

MINUTES

NORTH FORT BEND WATER AUTHORITY

May 28, 2025

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in regular session, open to the public, on the 28th day of May, 2025, at HUB 510, 10419 W. Hidden Lake Lane, Suite B, Richmond, Texas, and the roll was called of the members of the Board:

Peter Houghton	President
Robert Patton	Vice President
Dana Hollingsworth	Secretary
Robert Darden	Assistant Vice President
Donald Abrahamson II	Assistant Secretary
Michael Rusk	Assistant Secretary
Craig Lewis	Assistant Secretary

and all of the above were present in person except Director Abrahamson, 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; Christina Miller, Audrey Briscoe, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and persons listed on the attached attendance sheets.

COMMENTS FROM THE PUBLIC

Members of the public were provided with the opportunity to make comments. There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on April 23, 2025. 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.

Ms. Milberger stated that updates have been made to the Communications Dashboard attached to the CCR Report and reported on invoices submitted by Mighty Citizen for communications and advertising services.

Ms Milberger reported on the status of rehabilitating the Authority's mobile learning lab. She stated that the Authority's Communication, Conservation, and Reuse Committee recommended approving a payment to Rootlab LLC for design services for rehabilitation of the Authority's mobile learning lab in the amount of \$17,912.25.

Ms. Milberger reported that the Authority has begun celebrating its 20th year anniversary.

Ms. Milberger reported that 113 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during April 2025.

Ms. Milberger reported that information regarding the Authority's Homeowners Association Irrigation Management Pilot Program is posted on the Authority's website.

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

Ms. Milberger discussed implementation of the Authority's Water Provider Conservation Program ("WPC Program"). She reported that bill inserts for the 2025 WPC Program are being distributed to the participants' operating companies.

Following review and discussion, Director Hollingsworth moved to approve the CCR Report as presented, including payment to Rootlab LLC for design services for rehabilitation of the Authority's mobile learning lab in the amount of \$17,912.25. Director Darden seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller discussed a proposed letter agreement between the Authority and Fort Bend County Municipal Utility District No. 124 ("FB 124") related to FB 124's requested variance to the Authority's chloramine conversion reimbursement procedures. She reported that ABHR is counsel for FB 124 and discussed with the Board the Authority's option to retain independent counsel or to have ABHR represent it in connection with the preparation of the proposed letter agreement with FB 124. Following review and discussion, Director Hollingsworth moved to approve a legal conflict waiver for ABHR's preparation of a letter agreement with FB 124. Director Rusk seconded the motion, which passed unanimously.

Ms. Miller reviewed a proposed letter agreement between the Authority and FB 124, providing FB 124 with a variance to the Authority's chloramine conversion reimbursement procedures. Following review and discussion, Director Hollingsworth moved to approve the letter agreement with FB 124. Director Rusk seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC, CONTINUED

Mr. Talecki addressed the Board to request assistance with determining how to obtain maintenance of property containing two water wells.

RENEWAL OF LETTER OF CREDIT

Ms. Miller reported that the Authority's Letter of Credit issued by Central Bank in the amount of \$1,000,000.00 in favor of CenterPoint Energy Houston Electric, LLC ("CenterPoint") is currently due to expire on June 4, 2025. She discussed the requirements for maintaining the Letter of Credit while the Authority is performing construction activities on CenterPoint property. She stated that the Authority's Finance and Policy Committee recommended that the Board authorize renewal of the Letter of Credit to June 4, 2026, for a fee of \$10,000.00. Following review and discussion, Director Hollingsworth moved to authorize renewal of the Letter of Credit to June 4, 2026, for a fee of \$10,000.00, to include execution of (1) an Application and Agreement; (2) a Promissory Note; (4) a Notice of Final Agreement; (4) an Assignment of Deposit Account; (5) a Disbursement Sheet; (6) a Disbursement Request and Authorization; (vii) an Amendment No. 15 to Letter of Credit; and (7) execution of any necessary ancillary documents. Director Darden 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, and a schedule of debt service payments. A copy of the bookkeeper's report is attached. Mr. Watson additionally reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's rate challenge.

Ms. Miller noted that a post audit agreed upon procedures report prepared by McCall Gibson Swedlund Barfoot PLLC has been previously distributed for Board review.

Ms. Miller reported that a completed CyberRisk Renewal Application and a completed Multi-Factor Authentication Attestation Form required to obtain a quote for renewal of the Authority's CyberRisk insurance coverage have been previously distributed for Board review. Mr. Watson responded to Board inquiries regarding cybersecurity procedures in place for the Authority's accounts.

