

MINUTES

NORTH FORT BEND WATER AUTHORITY

June 23, 2021

The Board of Directors (the “Board”) of the North Fort Bend Water Authority (the “Authority”) met in regular session by teleconference and videoconference, with access by telephone and video available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott’s emergency disaster declaration dated March 13, 2020, on the 23rd day of June, 2021, and the roll was called of the members of the Board being present by either telephone or video:

Peter Houghton	President
Robert Patton	Vice President
Melony Gay	Secretary
Robert Darden	Assistant Vice President
Bruce Fay	Assistant Secretary
Donald Abrahamson II	Assistant Secretary
Dana Hollingsworth	Assistant Secretary

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

Also attending all or part of the teleconference and/or the videoconference were Matt Froehlich, Julia Frankovich, Kyle Jones, Ian Pietz, Whitney Milberger, and Tiffany Moore of BGE, Inc. (“BGE”); Taylor Watson and Cynthia Colondres of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC (“Inframark”); Terrell Palmer of Post Oak Municipal Advisors LLC; David Oliver, Christina Miller, Aaron Carpenter, and Justine M. Cherne of Allen Boone Humphries Robinson LLP (“ABHR”); Chris Campbell and Aimee Edwards of Binkley & Barfield, Inc.; Lawrence Goldberg of CivilTech Engineering, Inc.; Carlos Quintero of Freese and Nichols, Inc.; Mike Halde of HR Green, Inc.; John Strange of JNS Consulting Engineers, Inc.; Kyle Kaspar of Jones & Carter, Inc.; Gregg Haan of LJA Engineering, Inc.; Charles Shumate of Lockwood, Andrews & Newnam, Inc.; Rich Patrick of Nino & Moore; Sylvester Johnson of RPS Infrastructure, Inc.; Michael Abshire and Mark Van Dyck of Big Oaks Municipal Utility District; Betty Stewart of Fort Bend County Municipal Utility District No. 2; Linda Yorlano of Fort Bend County Municipal Utility District No. 30; Craig Lewis of Fort Bend County Municipal Utility District No. 50; Kafi Dalcour of Fort Bend County Municipal Utility District No. 116; Jeanette Spinks of Fort Bend County Municipal Utility District No. 119; James Cokinos of Fort Bend County Municipal Utility District No. 142; John Pertgen and Juanita Yarneau of Kingsbridge Municipal Utility District; a representative of the Cinco Ranch Residential Association; and an additional member of the public, David Johnson.

Ms. Miller reviewed certain recommended protocols for conducting the Authority's meeting via teleconference and videoconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/nfbwa and the Authority's website at <https://www.nfbwa.com/meetings/>.

OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC AND RATIFICATION OF ANY EMERGENCY ACTIONS

Mr. Clayton reported that COVID-19 concerns were not impacting the Authority's operations or water quality.

COMMENTS FROM THE PUBLIC

Ms. Miller offered any members of the public attending the meeting by telephone or videoconference the opportunity to make public comment. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on May 26, 2021. 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 LARRY'S TOOLBOX WATER CONSERVATION PROGRAM ("LARRY'S TOOLBOX PROGRAM")

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and Reuse matters, a copy of which is attached.

Ms. Milberger reported on attendance at the ribbon cutting ceremony for the Coastal Water Authority's Luce Bayou Interbasin Transfer Project held on June 15, 2021.

Ms. Milberger reported that the Authority gave a presentation in coordination with Enchanted Rock at an American Water Works Association virtual event held on June 15, 2021.

Ms. Milberger reported on community engagement and promotion of the Authority's redesigned website at the Authority's exhibitor's booth at the Association of Water Board Directors summer conference held June 17-19, 2021. She stated that the Authority's redesigned website launched on June 15, 2021.

Ms. Milberger reported that the Authority's second quarter newsletter was distributed.

Ms. Milberger reported on efforts to prepare the Authority's water conservation mobile teaching lab for presentation at the City of Fulshear's Farmers Market scheduled for July 10, 2021.

Ms. Milberger reported that 4" X 4" water conservation educational displays promoting the Authority's website will be placed in 13 community newsletters July through November 2021, as previously approved by the Board.

Ms. Milberger reported on her scheduled attendance at upcoming meetings of the City of Fulshear and the Board of Directors of municipal utility districts located within the Authority.

