

MINUTES

NORTH FORT BEND WATER AUTHORITY

July 23, 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 23rd day of July, 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, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Julia Frankovich, 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; 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

Members of the public were provided with the opportunity to make comments. Jignasa Patel addressed the Board on behalf of her parents to request a waiver of fees for a high water bill due to a leak. Following discussion, the Board requested that information regarding the matter be forwarded to the Authority's Finance and Policy Committee for review.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on June 25, 2025. 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

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 133 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during June 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.

Ms. Milberger discussed implementation of the Authority's Water Provider Conservation Program.

Following review and discussion, Director Abrahamson moved to approve the CCR Report as presented. Director Hollingsworth seconded the motion, which passed unanimously.

Director Houghton reported that BGE is evaluating the Authority's reclaimed water incentive fee to determine whether to increase the amount.

CONTRACTS

Ms. Miller discussed: (1) a proposed Consent to a Partial Assignment of Pumpage Allocation from Fort Bend County Fresh Water Supply District No. 1 to Fort Bend County Municipal Utility District No. 141 ("FBC MUD 141"); and (2) a proposed Consent to a Partial Assignment of Water Capacity from Fort Bend County Municipal Utility District No. 58 ("FBC MUD 58") to Fort Bend County Municipal Utility District No. 57 ("FBC MUD 57"). She reported that ABHR is counsel for FBC MUD 141, FBC MUD 58, and FBC MUD 57, and discussed with the Board the Authority's option to retain independent counsel or to have ABHR represent it in connection with the preparation of the proposed consent to partial assignment documents involving FBC MUD 141, FBC MUD 58, and FBC MUD 57. Following review and discussion, Director Abrahamson moved to approve legal conflict waivers for ABHR's preparation of consent to partial assignment documents involving FBC MUD 141, FBC MUD 58, and FBC MUD 57. 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, 2025. She explained that the increase in the premium from \$280,915.11 to \$325,006.65 was mainly due to an increase in the amounts for the general and excess liability policies for increased contractor work. 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, a schedule of debt service payments, and the quarterly investment report. A copy of the bookkeeper's report is attached. Mr. Watson additionally reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge. 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, and water accountability. A copy of the operator's report is attached. Mr. Clayton reported that the Authority's Capital Planning and Design Committee ("CPD Committee") recommended approval of a proposal to re-grade the drainage swale for ground storage tank no. 5 in the amount of \$29,119.76. 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 reviewed a proposed Consent to a Partial Assignment of Water Capacity from FBC MUD 58 to FBC MUD 57. She stated that the partial assignment is for a one-year term. She explained 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. Following review and discussion, Director Abrahamson moved to approve the Consent to a Partial Assignment of Water Capacity from FBC

MUD 58 to FBC MUD 57. Director Hollingsworth seconded the motion, which passed unanimously.

Ms. Miller recommended sending a letter to the Fort Bend Subsidence District (the "FBSD") regarding the FBSD's regulatory plan update 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. Following discussion, Director Abrahamson moved to authorize sending the letter to the FBSD as discussed. Director Hollingsworth seconded the motion, which passed unanimously.

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 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 reported on the FBSD's Joint Regulatory Plan Workshop held on June 25, 2025. Mr. Froehlich additionally reported that the Authority's permit renewal application was submitted to the Harris-Galveston Subsidence District 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.

Mr. Froehlich reported that BGE is adjusting the Authority's transmission system model to evaluate options and parameters for potentially serving the Oxbow Tracts.

Mr. Froehlich reported on an inquiry regarding a potential GRPPA for an initial +/-550-acre, ultimate +/-1,700-acre development between Highway 90 and the Brazos River at Harlem Road. He stated that, until the future regulatory landscape is clearer, BGE continues to recommend not entering into additional GRPPAs.

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 Fort Bend County Fresh Water Supply District No. 2. Following review and discussion, the Board requested that Mr. Froehlich update the West Harris County

Regional Water Authority (“WHCRWA”) regarding delayed schedules for Main Segments 18A and 19.

