

MINUTES
NORTH FORT BEND WATER AUTHORITY

May 28, 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 28th day of May, 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 except Director Houghton, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Lindsay Kovar, and Whitney Milberger 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 comments. Steve Talecki of Cornerstones Municipal Utility District addressed the Board to inquire about improving the sound quality of the Board meetings. Director Patton stated that proposals for improving the sound quality are being solicited.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on April 23, 2024, and special meeting held on May 1, 2024. After review and discussion, Director Hollingsworth moved to approve the minutes as written. Director Darden 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 payment of invoice No. 22254 submitted by Mighty Citizen for the remainder of the scope of work for upgrading the District's Craft software in the amount of \$1,763.44.

Ms. Milberger reported that the Authority's CCR Committee recommended that the Authority approve a Silver Sponsorship of the Water for Texas 2025 Conference scheduled for January 27-29, 2025, in Austin, Texas in the amount of \$2,500.00.

Ms. Milberger reported that 118 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during April 2024.

Ms. Milberger reported on implementation of the Authority's Homeowners Association Irrigation Management Pilot Program.

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 CCR Committee recommended that the Authority issue checks for Annual Fee Credits for the 2021-2022 and 2022-2023 permit terms, pursuant to the Authority's Alternative Water Supply Credit Agreements with six municipal utility districts, in the total amounts of \$418,468.48 and \$302,865.26, respectively. She reported that Fort Bend County Municipal Utility District No. 122 has been notified that it has been fully reimbursed pursuant to the Authority's Alternative Water Supply Credit Agreement and will not be receiving any additional reimbursements. Ms. Miller explained the Authority's reimbursement procedures pursuant to the Alternative Water Supply Credit Agreements.

Ms. Milberger discussed implementation of the Authority's 2024 Water Provider Conservation Program, including distribution of bill inserts and invitations for the Conservation Committee Appreciation Dinner scheduled for June 27, 2024, at HUB 510 located in Fort Bend County Municipal Utility District No. 142.

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

(1) the invoice submitted by Mighty Citizen for the remainder of the scope of work for upgrading the District's Craft software in the amount of \$1,763.44;

(2) the Authority's Silver Sponsorship of the Water for Texas 2025 Conference in

the amount of \$2,500.00; and

(3) issuance of checks for Annual Fee Credits for the 2021-2022 and 2022-2023 permit terms, pursuant to the Authority's Alternative Water Supply Credit Agreements with six municipal utility districts, in the total amounts of \$418,468.48 and \$302,865.26, respectively.

Director Hollingsworth seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller reviewed an addendum to the Authority's Financial Advisory Agreement with Post Oak Municipal Advisors for work related to the defeasance of the Authority's Series 2016A Bonds with unused funds and interest earnings from the Authority's Grand Lakes Municipal Utility District Nos. 1, 2, and 4 ("Grand Lakes") reclaimed water distribution system project. Following review and discussion, Director Abrahamson moved to approve the addendum 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 a quarterly investment report. A copy of the bookkeeper's report is attached.

Mr. Watson reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge that had been added to the monthly bookkeeper's report. Ms. Miller noted that ABHR's fees dated prior to February 2024 were not included on the chart when the Board directed ABHR to track fees related to the matter.

Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report, 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 recommended that the Board approve drone services from AirBorn Imaging

for a non-refundable deposit fee of \$50.00 and \$500.00 per day during use.

In response to Board inquiry, Mr. Froehlich reported that BGE is evaluating options for replacing the leaking roof at the Bellaire Pump Station and will notify the West Harris County Regional Water Authority ("WHCRWA") of the matter.

Following review and discussion, Director Hollingsworth moved to approve the operator's report, including the drone services from AirBorn Imaging for a non-refundable deposit fee of \$50.00 and \$500.00 per day during use. Director Abrahamson 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 Certificates for Over-Conversion Credits earned by the Authority for the 2021-2022 and 2022-2023 permit terms were received from the Fort Bend Subsidence District ("FBSD").

Mr. Froehlich reported that FBSD and the Harris-Galveston Subsidence District held their annual groundwater report hearings on April 25, 2024.

Mr. Froehlich reported on a meeting held with the attorney and representatives for Fort Bend County Municipal Utility District No. 251 ("FB 251") regarding FB 251's inaccurate inclusion in the City of Richmond's GRP via contract while being located within the Authority's boundaries. He reported that, due to FB 251's location within the Authority's boundaries, the property is included in the Authority's GRP and FB 251's two water well permits are being transferred by FBSD to the Authority.

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 provided a conditional approval letter for a new well to Fort Bend County Municipal Utility District No. 246 and received notice of the abandonment of a well owned by Marshall Oaks Homeowners Association.

Mr. Froehlich reported that BGE provided an acknowledgement letter to Harris-Fort Bend Counties Municipal Utility District No. 1 for the proposed annexation of 1.856 acres into the Authority's GRP.

Mr. Froehlich reported that BGE provided a letter to Kingsbridge Municipal Utility District indicating inclusion of Kingsbridge Municipal Utility District's proposed annexation of nine acres into the Authority's GRP, contingent upon FBSD's approval

and an agreement with WHCRWA. He stated that FBSD has indicated its approval of the concept.

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 and 17B. 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 approximately 90% complete. He recommended approval of Pay Estimate No. 7 submitted by Main Lane Industries, Ltd. in the amount of \$1,133,627.32.

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 was held on April 2, 2024.

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, 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 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 continues to install 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; (3) BGE for Main Segment 18A; and (4) Carollo Engineers, Inc. for Main Segment 19. He reminded the Board that a design consultant will be engaged for Main Segment 13D after right-of-entry access is obtained.

