

MINUTES  
NORTH FORT BEND WATER AUTHORITY

March 22, 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 22<sup>nd</sup> day of March, 2023, at the offices of BGE, Inc. ("BGE"), 10777 Westheimer, 1st Floor, Lubbock Conference Room, Houston, 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 Director Fay, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Lindsay Kovar, Kyle Jones, Ian Pietz, Whitney Milberger, and Miriam Valdez of BGE; Taylor Watson and Stephanie Bahn of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC; Christina Miller, Aaron Carpenter, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and Carl Peters and John Pertgen of Kingsbridge Municipal Utility District.

In order to provide additional public access, the Authority established Zoom teleconference and videoconference options for the Authority's consultants and members of the public to listen to the meeting and to address the Board. On the teleconference or videoconference for all or a portion of the meeting were Michael Abshire and Mark Van Dyck of Big Oaks Municipal Utility District; Duval McDaniel and Steve Haas of Cinco Municipal Utility District No. 5; Kerry Crellin of Cinco Southwest Municipal Utility District No. 4; Steve Talecki of Cornerstones Municipal Utility District; Jose Luis Fuentes Mendoza and Betty Stewart of Fort Bend County Municipal Utility District No. 2; Chris Bell and Linda Yorlano of Fort Bend County Municipal Utility District No. 30; Craig Lewis of Fort Bend County Municipal Utility District No. 50; Michael J. Garza and Jeanette Spinks of Fort Bend County Municipal Utility District No. 119; Glenn Gesoff of Grand Lakes Community Association, Inc.; Mashhood Shah of Grand Lakes Municipal Utility District No. 4; Chase Juhl of DEC; Mike Halde and John Mudd of HR Green, Inc.; David Ross of IDS Engineering Group; Kyle Kaspar of Quiddity Engineering, LLC; Sylvester Johnson of RPS Infrastructure, Inc. ("RPS"); David Johnson; and additional members of the public.

## COMMENTS FROM THE PUBLIC

Members of the public attending the meeting in-person or by teleconference or videoconference 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 February 22, 2023, and its special meeting held on March 1, 2023. After review and discussion, Director Abrahamson moved to approve the minutes as written. Director Hollingsworth seconded the motion, which passed unanimously, except for Director Patton who was not present.

## PUBLIC COMMUNICATION, WATER CONSERVATION, AND REUSE MATTERS

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and Reuse Matters (the "Memorandum"), a copy of which is attached. Ms. Milberger reported on planned participation in constituent events and the Texas Water 2023 and Association of Water Board Directors summer conferences. Director Houghton expressed appreciation for BGE's participation in events and conferences on behalf of the Authority.

Ms. Milberger reported that the Authority is the 2023 recipient of the Watermark Award for excellence in communications, sponsored by the American Water Works Association and the Water Environment Association of Texas. She stated that Director Patton plans to represent the Authority when the award is presented at the Texas Water 2023 awards reception.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board authorize renewal of the Authority's American Water Works Association membership dues for June 2, 2023 to May 31, 2024, in the amount of \$9,526.00.

Ms. Milberger reported that the Authority's Spring 2023 Art Contest is underway for middle and high school students residing within the Authority through May, 2023. She stated that the contest is focused on illustrating the importance of water, subsidence, and conservation matters. Information and materials for the contest are available on the Authority's website at [www.nfbwa.com/artcontest](http://www.nfbwa.com/artcontest).

Ms. Milberger reported that 55 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during February 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 Water Provider Conservation Program ("WPC Program"). She reported that the Authority's CCR Committee recommended that the Board authorize printing and mailing bill inserts to the participants in the Authority's 2023 WPC Program in an amount not to exceed \$8,000.00.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize fourth quarter rebate payments to the participants in the 2021 Larry's Toolbox Water Conservation Program that earned the required nine points necessary to receive a reduced 2022 water rate in the approximate total amount of \$322,355.25.

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

(1) renewal of the Authority's American Water Works Association membership dues for June 2, 2023 to May 31, 2024, in the amount of \$9,526.00;

(2) printing and mailing bill inserts to the participants in the Authority's 2023 WPC Program in an amount not to exceed \$8,000.00; and

(3) fourth quarter rebate payments to the participants in the 2021 Larry's Toolbox Water Conservation Program that earned the required nine points necessary to receive a reduced 2022 water rate in the approximate total amount of \$322,355.25.

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

## CONTRACTS

The Board concurred to defer this item.

## 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. Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report 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 reported that replacement of the 36-inch butterfly valve for Main Segment 8 is delayed by the inability to remove the valve. He stated that installation of a coupling adapter is recommended to resolve this issue and is anticipated to be delivered in three to four weeks. He reported that the valve is in the open position and water is being supplied.

