

MINUTES
NORTH FORT BEND WATER AUTHORITY

March 26, 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 26th day of March, 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
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, Julia Frankovich, 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 ("ABHR"); and persons listed on the attached attendance sheets.

COMMENTS FROM THE PUBLIC

Members of the public were provided with the opportunity to make public comments. Mr. Carter of Fort Bend County Municipal Utility District No. 142 reported that an EVO analysis performed for his district indicated that the Authority's surface water rates are 15% higher than the other area Water Authorities. Director Houghton noted that the other Water Authorities may continue to increase their rates in the future.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on February 27, 2024. 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.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve an invoice submitted by Mighty Citizen for an upgrade to the Craft software in the amount of \$2,084.06.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve purchasing a 10' X 10' booth and utilities for the Association of Water Board Directors ("AWBD") Summer Conference in an amount not to exceed \$1,500.00.

Ms. Milberger reported that 85 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during February 2024.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board approve a proposal from Masuen Consulting LLC to perform Water Use Analyses for 20 Homeowners Associations sponsored by the Authority for \$2,000.00 each for the total amount of \$40,000.00.

Ms. Milberger reviewed updates made to the Reuse System and Credit Summary Charts, copies of which are attached to the CCR Report.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Board authorize fourth quarter rebate payments to the participants in the 2022 Water Provider Conservation Program ("WPC Program") that earned the required points necessary to receive a reduced 2023 water rate in the total amount of \$222,079.26.

Ms. Milberger reviewed a summary of the Authority's 2023 WPC Program. She reported that the Authority's CCR Committee recommended approval of 36 of the 40 participants as successful participants in the 2023 WPC Program.

Ms. Milberger discussed implementation of the Authority's 2024 WPC Program. She reported that there are 41 interested participants in the 2024 WPC Program.

In response to Director inquiries, Ms. Milberger additionally explained the water use analyses proposed to be performed by Masuen Consulting, LLC for 20 Homeowners Associations sponsored by the Authority.

Ms. Miller provided an update regarding Cinco Municipal Utility District No. 1's

brackish well. She stated that the well is anticipated to begin pumping water in May 2024.

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

(1) the invoice submitted by Mighty Citizen for an upgrade to the Craft software in the amount of \$2,084.06;

(2) the purchase of a 10' X 10' booth and utilities for the AWBD Summer Conference in an amount not to exceed \$1,500.00;

(3) the proposal from Masuen Consulting LLC to perform Water Use Analyses for 20 Homeowners Associations sponsored by the Authority for \$2,000.00 each for the total amount of \$40,000.00;

(4) 36 of the 40 participants as successful participants in the 2023 WPC Program; and

(5) fourth quarter rebate payments to the participants in the 2022 WPC Program that earned the required points necessary to receive a reduced 2023 water rate in the total amount of \$222,079.26.

Director Hollingsworth seconded the motion, which passed unanimously.

CONTRACTS

The Board concurred to defer this item.

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. A copy of the bookkeeper's report is attached. Following review and discussion, Director Hollingsworth moved to approve the bookkeeper's report, including the checks presented for payment. Director Abrahamson 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 reviewed a correction to operational expenses and responded to Board inquiries regarding joint facilities expenses for janitorial services at the water plant.

Mr. Clayton reported that the Authority's Capital Planning and Design Committee recommended that the Board approve a quote from Texas Hot Taps to replace 28 three-inch stainless steel jet filter weepholes in the east and west vaults at the Bellaire Pump Station (the "BPS") site in the amount of \$16,166.74.

Following review and discussion, Director Hollingsworth moved to approve the operator's report, including the quote from Texas Hot Taps in the amount of \$16,166.74, as presented. Director Abrahamson seconded the motion, which passed unanimously.

ADOPT UPDATED CRISIS MANAGEMENT MEDIA RELATIONS PLAN

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

ANNUAL FILING OF CRITICAL LOAD SPREADSHEET

The Board reviewed the Authority's updated 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 updated 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 coordinating updates to the Authority's Emergency Preparedness Plan. Following discussion, Director Hollingsworth moved to authorize submission of the Authority's updated Emergency Preparedness Plan to the Texas Commission on Environmental Quality. Director Patton 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 recommended approval of an invoice from the Fort Bend Subsidence District ("FBSD") for Over-Conversion Credits for the 2021-2022 permit term in the amount of \$17,949.16.

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 met with FBSD to discuss a resolution for GRP coverage for Kingsbridge M.U.D.'s planned annexation of a tract of land located outside of the Authority's boundaries and within the West Harris County Regional Water Authority's ("WHCRWA") boundaries.

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 Segment 16B. 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 89% complete. A chart summarizing the status of the project is attached to the engineer's report. Mr. Froehlich recommended payment of Pay Estimate No. 13 submitted by Accurate Meter & Supply in the amount of \$88,805.00.

Mr. Froehlich reported that construction of the Authority's Main Segment 11A is approximately 50% complete. He recommended approval of Pay Estimate No. 5 submitted by Main Lane Industries, Ltd. in the amount of \$957,617.40.