Mr. Froehlich recommended approval of the following Agreements for Professional Design Consulting Services for the design of surface water lines for the 2027 System with (1) Binkley & Barfield, Inc. for Main Segment 17A in the amount of \$1,189,460.00; (2) R.G. Miller Engineers, Inc. for Main Segment 17C in the amount of \$202,661.22; and (3) JNS Engineers, LLC for Main Segment 18B in the amount of \$333,341.53. He reported that the current construction cost estimates for the projects are \$17,380,000.00, \$1,620,000.00, and \$2,430,000.00, respectively.

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 several agency approvals on the EDF have expired and requirements for the CRS have been updated. Mr. Froehlich presented two proposals from BGE for the additional services required to renew EDF approvals and update the CRS to the current standards in the amounts of \$15,000.00 and \$7,000.00, respectively.

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 a meeting will be scheduled with the attorney and engineer for FB 58 to discuss the preparation of necessary easements and any accompanying agreements related to the request.

Mr. Froehlich reported on coordination with Inframark on development of a long-term asset maintenance plan for the Authority's facilities, including the Bellaire Pump Station ("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 the design plans have been submitted for agency review. He reported that BGE met with WHCRWA's engineer on April 29, 2024, to discuss additional coordination on the design of the project and the proposed meter station for the Authority's joint Surface Water Supply Project with WHCRWA.

Mr. Froehlich reported that BGE is reviewing a report from BGE's structural engineering subconsultant on a follow-up evaluation of the BPS related to additional or new cracking in the brick walls and glass blocks.

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.

Ms. Kovar updated the Board on the City of Houston's ("COH") Northeast Water Purification Plant Expansion Project per its Design-Build Agreement with the Houston Waterworks Team. She reported that a request was submitted to the Texas Water Development Board ("TWDB") for the release of the Authority's escrowed funds to pay for Cash Call No. 13 in an amount not to exceed \$17,240,229.00. She requested authorization to pay Cash Call No. 13 upon receipt, subject to TWDB's approval of the release of escrowed funds.

Ms. Kovar 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 inquiries. Status summaries are included in the attached engineer's report. Ms. Kovar reported on outstanding items for Phase 1 of the project and stated that it is nearing substantial completion. She stated that, as previously reported, potable water began flowing to the distribution system beginning on April 16, 2024. She reported that current testing of Phase 2A facilities is anticipated to be completed towards the end of summer 2024, and the entire plant is scheduled for completion in mid-2025.

Mr. Froehlich reported that BGE attended the Region H Water Planning Group held on May 1, 2024.

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

- (1) Pay Estimate No. 7 submitted by Main Lane Industries, Ltd. for construction of the Authority's Main Segment 11A in the amount of \$1,133,627.32;
- (2) Agreements for Professional Design Consulting Services with (i) Binkley & Barfield, Inc. for Main Segment 17A in the amount of \$1,189,460.00; (ii) R.G. Miller Engineers, Inc. for Main Segment 17C in the amount of \$202,661.22; and (iii) JNS Engineers, LLC for Main Segment 18B in the amount of \$333,341.53;
- (3) two proposals from BGE for additional services to renew EDF approvals and update the CRS to the current standards in the amounts of \$15,000.00 and \$7,000.00, respectively; and
- (4) payment of Cash Call No. 13 in an amount not to exceed \$17,240,229.00, subject to TWDB's approval of the release of escrowed funds.

Director Hollingsworth seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

Ms. Miller discussed a letter from Fort Bend County Municipal Utility District No. 124 ("FB 124") requesting to be removed from the Authority's surface water conversion plan or alternately, moved to the last scheduled conversion date due to concerns regarding the Environmental Protection Agency's ("EPA") regulations establishing Maximum Contamination Levels for five specific Per- and Polyfluoroalkyl Substances ("PFAS"). She stated that the Authority is coordinating with COH to ensure proper implementation and monitoring related to the EPA's PFAS regulations.

Ms. Miller reported that COH provided its Fiscal Year 2024 Adopted Budget and O&M Preliminary Rate for the East Water Purification Plan in the amount of \$1.0814.

Ms. Miller reported on activities related to the 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.

APPROVE FILING OF ANNUAL REPORT

Ms. Miller reported on filing requirements related to the Authority's updated financial, operating, and certain other data included in the Annual Report prepared in accordance with the Authority's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. Following review and discussion, Director Abrahamson moved to approve the updated Annual Report and direct that the report be filed appropriately and retained in the Authority's official records. Director Hollingsworth seconded the motion, which passed unanimously.

PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the Authority's procedures for continuing disclosure compliance. Ms. Miller stated that no changes to the procedures are required at this time.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed one Water Line Easement to be granted by Fort Bend County Municipal Utility District No. 229 for Parcels 13C.11 and 13C.16 and a related side letter agreement, as listed on the attached Realty Interests Chart. Following review and discussion, Director Abrahamson moved to authorize execution of the Water Line Easement and side letter agreement, as presented. Director Hollingsworth seconded the motion, which passed unanimously.

TEXAS PUBLIC INFORMATION ACT ("TPIA") TRAINING

Ms. Miller discussed the TPIA and noted that the Texas Legislature has made it

explicit that officers and employees of governmental entities are temporary custodians of public information. Ms. Miller distributed a memorandum regarding Texas Open Meetings Act ("TOMA") and TPIA training requirements, noted that all Directors have previously completed TOMA training, and encouraged the Board to receive TPIA training as soon as possible and forward their certificate of completion to ABHR for inclusion in the Authority's permanent records.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold its next regular meeting on Tuesday, June 25, 2024, and a special meeting on Thursday, June 27, 2024, for Water Provider Conservation Program's Conservation Committee matters.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:55 p.m., pursuant to Section 551.071, Texas Government Code, for consultation with 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 7:00 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.


Secretary, Board of Directors

(SEAL)



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