Ms. Milberger reported that the Authority is a Bronze Sponsor of the Texas Water Development Board's (the "TWDB") 2021 Water for Texas Conference scheduled for September 27-29, 2021, at the AT&T Executive Education and Conference Center in Austin, Texas.

Ms. Milberger reported on the status of the Authority's participation in the Goldwater Conservation Project, sponsored by the City of Houston's ("COH") Public Works Department. She stated that the project has no participation costs and provides a communication and conservation tool for tracking and quantifying conservation savings, assessing progress towards achieving conservation goals, and evaluating different water savings and cost scenarios.

Ms. Milberger gave a presentation of the redesigned website.

Ms. Milberger reported that 84 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program ("WISE Guys Program") during May 2021. She reported on the distribution of prizes pursuant to the WISE Guys Program Giveaway Incentive Program.

Ms. Milberger reviewed updates made to the chart indicating the status of effluent reuse and alternate water credit projects/contracts and tracking reuse usage amounts, a copy of which is attached to the Memorandum Regarding Water Conservation and Reuse matters.

Ms. Milberger reported that BGE is evaluating potential reuse projects in existing and future developed areas pursuant to the Authority's overall effluent reuse water supply strategy for the Authority.

Ms. Milberger reported that BGE held a meeting with Fort Bend County Municipal Utility District No. 229 to review its fifty percent submittal for its reclaimed

water system pilot program that includes completion of an Integrated Water Management Plan.

Ms. Milberger reported on the status of Fort Bend County Municipal Utility District No. 168's and Charleston Municipal Utility District's preparation of Integrated Water Management Plans due for submission to the Authority by September 20, 2021 and September 22, 2021, respectively.

Ms. Milberger reported on the status of BGE's preparation of modifications to the requirements for the proposed 2022 Larry's Toolbox Program.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee recommended approval of first quarter rebate payments to the participants in the 2020 Larry's Toolbox Program that earned the required nine points necessary to receive a reduced 2021 water rate in the total amount of \$192,206.49.

Following review and discussion, Director Hollingsworth moved to approve the Water Conservation and Reuse report, including approval of first quarter rebate payments to the participants in the 2020 Larry's Toolbox Program that earned the required nine points necessary to receive a reduced 2021 water rate in the total amount of \$192,206.49. Director Fay seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller explained the take or pay provisions included in ten of the Authority's Water Supply Commitment Letter Agreements (the "WSCLA") with municipal utility districts (the "Participating Districts"). She stated that, during the ongoing process of transitioning the Authority's current online pumpage reporting system to the TrueBill system, the Authority's bookkeeper determined that nine of the Participating Districts were billed inaccurately for their actual water usage amounts instead of their daily commitment amounts included in the WSCLAs, resulting in underbilling. She stated that one Participating District was billed accurately for its daily commitment amount. She reported that the Authority's Finance and Policy Committee ("FP Committee") recommended that the Authority provide a one-time waiver of the underbilled amounts and credit the account that was billed accurately for the amount that would have been overpaid if billed inaccurately due to the Authority's online pumpage reporting system error. Ms. Miller stated that the FP Committee additionally recommended that the Authority begin billing accurately for the daily commitment amounts included in the WSLAs and provide the Participating Districts with an opportunity to request amendments to the WSLAs. Following discussion, Director Patton moved to: (i) grant the one-time waiver of underbilled amounts to the impacted Participating Districts; (ii) issue a credit to the one Participating District that was billed accurately; (iii) direct the bookkeeper to begin billing accurately in accordance with the WSLAs during the next billing cycle; and (iv) authorize distributing correspondence to the Participating

Districts to provide notification of the billing procedures for the take or pay provisions of the Authority's WSLAs as recommended. Director Abrahamson seconded the motion, which was passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS AND CONDUCT HEARING REGARDING ANY DELINQUENT FEES AND RULE VIOLATIONS

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 75 checks issued by the Authority in 2018 for the Authority's WISE Guys Program in the total amount of \$1,125.00 were voided and included in an unclaimed property report for submission to the Texas State Comptroller's Office. A copy of the unclaimed property report is attached. Following review and discussion, Director Fay moved to approve the bookkeeper's report, including payment of the bills and submission of the unclaimed property report to the Texas State Comptroller's Office. Director Gay seconded the motion, which passed unanimously.