Mr. Froehlich recommended approval of a proposal from BGE to provide cathodic protection design services for Main Segments 16B and 17B for a lump sum fee of \$50,000.00. 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 in September 2025.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported that WHCRWA approved the Authority’s award of the contract for construction of the Bellaire Pump Station (the “BPS”) Phase II Improvements Project to MC2 Civil, LLC. He reported that the Authority’s CPD Committee recommended that the Board approve a proposal from BGE to provide construction phase engineering services for the construction of the BPS Phase II Improvements for a lump sum fee of \$108,000.00. He additionally reported that the CPD Committee recommended approval of a proposal from Ninyo & Moore for construction materials testing services for the project in an amount not to exceed \$38,600.00.

Mr. Froehlich reported that the Authority’s CPD Committee recommended that BGE prepare a short form construction contract with Expoxy Design Systems, Inc. for recommended minor structural and aesthetic repairs to the BPS in the amount of \$20,506.00.

Mr. Froehlich reported that Great Barrier Roof, LLC’s installation of a new thermoplastic polyolefin roof on the BPS is complete and a final inspection was held on July 14, 2025.

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 BGE is reviewing WHCRWA’s 2024 Annual Agreed-Upon Procedures Report for the Surface Water Supply Project.

Mr. Froehlich reported that BGE is reviewing and will provide comments to the

draft Agreed-Upon Procedures Report for Operations and Maintenance Costs for Fiscal Year 2024 for the East Water Purification Plant (“EWPP”).

Ms. Miller reported that the Authority’s consultants met with representatives of the City of Houston (“COH”) regarding COH’s proposed Fiscal Year 2026 Budget and O&M Preliminary Rate for the EWPP in the amount of \$1.114. She stated that the rate has been reduced to \$1.0097.

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 reported that BGE met with the engineer of the Region H Water Planning Group to discuss the planning group’s 2026 Initially Prepared Water Plan.

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

- (1) approve the proposal from BGE to provide cathodic protection design services for Main Segments 16B and 17B for a lump sum fee of \$50,000.00;
- (2) approve the proposal from BGE to provide construction phase engineering services for the construction of the BPS Phase II Improvements for a lump sum fee of \$108,000.00; and
- (3) approve the proposal from Ninyo & Moore for construction materials testing services for the construction of the BPS Phase II Improvements in an amount not to exceed \$38,600.00.

Director Hollingsworth seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

Ms. Miller discussed the proposed schedule for issuing bonds in the fall in the amount of \$36,735,000.00 to finance construction of the Authority’s internal water distribution lines. She stated that the bonds would be issued through the Texas Water Development Board (“TWDB”) for funding from the State Water Implementation Revenue Fund for Texas. She anticipated that the Financing Agreement with the TWDB would be ready for review at the August regular Board meeting.

Ms. Miller recommended adopting a Resolution Expressing Intent to Reimburse for the BPS Phase II Improvements Project in the amount of \$2,263,290.63. Following review and discussion, Director Hollingsworth moved to adopt a Resolution Expressing Intent to Reimburse for the BPS Phase II Improvements Project in the amount of \$2,263,290.63. Director Abrahamson seconded the motion, which passed unanimously.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

REPORT REGARDING LEGISLATIVE MATTERS

Ms. Miller presented and reviewed a Capitol Report and updated the Board on legislative matters from the 89th Regular Texas Legislative Session.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Wednesday, July 23, 2025, at HUB 510. Ms. Miller reported that the Authority's consultants are evaluating meeting location options for the Board's monthly meetings due to the anticipated sale of HUB 510. She stated that the last scheduled meeting included in the current Event Space Rental Agreement is September 24, 2025.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:16 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 7:18 p.m., the Board reconvened in open session. Director Darden moved to proceed with resubmitting a final offer and if rejected, condemnation proceedings for Parcel 16B.11. Director Hollingsworth seconded the motion, which passed unanimously.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:18 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 7:26 p.m., the Board reconvened in open session. Following discussion, Director Hollingsworth moved to terminate the District's engagement letters with

Munsch Hardt Kopf & Harr, P.C. and authorize execution of engagement letters with Maynard Nexsen PC, effective July 21, 2025. Director Abrahamson 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.....	2
Bookkeeper's report.....	3
Operator's report.....	3
Engineer's report.....	4