Following review and discussion, Director Hollingsworth moved to approve the operator's report as presented. Director Abrahamson seconded the motion, which passed unanimously.

## ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Ms. Miller reported that the Texas Commission on Environmental Quality's (the "TCEQ") rules require that the Authority review its water conservation plan and submit an annual report on implementation of the water conservation plan prior to May 1, 2023. She reported that the Authority's CCR Committee recommends that the Board authorize submission of the annual report to the TCEQ as required. Following discussion, Director Abrahamson moved to authorize submission of the Authority's annual report on implementation of the water conservation plan to the TCEQ. Director Rusk seconded the motion, which passed unanimously.

## ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Miller reported that the TCEQ's rules require that the Authority complete an annual review of its Drought Contingency Plan by May 1, 2022. She said that there were no recommended changes to the Authority's Drought Contingency Plan at this time.

## ADOPT UPDATED CRISIS MANAGEMENT MEDIA RELATIONS PLAN

The Board reviewed an updated Crisis Management Media Relations Plan. Following review and discussion, Director Hollingsworth moved to adopt the updated Crisis Management Media Relations Plan. Director Abrahamson seconded the motion, which passed unanimously.

## ANNUAL FILING OF CRITICAL LOAD SPREADSHEET

The Board reviewed the Authority's critical load spreadsheet, which had been previously provided to the Authority's operator, engineer, and bookkeeper for review. Ms. Miller stated that the critical load information for the Authority's facilities is

required to be reviewed at least annually and provided to certain entities, which include the Authority's electricity provider, the Public Utility Commission, and other governmental entities. After review and discussion, Director Hollingsworth moved to approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the Authority's official records. Director Abrahamson seconded the motion, which passed unanimously.

#### REVIEW EMERGENCY PREPAREDNESS PLAN

Ms. Miller reported that BGE is reviewing the Authority's Emergency Preparedness Plan for any required updates. Following discussion, Director Abrahamson moved to authorize submission of the Authority's updated Emergency Preparedness Plan to the TCEQ, if necessary. 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 that the Fort Bend Subsidence District plans to present an updated draft Joint Regulatory Plan by the end of spring 2023 and the final updated Joint Regulatory Plan by the end of 2023.

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. He reported that well no. 3451 owned by Fort Bend County Municipal Utility District No. 157 was added to the Authority's aggregate well permit.

#### 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 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. He stated that a final inspection was held on January 12, 2023, and McKinney Construction, Inc. is addressing punchlist items. He stated that completion of the project has been delayed by the inability to obtain electrical power for the project.

Mr. Froehlich reported that the Authority's automated meter reader installation project is 71% complete. A chart summarizing the status of the project is attached to the

engineer's report. Mr. Froehlich discussed coordination with ABHR on obtaining the remaining necessary Right of Entry Agreements for the project.

Mr. Froehlich reported on the status of construction of the Authority's Main Segment 11A. He reported that a pre-construction meeting was held with RPS on February 1, 2023. He stated that delivery of pipe for the project is anticipated during June or July 2023, and BGE is coordinating with RPS to determine an appropriate time for issuing Notice to Proceed.

Mr. Froehlich reminded the Board that a contract for the construction of the Authority's Main Segment 8B Casing Extension Project at FM 723 was awarded to T Construction, LLC in the amount of \$385,115.00, subject to execution of a Standard Utility Agreement ("SUA") with the Texas Department of Transportation for reimbursement of the Authority's engineering and construction costs for the extension project. He reported that the SUA remains outstanding.

Mr. Froehlich reported on the status of construction of the Authority's proposed 2025 surface water supply system (the "2025 System") surface water line connection for Fort Bend County Fresh Water Supply District No. 2's ("FWSD 2") water plant no. 2. He reported that the Authority's contractor, Reddico Construction Company, Inc., has been instructed to stop work because FWSD 2 is evaluating options to secure funding for constructing its water plant no. 1 and related connection line.

Mr. Froehlich reported on the status of construction of an offset of the Authority's existing water line around a proposed storm sewer line required by Fort Bend County's planned improvements to Old Richmond Road. He stated that a Notice to Proceed was issued to JSS Construction, LLC, effective February 27, 2023, and the project is nearing completion.

Mr. Froehlich reported on the status of the design of water lines for the 2025 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 stated that Notice to Proceed for the design of Main Segments 13Cii and 13D is pending access to property located at the southwest corner of FM 1093 and FM 359. Mr. Froehlich reported on efforts to obtain a letter of no objection from CenterPoint Energy Houston Electric, LLC ("CenterPoint") for Main Segment 19 to respond to a request from Fort Bend County.