The Board did not conduct a hearing regarding any delinquent fees or rule violations.

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 generator for the Authority's water conservation mobile teaching lab was damaged due to an oil leak and needs to be replaced for the estimated cost of \$4,300.00.

Mr. Clayton reported that booster pump no. 6 has been removed so that the manufacturer can perform a root cause analysis of the short to ground experienced by the pump and provide quotes for the repair and replacement of the pump.

Mr. Clayton reviewed a quote for winterization of the Authority's 33 water receiving facilities in the total amount of \$81,840.00. He stated that the items included in the quote are expected to need to be completed only once and not on an annual basis.

Following review and discussion, Director Hollingsworth moved to approve the operator's report as presented, including replacement of the generator for the Authority's water conservation mobile teaching lab in the amount of \$4,300.00 and the quote for winterization of the Authority's 33 water receiving facilities in the total amount of \$81,840.00. Director Fay 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 BGE and ABHR attended the Fort Bend Subsidence District's (the "FBSD") Joint Regulatory Plan Review Stakeholder Meeting held on June 8, 2021.

Mr. Froehlich reported that BGE is reviewing the Authority's Well Permit Renewal Request Form and completing the related application for submission to the FBSD.

Mr. Froehlich reported on matters related to the Authority's GRP, including the monthly amounts of surface water delivered and reclaimed water utilized by the Authority.

Mr. Froehlich reported that BGE provided an acknowledgement letter in response to a notice from Fort Bend County Municipal Utility District No. 2 for the proposed annexation of 6.7248 acres.

Mr. Froehlich reported that BGE is reviewing a request from Fort Bend County Municipal Utility District No. 134A for an increase to its commitment amount included in its current WSLA.

Mr. Froehlich reported on the preparation of a response to a request from the Texas Commission on Environmental Quality regarding the Authority's Emergency Preparedness Plan and its effectiveness as it relates to the Boil Water Notice issued during the February 2021 freeze event.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of property acquisition matters for Main Segments 13, 16B, and 17. Charts summarizing the status of property acquisition matters are attached to the engineer's report.

Mr. Froehlich reported on the status of construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with Grand Lakes Municipal Utility District Nos. 1, 2, and 4 (collectively, "Grand Lakes"). Mr. Froehlich recommended that the Board approve Pay Estimate No. 3, submitted by McKinney Construction, Inc. ("McKinney") for the project in the amount of \$452,487.96.

Mr. Froehlich reported on the status of construction of the reclaimed water distribution system for the Authority's joint reclaimed water system project with Fort Bend County Municipal Utility District Nos. 146 and 194 ("FB 146 and 194"). Mr.

Froehlich recommended that the Board approve Pay Estimate No. 1, submitted by McKinney for the project in the amount of \$521,939.16.

Mr. Froehlich reported on the status of construction of the wastewater treatment plant improvements for the Authority's joint reclaimed water system project with Grand Lakes. Mr. Froehlich recommended that the Board approve Pay Estimate No. 17, submitted by JTR Constructors Inc. ("JTR") for the project in the amount of \$23,423.54.

Mr. Froehlich reported on the status of construction for the Authority's surface water line connection for Fort Bend County Municipal Utility District No. 30's Water Plant No. 3. He stated that coordination is underway with the contractor, D.L. Elliot Enterprises, Inc., to complete testing, start up, and final inspection.

Mr. Froehlich reported on the status of RPS Infrastructure, Inc.'s design of Main Segment 11A. He stated that COH's approval of the plans will be obtained after completion of the first phase of an updated transient analysis.

Mr. Froehlich reported on BGE's design of the project to extend the steel casing on Main Segment 8B at FM 723 due to the Texas Department of Transportation's ("TxDOT") project to widen FM 723 at Bellaire Boulevard. He stated that plan approvals have been received from COH. He reported that BGE is working on obtaining plan approvals from Fort Bend County and preparing an exhibit for a utility agreement with TxDOT. He reported that the start date for TxDOT's project has been delayed to early 2022.

Mr. Froehlich reported on the status of design by the following design consultants for the Authority's proposed 2025 surface water supply system (the "2025 System"): IDS Engineering Group for Main Segment 13B; Carollo Engineers, Inc. for Main Segment 19; HR Green, Inc. for the connection water line for Fort Bend County Freshwater Supply District No. 2 ("FBCFWSD 2"); and BGE for Main Segment 18A. He stated that once the necessary right-of-entry agreements are obtained, kickoff meetings will be held with Jones & Carter, Inc. for Main Segment 13Ci and the connection water line for Fort Bend County Municipal Utility District No. 229 and Binkley & Barfield, Inc. for Main Segments 13Cii and D.