Following review and discussion, Director Hollingsworth moved to approve: (1) the bookkeeper's report as presented, including the checks presented for payment; and (2) execution and submission of the completed forms required to obtain a quote for renewal of the Authority's CyberRisk insurance coverage. Director Rusk 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 2024 manhole survey is complete. He reported that 310 out of 447 total manholes were pumped due to the infiltration of rainwater through worn gaskets. He stated that the survey cost approximately \$27,485.00 and the pumping cost approximately \$59,732.00. Mr. Clayton reported that he is coordinating with BGE to obtain a quote to repair the gaskets.

Ms. Miller discussed water supply matters related to Consensus Item 37 previously approved by all Water Authorities participating in the City of Houston's ("COH") Northeast Water Purification Plant Expansion Project ("NEWPP Expansion Project").

Following review and discussion, Director Hollingsworth moved to approve the operator's report as presented. Director Rusk 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 results for the tests performed to date for Per- and Polyfluoroalkyl Substances ("PFAS") per the U.S. Environmental Protection Agency's ("EPA") PFAS National Primary Drinking Water Regulation were below the published EPA Maximum Contaminant Levels. He stated that the Authority will continue to conduct monthly PFAS testing. Mr. Froehlich additionally reported that the EPA rescinded regulations for four of the six substances and extended regulatory compliance deadlines for two of the six substances to 2031.

Mr. Froehlich reported that the Authority's Over-Conversion Credit Certificate for the 2023-2024 permit term has not yet been received from the Fort Bend Subsidence District ("FBSD"). He reported on FBSD's annual groundwater hearing held April 29, 2025, and BGE's planned attendance at FBSD's Joint Regulatory Plan Workshop scheduled for June 25, 2025.

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 recommended approval of quotes to install a retrofit meter on Well 2103 and replace the meter for Well 2188 in the amounts of \$7,600.00 and \$6,925.00, respectively, so that the wells are compatible with the Authority's automated meter infrastructure.

Mr. Froehlich reported that BGE is reviewing a progress reimbursement request from Fort Bend County Municipal Utility District No. 37 for its chloramine conversion project.

Mr. Froehlich reported that developer, Hillwood Communities, is interested in negotiating a GRP Participation Agreement or the annexation of tracts into the Authority and potentially receiving surface water. He stated that the tracts are predominantly located outside of the Authority and south of the Brazos River (the "Oxbow Tracts"). He reported that, per the recommendations of the Authority's Capital Projects and Design Committee, ABHR has prepared a proposed letter agreement with the developer to include the developer's payment of the Authority's engineering and legal fees for performing preliminary due diligence for the Oxbow Tracts. Mr. Russell Bynum of Hillwood Communities responded to Board inquiries regarding the Oxbow Tracts.

Mr. Froehlich reported that BGE is reviewing and potentially updating the Authority's Emergency Response Plan for submission to the EPA by March 31, 2025, to comply with the America's Water Infrastructure Act of 2018.

ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of the design and the construction of water lines for the Authority's 2027 surface water supply system, including for Main Segments 11A, 13B, 13C Phase 1, 13D, 16B, 17A, 17B, 17C, 18A, 18B, and 19, and the surface water connection lines for Fort Bend County Municipal Utility District No. 255 and Fort Bend County Fresh Water Supply District No. 2. Mr. Froehlich recommended approving execution of Letters of No Objection with Gulf South Pipeline for Main Segments 17A and 18A, subject to finalization.

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. He stated that Main Segments 13C and 13D are being removed from the scope of work so that submissions for the remainder of the system can be made to the Texas Water Development Board for review and approval.

Mr. Froehlich reported on the status of transient analysis and design services for the cathodic protection systems for the Authority's 2027 surface water supply system. He reported that the quarterly rectifier and annual systemwide surveys are complete. Mr. Froehlich stated that any recommendations from the evaluation of the systemwide surveys will be reviewed with the Board.

Mr. Froehlich reported that BGE is finalizing the 10-year Asset Maintenance Plan for the Authority. He stated that revisions to the proposed schedule for resealing the Authority's manholes will be updated.

Mr. Froehlich reported that MIS' population study report is anticipated to be completed in September 2025.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported that bids for construction of the Bellaire Pump Station (the "BPS") Phase II Improvements Project are scheduled to be opened on June 3, 2025.

