build Agreement with the Houston Waterworks Team. He 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. Pietz reminded the Board that COH's existing northeast water plant went offline and COH is delivering water from the Phase 1 facilities of the NEWPP Expansion Project to its constituents

Mr. Froehlich reported on loans awarded by the Texas Water Development Board for a desalination project in Corpus Christi, Texas.

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

- (1) the Third Amendment to the Authority's Agreement for Professional Design Consulting Services with RPS Infrastructure, Inc. for Main Segment 11A in the amount of \$30,419.05;
- (2) the proposal from BGE for structural design services for the installation of additional structural support for the vertical supports of the hoist trolley system at the BPS in the amount of \$67,650.00; and
- (3) awarding a contract for installation of a new Thermoplastic Polyolefin roof system for the BPS to GBR in the amount of \$98,512.14, based upon the engineer's recommendation and receipt of the payment and performance bonds and the certificate(s) of insurance and endorsements, if any, provided by the contractor.

Director Hollingsworth seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

Ms. Miller reported that the proposed future defeasance of the Authority's Series 2016A Bonds with unused funds and interest earnings from the Authority's Grand Lakes reclaimed water distribution system project will be discussed with the Authority's Finance and Policy Committee before being brought back to the Board.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed one Water Line Easement to be granted by Lamar Consolidated Independent School District and a side letter for Parcel 13C.12, as listed on the attached Realty Interests Chart. Ms. Miller additionally reported on the Decision and Award of Special Commissioners for Parcel 17A.04 and proposed settlement negotiations with the landowners. Following review and discussion, Director Abrahamson moved to (1) approve the Water Line Easement and side letter for Parcel 13C.12, as presented; and (2) authorize a settlement for Parcel 17A.04 in an amount less than the amount awarded by the Special Commissioners. Director Hollingsworth seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold its next regular meeting on Tuesday, August 27, 2024. The Board discussed moving the location of future Board meetings to HUB 510. Following discussion, the Board concurred to hold future Board meetings at HUB 510 after expiration of the Authority's current Private Event Agreement with The Club at Falcon Point and subject to entering into an agreement with HUB 510.

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.

(SEAL)



Michael Park
Asst. Secretary, Board of Directors

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