Mr. Froehlich reported on the status of a proposed joint reclaimed water system project with Fort Bend County Municipal Utility District Nos. 34 and 35. He stated that the Authority's Financial Advisor's determination of the impact of the estimated costs

for the design, construction, and maintenance of the proposed effluent reuse system was presented to the Authority's CCR Committee. He stated that the Authority's CCR Committee directed BGE to continue evaluating other potential projects for review.

Mr. Froehlich reported that completion of work on the 2025 System Environmental Determination Form and Cultural Resources Study is pending access to property located at the southwest corner of FM 1093 and FM 359.

Mr. Froehlich reported that field investigations for the geologic fault study for the 2025 System are anticipated to begin soon.

Mr. Froehlich reported that the contractor, Farwest Corrosion Control Company, anticipates beginning to replace the Authority's 50 flush-to-grade cathodic protection system test stations along Main Segments 1A and 1B with post-mounted test stations in early April 2023.

Mr. Froehlich reported on the status of a request by the developer of a commercial site for an offset to Main Segment 4B to provide clearance for a proposed drainage swale. He stated that BGE is reviewing a proposed agreement drafted by ABHR that provides for the developer's payment of the Authority's expenses for the offset.

Mr. Froehlich reported that BGE is coordinating with ABHR on finalizing and sending notification letters to the property owners with easement encroachments throughout the Authority's existing transmission system to remind them of the conditions of the easements.

Mr. Froehlich reported on the status of 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. He stated that BGE is coordinating with ABHR on evaluating potential costs and developing appropriate terms and conditions for a proposed agreement to address the request.

#### REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Jones reported that CenterPoint is requiring Generate ER-NG, LLC ("Generate") to enter into interconnection agreements related to Generate's sale of electricity from the generators located at the Bellaire Pump Station. He stated that the end-use customer affirmation schedules included in the agreements for the three meters serving the generators require execution by the Authority.

Mr. Jones reported on the status of design, permitting, construction, and property acquisition, as appropriate, for the Authority's joint Surface Water Supply Project with West Harris County Regional Water Authority ("WHCRWA"), including Segment A, 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 construction, including any contractor claims, are included in the attached engineer's report.

Mr. Jones and Ms. Miller reported on the status of the proposed Amended and Restated Joint Facilities Agreement with WHCRWA.

Mr. Pietz updated the Board on City of Houston's Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team and reviewed drone video footage of the project site. Mr. Pietz 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. He stated that Phase 1 of the project will provide 80 million gallons per day ("MGD") of capacity and is currently anticipated to be completed behind schedule in August 2023. He stated that the original contract completion date was February 20, 2023. He reported that Phase 2 of the project will provide 320 MGD of capacity and is anticipated to be completed in the summer of 2025.

Mr. Froehlich reported that the Texas Water Development Board's approval of the Engineering Feasibility Report for the 2025 System required for funding is deferred pending completion of the required Environmental Determination Form and the Cultural Resources Study for the 2025 System.

Following review and discussion, Director Abrahamson moved to approve the engineer's report as presented and authorize execution of the end-use customer affirmation schedules included in the three interconnection agreements between CenterPoint and Generate. Director Hollingsworth seconded the motion, which passed unanimously.

#### PARTICIPATION AS AMICUS PARTY

Ms. Miller reported on a brief filing and the anticipated schedule for the *San Jacinto River Authority v. City of Conroe and City of Magnolia* matter.

Ms. Miller reported on oral arguments held and the impact of proposed legislation on the *Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1* matter.

#### LEGISLATIVE UPDATE

Ms. Miller reported on the status of certain proposed bills with potential impact to the Authority during the 88th Regular Session of the Texas Legislature.



FINANCING PLAN MATTERS

The Board concurred to defer this item.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed one proposed Water Line Easement and Temporary Construction Easement document and two Water Line Easements for the parcels listed on the attached chart.

Ms. Miller reviewed one Right of Entry Agreement for the Authority's automated meter reader installation project as listed on the attached chart.

Following review and discussion, Director Abrahamson moved to authorize execution of (1) the Water Line Easement and Temporary Construction Easement document and two Water Line Easements; and (2) the Right of Entry Agreement for the Authority's automated meter reader installation project. Director Hollingsworth seconded the motion, which passed unanimously.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold a regular meeting at 6:00 p.m. on April 26, 2023, at the offices of BGE.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:03 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 7:06 p.m., the Board reconvened in open session. Director Abrahamson moved to approve the estimated range of values for Parcels 13c.09, 13c.10, and 255.01 as presented. Director Darden seconded the motion, which passed unanimously.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:07 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 Ms. Kovar 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 7:43 p.m., the Board reconvened in open session. No action was taken by the Board.

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

(SEAL)



*[Handwritten Signature]*  
Asst. Secretary, Board of Directors

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