Mr. Froehlich reported that BGE is reviewing a quote for recommended minor structural and aesthetic repairs to the BPS.

Mr. Froehlich reported on the status of Great Barrier Roof, LLC's installation of a new thermoplastic polyolefin roof on 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 ("SWSP") with the West Harris County Regional Water Authority ("WHCRWA"), including Segments A1 and A2, combined Segments B1 and B2, Segments B3, C1, and C2, the Kinder Morgan subsegments, the Segment 3 subsegments, the Repump Station, the Central Pump Station, and the three meter stations. Copies of a chart and summaries of the status of design/construction are included in the attached engineer's report. Mr. Froehlich reported on BGE's review of Change Order No. 3 in the amount of \$176,574.89 for WHCRWA's construction contract for Segments A1 and A2.

Mr. Froehlich reported that five bids for a contract for construction of the I-10 Meter Station were received on May 14, 2025, and the low bidder was Servox LLC in the amount of \$6,347,173.51. He stated that the design consultant for the project and the Joint Facilities Committee recommended awarding the contract to the second low bidder, Persons Services Corp. ("PSC"), in the amount of \$6,546,100.00. Mr. Froehlich recommended that the Authority's Board approve WHCRWA proceeding with award of the construction contract to PSC in accordance with the terms of the Amended and Restated Joint Facilities Agreement.

Mr. Froehlich updated the Board on COH's NEWPP Expansion Project per its

Design-Build Agreement with the Houston Waterworks Team. Status summaries for Phases 1, 2A, and 2, and the Balance of Plant are included in the attached engineer's report.

Mr. Froehlich reported that Consensus Item 46R, Approval of Previously-Allocated NEWPP Expansion Project Management Reserve Funds for Payment of Legal Costs, was approved by all Water Authorities participating in COH's NEWPP Expansion Project on May 12, 2025.

Mr. Froehlich reported that BGE is reviewing the Region H Water Planning Group's 2026 Initially Prepared Water Plan. He stated that three public hearings to receive comments regarding the plan were held in May.

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

- (1) approve quotes to install a retrofit meter on Well 2103 and replace the meter for Well 2188 in the amounts of \$7,600.00 and \$6,925.00, respectively;
- (2) approve a letter agreement with Hillwood Communities to include the developer's payment of the Authority's engineering and legal fees for performing preliminary due diligence for the Oxbow Tracts;
- (3) approve Letters of No Objection with Gulf South Pipeline for Main Segments 17A and 18A; and
- (4) approve WHCRWA proceeding with award of the construction contract for the SWSP I-10 Meter Station to PCP in the amount of \$6,546,100.00.

Director Hollingsworth seconded the motion, which passed unanimously.

Ms. Miller reported that the Authority's consultants are reviewing COH's Fiscal Year 2026 Preliminary Water Rate for the East Water Purification Plant in the amount of \$1.114, which is approximately \$0.03 more than the Water Rate adopted for Fiscal Year 2025.

FINANCING PLAN MATTERS

The Board concurred to defer this item.

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 Darden 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. Following review and discussion, Director Darden moved to keep the current procedures for continuing disclosure compliance in place. Director Hollingsworth seconded the motion, which passed unanimously.

REALTY INTEREST ACQUISITION

Ms. Miller reviewed a Water Line Easement and Temporary Construction Easement for Parcels 13C.06 and 13C.06TE and a side letter agreement for the easements. Following review and discussion, Director Hollingsworth moved to approve the easements and side letter agreement. Director Rusk seconded the motion, which passed unanimously.

LEGISLATIVE UPDATE

Ms. Miller reported on the status of certain proposed bills with potential impact to the Authority during the 89th Regular Session of the Texas Legislature and responded to inquiries from the Board and meeting attendees.

MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to meet on Wednesday, June 25, 2025.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:58 p.m., pursuant to Section 551.071, Texas Government Code, to seek the advice of its attorney regarding pending or contemplated litigation or to seek and receive legal advice by the Authority's attorney. The Board determined that the attendance in this executive session of Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorneys, and the Board requested his presence in the executive session.

RECONVENE IN OPEN SESSION

At 7:14 p.m., the Board reconvened in open session. Director Hollingsworth moved to authorize the attorneys to file an Amicus Brief in the City of Fulshear vs. Public Utility Commission litigation matter. Director Darden seconded the motion, which passed unanimously.

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


Secretary, Board of Directors

(SEAL)



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