Mr. Froehlich reported that COH requires an updated transient analysis as a condition for approving the design plans for Main Segment 11A. He reported that the Authority's Capital Planning and Design Committee recommended approval of a proposal to update and expand the existing transient model and analysis utilizing the same consultant that performed the original analysis, DNV GL USA, Inc. ("DNV GL"). He recommended approval of a proposal from BGE for performing the transient analysis utilizing DNV GL as a subconsultant in two phases to include: (i) Segment 11A for a lump sum fee of \$44,550.00; and (ii) the remainder of the 2025 System for a lump sum fee of \$56,650.00. He stated that the first phase will take approximately 6 weeks to

complete, and the second phase will take approximately an additional 10 weeks to complete after completion of the first phase.

Mr. Froehlich recommended approval of a proposal from BGE for design and construction phase cathodic protection services for Main Segments 13, 18A, and 19, and the connection water line for FBCFWSO 2 in the amount of \$102,720.00. He stated that BGE will utilize V&A Consulting Engineers as a subconsultant for the services.

Mr. Froehlich reported on proposed modifications to the Authority's reclaimed water system facilities related to the installation of increased filtration at Fort Bend County Municipal Utility District No. 146's ("FB 146") wastewater treatment plant. He stated that, as previously reported, bids received by FB 146 for the project were higher than anticipated. He said that FB 146 is revising and/or phasing the scope and will either rebid the project or coordinate with its operator to complete the modifications. He said that once the scope of work is confirmed, BGE will coordinate with ABHR to prepare a revised agreement for the proposed modifications to the Authority's reclaimed water system facilities, if necessary.

Mr. Froehlich reported on the status of a potential effluent reuse project with Fort Bend County Municipal Utility District No. 34 ("FB 34"). He stated that BGE has prepared a preliminary distribution system route and identified the landowners from which easements will be needed for the project. He stated that ABHR is preparing for discussions regarding the potential project with FB 34.

Mr. Froehlich reported on the status of the second phase of the Authority's water blending study, including BGE's review of the analysis of water quality changes and development of a plan for treatment, if needed.

Mr. Froehlich reported on the status of a System Environmental Determination Form and a Cultural Resources Study required for the Authority's proposed 2025 System. He stated that work on the wetlands delineation required by the United States Army Corps of Engineers continues. He stated that Fort Bend County's erosion control project on Buffalo Bayou is complete and BGE is obtaining quotes from contractors for the excavation needed to complete the geoarchaeological assessment along Buffalo Bayou required by the Texas Historical Commission. He stated that BGE is preparing to send right-of-entry agreements to certain property owners for access to complete the necessary work in areas where the Authority does not have right-of-way.

Mr. Froehlich reported that BGE is coordinating with Inframark on addressing repairs to the Authority's surface water supply system as identified in CP&Y, Inc.'s final report of the results of an inspection of the Authority's surface water supply system.

Mr. Froehlich updated the Board on the status of the Authority's smart meter conversion project. He reported that Accurate Meter has started installation of the first

phase of smart meters. He recommended approval of a quote from Hayes Automation & Controls, LLC for the installation of analog signal converters at the surface water meters for a total amount not to exceed \$36,700.62.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Jones reported that Texas Microgrid, LLC (“TM”) submitted the following invoices for Grid Outage Fees for fuel costs for the generators used for auxiliary power during electricity outages experienced at the Bellaire Pump Station pursuant to the Authority’s Integrated Reliability On Call Master Service Agreement and Ground Lease with TM for: (i) February and April, 2021 in the total amount of \$2,768.06; and (ii) May 2021 in the amount of \$351.10. He stated that the electricity outages were due to the February 2021 freeze event, replacement of the primary transformers, and a storm event, respectively.

Mr. Jones recommended that Flesch Engineering, LLC perform the annual structural evaluation of the Bellaire Pump Station as a subconsultant to BGE in an amount not to exceed \$8,500.00. He stated that the total cost of last year’s evaluation was \$6,317.00.