Mr. Froehlich reported on the status of construction of the Authority's Main Segment 8B Casing Extension Project at FM 723. He stated that a substantial completion inspection is scheduled for April 2, 2024.

Mr. Froehlich reported on the status of construction of the Authority's 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 anticipated in the construction contract, 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 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.

Mr. Froehlich reported on warranty inspections that were performed and stated that no warranty items were identified.

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 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 recommended that the Board terminate the Authority's Agreement for Professional Design Consulting Services with Binkley & Barfield, Inc. due to unresolved right-of-way access matters.

Mr. Froehlich requested authorization to solicit proposals and negotiate professional services agreements with Binkley & Barfield, Inc., R.G. Miller Engineers, Inc., and JNS Consulting Engineers, Inc. for Segments 17A, 17C, and 18B, respectively.

Mr. Froehlich reported that completion of work on the 2027 System Environmental Determination Form and Cultural Resources Study is on hold pending access to property located at the southwest corner of FM 1093 and FM 359.

Mr. Froehlich reported that BGE is preparing exhibits for a proposed letter agreement related to Fort Bend County Municipal Utility District No. 58's request for the future restoration of hike and bike trails inadvertently constructed by the district on the Authority's easement for Main Segment 17B.

Mr. Froehlich reported on the schedule for BGE's development of a long-term asset maintenance plan for the Authority's facilities, including the BPS, transmission lines, and meter stations.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported on the status of the design of the BPS Phase II Improvements Project. He stated that BGE received WHCRWA's comments regarding the 60% design plans and the updated cost estimate on February 23, 2024. He stated that the design plans are anticipated to be submitted soon for agency review.

Mr. Froehlich reported on BGE's coordination with its electrical subconsultant and Inframark to obtain quotes for implementing the recommendations included in the findings report of an assessment of booster pump motor failures at the BPS.

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 updated the Board on the City of Houston's Northeast Water

Purification Plant 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 and responded to Board inquiry. Status summaries are included in the attached engineer's report. Mr. Froehlich reported on outstanding items for Phase 1 of the project and stated that it is nearing substantial completion. He reported that testing of Phase 2A facilities is anticipated to be completed before summer 2024. He reported that the entire plant is scheduled for completion in mid-2025.

Mr. Froehlich reported that the Texas Water Development Board's ("TWDB") approval of the Engineering Feasibility Report for the 2027 System required for funding is on hold pending completion of the required Environmental Determination Form and the Cultural Resources Study for the 2027 System.

Mr. Froehlich reported that the next meeting of the Region H Water Planning Group is tentatively scheduled for May 1, 2024.

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

- (1) the invoice from FBSD for Over-Conversion Credits for the 2021-2022 permit term in the amount of \$17,949.16;
- (2) Pay Estimate No. 13 submitted by Accurate Meter & Supply for the Authority's automated meter reader installation project in the amount of \$88,805.00;
- (3) Pay Estimate No. 5 submitted by Main Lane Industries, Ltd. for construction of the Authority's Main Segment 11A in the amount of \$957,617.40;
- (4) termination of the Authority's Agreement for Professional Design Consulting Services with Binkley & Barfield, Inc. for Main Segments 13Cii and 13D; and
- (5) authorization for BGE to solicit proposals and negotiate professional services agreements with Binkley & Barfield, Inc., R.G. Miller Engineers, Inc., and JNS Consulting Engineers, Inc. for Segments 17A, 17C and 18B, respectively.

Director Hollingsworth seconded the motion, which passed unanimously.

PARTICIPATION AS AMICUS PARTY

There was no update regarding the *San Jacinto River Authority v. City of Conroe and City of Magnolia* matter.

FINANCING PLAN MATTERS

Ms. Miller reported on TWDB's processing of the Authority's request for approval to use the remaining funds from the joint reclaimed water system project with

Grand Lakes Municipal Utility District Nos. 1, 2, and 4 towards payment of the debt service payments for the project. She recommended approval of two Final Project Source and Use of Funds Reports required for submission to TWBD for the release of the remaining funds. Following review and discussion, Director Hollingsworth moved to authorize execution of the two Final Project Source and Use of Funds Reports for submission to TWBD. Director Abrahamson seconded the motion, which passed unanimously.

REALTY INTEREST ACQUISITION

Ms. Miller noted that a check for payment of a settlement offer previously approved by the Board was included in the bookkeeper's report.

2024 DIRECTOR APPOINTMENT PROCESS

Ms. Miller updated the Board on the Director appointment process. She reported that ballots to vote for the contested Precinct 7 position were distributed prior to March 15, 2024, and the deadline for the districts and municipalities located in Precinct 7 to submit completed ballots is April 30, 2024. She stated that a special Board meeting is scheduled for May 1, 2024, to determine the results of the votes.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold its next regular meeting on Tuesday, April 23, 2024. Ms. Miller stated that a special meeting is scheduled for May 1, 2024, to review the Authority's annual audit, in addition to determining the results of the votes for the contested Precinct 7 position.

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)




Secretary, Board of Directors

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