Mr. Jones reported that the Authority’s Initial Payments for the West Harris County Regional Water Authority’s (the “WHCRWA”) cash calls for Segments B1/B2 and B3 of the Authority’s Surface Water Supply Project (the “SWSP”) with the WHCRWA continue to be delayed pending the WHCRWA’s reconciliation of the program budget summary and cash call amounts.

Mr. Jones reported on the status of design, permitting, construction, and property acquisition, as appropriate, for the SWSP, including Segments A, B1/B2, B3, C1, and C2, the Kinder Morgan subsegments, the Segment 3 subsegments, the Repump Station, the Central Pump Station, and the Northeast Meter Station.

Mr. Jones discussed the status of the Authority’s negotiations related to an Amended and Restated Joint Facilities Agreement with the WHCRWA, including technical discussions regarding an exhibit outlining the Pro Rata Share for each Joint Facility and ABHR’s review of the WHCRWA’s comments received June 11, 2021.

Mr. Jones reported on a meeting held on May 7, 2021, to discuss outside counsel’s review of BGE’s comments to the Construction Management Plan for the SWSP previously provided to the WHCRWA. He discussed a possible amendment to the WHCRWA’s engineer’s contract to address construction management activities related to the SWSP.

Mr. Pietz reported on the status of construction of the Coastal Water Authority’s Luce Bayou Interbasin Transfer Project. He stated that the ribbon cutting ceremony for the project was held June 15, 2021, at the Coastal Water Authority’s new maintenance

facility.

Mr. Pietz reviewed drone video footage of the project site and updated the Board on COH's Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team. He reported on the status of construction for Early Work Package Nos. 2, 4, and 6, and the Balance of Plant package.

Mr. Froehlich recommended submitting requests to the TWDB for amendments to the Authority's Loan Forgiveness Agreements for funding received from the TWDB's Clean Water State Revolving Fund for the reclaimed water system projects for FB 146 and 194 and Grand Lakes to extend the schedules for completing construction of the projects to December 31, 2021.

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

- (1) approve Pay Estimate No. 3, submitted by McKinney for the Authority's joint reclaimed water system project with Grand Lakes in the amount of \$452,487.96;
- (2) approve Pay Estimate No. 1, submitted by McKinney for the Authority's joint reclaimed water system project with FB 146 and 194 in the amount of \$521,939.16;
- (3) approve Pay Estimate No. 17, submitted by JTR for construction of the wastewater treatment plant improvements for the Authority's joint reclaimed water system project with Grand Lakes, in the amount of \$23,423.54;
- (4) approve execution of a proposal from BGE, utilizing DNV GL as a subconsultant, for performance of a transient analysis in two phases to include: (i) Segment 11A for a lump sum fee of \$44,550.00; and (ii) the remainder of the 2025 System for a lump sum fee of \$56,650.00;
- (5) approve execution of a proposal from BGE, utilizing V&A Consulting Engineers as a subconsultant, for design and construction phase cathodic protection services for Main Segments 13, 18A, and 19, and the connection water line for FBCFWSD 2 in the amount of \$102,720.00;
- (6) approve payment for a quote from Hayes Automation & Controls, LLC for the installation of analog signal converters at the surface water meters for a total amount not to exceed \$36,700.62;
- (7) approve payment of invoices submitted by TM for: (i) February and April, 2021 in the total amount of \$2,768.06; and (ii) May 2021 in the amount of \$351.10;
- (8) approve performance of the annual structural evaluation of the Bellaire

Pump Station in an amount not to exceed \$8,500.00; and

- (9) approve submission of requests to the TWDB for amendments to the Authority's Loan Forgiveness Agreements for funding received from the TWDB's Clean Water State Revolving Fund for the Authority's joint reclaimed water system projects with FB 146 and 194 and Grand Lakes to extend the schedules for completing construction of the projects to December 31, 2021.

Director Abrahamson seconded the motion, which passed unanimously, except for Director Gay who was not present.

PARTICIPATION AS AMICUS PARTY IN SAN JACINTO RIVER AUTHORITY V. CITY OF CONROE AND CITY OF MAGNOLIA

Ms. Miller reported that there was no update on the amicus brief filed in *San Jacinto River Authority v. City of Conroe and City of Magnolia*. She stated that the Board will be kept apprised of any developments in the matter.

FINANCING PLAN MATTERS

Ms. Miller stated that the TWDB is anticipated to provide the Financing Agreements related to the Authority's anticipated issuance of Water System Junior Lien Revenue Bonds, Series 2021A and Water System Revenue Bonds, Series 2021B through the TWDB's State Water Implementation Revenue Fund for Texas in July or August.

Ms. Miller reminded the Board that the Authority's Note Purchase Agreement with JPMorgan Chase Bank, N.A. was amended to extend the term of the Agreement for an additional two-year period, as recommended by Mr. Palmer. She stated that the amended agreement removed the requirement for the Authority to keep a Note outstanding in the amount of \$1,000,000.00. Mr. Palmer recommended redeeming the outstanding \$1,000,000.00 note given that it is no longer a requirement for agreement compliance. He added that draft closing instructions have been forwarded to Mr. Watson to redeem the Authority's Series A Revenue Note on July 1, 2021, in the total amount of \$1,044,162.82, including interest and fees due. Following discussion, Director Fay moved to authorize redemption of the Authority's Series A Revenue Note, including interest and fees, on July 1, 2021, as recommended by Mr. Palmer. Director Darden seconded the motion, which passed unanimously, except for Director Gay who was not present.

Ms. Miller reported that the single audit report required pursuant to the Authority's Loan Forgiveness Agreements in connection with the funding received from the TWDB's Clean Water State Revolving Fund for the Authority's joint reclaimed water system projects is anticipated for presentation at the July regular Board meeting.

WATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021
("SERIES 2021 BONDS")

Mr. Palmer reviewed the Authority's financing plan, including the anticipated schedule for the Authority's issuance of senior and junior lien bonds through the TWDB's State Water Implementation Revenue Fund for Texas and open market and refunding bonds.

Mr. Palmer discussed the procedures and activities to be undertaken to issue the Authority's Series 2021 Bonds, including the anticipated debt service savings to be achieved by refunding a portion of the Authority's Water System Revenue Bonds, Series 2011. He discussed a bond issuance schedule that included the proposed pricing of the bonds in the latter portion of August, 2021, and a closing date during the latter portion of September, 2021.

Mr. Palmer recommended the selection of an underwriting team for the Authority's Series 2021 Bonds including: Piper Sandler & Co., Estrada Hinojosa, Frost Bank, UBS Financial Services Inc., and Wells Fargo Securities.

Ms. Miller stated that pursuant to its Master Indenture requirements, the Authority is required to have a pledged revenue analysis performed in connection with the proposed issuance of the Authority's Series 2021 Bonds. She indicated that the Authority has historically utilized McGrath & Co., PLLC to perform the required analysis.

Following discussion, Director Hollingsworth moved to (1) authorize preparation of the Preliminary Official Statement for the Authority's Series 2021 Bonds; (2) designate the underwriting team per Mr. Palmer's recommendation; and (3) authorize McGrath & Co., PLLC to perform a pledged revenues analysis. Director Abrahamson seconded the motion, which passed unanimously, except for Director Gay who was not present.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed two Water Line Easements for Parcels 17A.09 and 17A.10, and one side letter agreement for Parcel 17A.10, as listed on the attached Realty Interests Chart. Following review and discussion, Director Fay moved to authorize execution of the Water Line Easements and side letter agreement as presented. Director Hollingsworth seconded the motion, which passed unanimously, except for Director Gay who was not present.

LEGISLATIVE MATTERS

Ms. Miller stated that a report on the 87th Regular Session of the Texas Legislature will be presented at the Authority's July committee and regular meetings.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:28 p.m. to (1) conduct a private consultation with its attorney regarding the Authority's legal rights and obligations under the Joint Facilities Agreement with the WHCRWA, pursuant to Section 551.071, Texas Government Code; and (2) discuss the purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code. Director Gay was not present in executive session. The Board determined that the attendance in this executive session of Mr. Froehlich, Mr. Jones, and Mr. Pietz 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 7:15 p.m., the Board reconvened in open session. Director Abrahamson moved to authorize PAS Property Acquisition Services, LLC to negotiate the acquisition of right-of-way for the parcel discussed within the confines of new authorized limits. Director Hollingsworth seconded the motion, which passed unanimously, except for Directors Houghton and Gay who were not present.

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

(SEAL)



/s/ Melony Gay
Secretary, Board of Directors

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