

MINUTES

NORTH FORT BEND WATER AUTHORITY

October 23, 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 23rd day of October, 2024, 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 Hollingsworth, thus constituting a quorum.

Also present in person for all or part of the meeting were Matt Froehlich, Ian Pietz, Whitney Milberger, Larry Goldberg, 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, Audrey Briscoe, and Justine M. Cherne of Allen Boone Humphries Robinson LLP; and persons listed on the attached attendance sheets.

COMMENTS FROM THE PUBLIC AND OPERATION OF AUTHORITY FACILITIES

Members of the public were provided with the opportunity to make comments. Ms. Miller, and Directors Houghton and Patton responded to inquiries from Mr. Grady Carter of Fort Bend County Municipal Utility District No. 142 regarding the Authority's fees.

APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on September 24, 2024. After review and discussion, Director Abrahamson 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 stated that, as previously reported, a webpage has been posted to the Authority's website for the Fall 2024 Art Contest scheduled October 1 through October 31, 2024, for elementary school students in the second and third grades of Lamar Consolidated, Katy, and Fort Bend Independent School Districts.

Ms. Milberger stated that, as previously reported, a one-page educational flyer regarding the Authority's fee included on water bills and a Kids' Corner webpage have been posted to the Authority's website.

Ms. Milberger reported that the Authority's Lead and Copper Inventory was submitted to the Texas Commission on Environmental Quality ("TCEQ") as required by the U.S. Environmental Protection Agency ("EPA"). Mr. Froehlich stated that, through records research and field investigation of the distribution system, it has been determined that the system has no lead or galvanized service lines requiring replacement service lines. She reported that a copy of the Lead and Copper Inventory has been posted on the Authority's website.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve renewal of the Authority's Adobe Creative Cloud All Apps account in an annual amount not to exceed \$1,500.00.

Ms. Milberger reported that 101 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during September 2024.

Ms. Milberger updated that Board on the status of the Authority's Homeowners Association Irrigation Management Pilot Program. She stated that information regarding the 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 stated that a webinar is scheduled at 2:00 p.m. on October 30, 2024. Ms. Milberger reported that the CCR Committee recommended that the Board purchase of a half page ad in the 2024 AWBD summer

journal to highlight the successful 2024 WPC Program participants for \$600.00.

Following review and discussion, Director Abrahamson moved to approve the CCR Report, including: (1) renewal of the Authority's Adobe Creative Cloud All Apps account in an annual amount not to exceed \$1,500.00; and (2) purchase of a half page ad in the 2024 AWBD summer journal for \$600.00. Director Rusk seconded the motion, which passed unanimously.

CONTRACTS

Ms. Miller reported that the Authority's Finance and Policy Committee recommended approval of a Renewal Agreement for Investment Advisory Services with Hilltop Securities Asset Management, LLC ("HSAM") for the term December 31, 2024, to December 31, 2025. Following review and discussion, Director Abrahamson moved to approve the Renewal Agreement for Investment Advisory Services with HSAM, as presented. Director Rusk 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 the payment of a cash call due to the West Harris County Regional Water Authority ("WHCRWA") for construction of Kinder Morgan Segment 4 before the Authority's October regular Board meeting in the amount of \$14,038,864.16, in accordance with the terms of the Amended and Restated Joint Facilities Agreement for the Authority's joint Surface Water Supply Project ("SWSP") with WHCRWA.

Mr. Watson additionally reviewed a chart tracking the amounts expended by the Authority related to the City of Fulshear's ("COF") rate challenge. Ms. Miller provided an update on COF's rate challenge. She reported that the trial date for COF's suit in District Court regarding the State Office of Administrative Hearings' dismissal of COF's rate challenge case is scheduled to be held in the spring of 2025.

Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report, including the checks presented for payment. Director Darden 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 stated that the Authority's high monthly water accountability was caused by the timing of the meter readings. He reported that quotes for repair and replacement of the motor for booster pump no. 1 at the Bellaire Pump Station (the "BPS") have not yet been received for Board review.

Mr. Clayton reviewed an automatic increase in Inframark's Standard Rates of 4.731% pursuant to its Professional Services Agreement with the Authority.

Following review and discussion, Director Abrahamson moved to approve the operator's report. 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 on the Fort Bend Subsidence District's Joint Regulatory Plan Review Workshop held on October 10, 2024.

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 Braes Bayou Generating, LLC purchased 19,500,000 of the Authority's Over-Conversion Credits for \$5.85 per 1,000 gallons for a total of \$114,075,000.

Mr. Froehlich reported that BGE will prepare a proposal for preparing the Authority's required Risk and Resilience Assessment and Emergency Response Plan due March 31 and September 30, 2025, respectively, in compliance with the EPA's America's Water Infrastructure Act.

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 17B. A chart summarizing the status of property acquisition matters is attached to the engineer's report.

Mr. Froehlich reported that all of the Authority's automated meter readers have been installed. 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 the

construction of Main Segment 11A is nearing completion. He reviewed and recommended approval of Pay Estimate No. 11 submitted by Main Lane Industries, Ltd. ("Main Lane") in the amount of \$164,418.44 for the project.

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 previously reported, 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.

Mr. Froehlich reported on the status of 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, Phase 1; (3) BGE for Main Segment 18A; (4) Carollo Engineers, Inc. for Main Segment 19; (5) Binkley & Barfield, Inc. for Main Segment 17A; (6) R.G. Miller Engineers, Inc. for Main Segment 17C; and (7) JNS Engineers, LLC for Main Segment 18B. Mr. Froehlich stated that BGE's design of Main Segment 13D is on hold pending access to the project site.

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 additional services required to renew EDF approvals and update the CRS to the current standards are underway.

Mr. Froehlich reported that the development of a long-term asset maintenance plan for the Authority's facilities, including the BPS, transmission lines, and meter stations, is anticipated to be completed in December 2024 or January 2025.

Mr. Froehlich reported that the expanded transient analysis for the 2027 System will begin upon receipt and review of the 60% design plan submittals for Main Segments 17A, 17C, and 18B.

Mr. Froehlich reported on Fort Bend County Municipal Utility District No. 37's ("FB 37") request for a variance from the Authority's policy and standard practice per the Authority's Amended Rate Order for chloramine conversion reimbursement procedures. He stated that FB 37 requested that the Authority manage and administer the design and construction of FB 37's conversion to a chloramine disinfection system related to the Authority's construction of Main Segment 18B. Mr. Froehlich reported that the Authority's Capital Planning and Design Committee recommended that the

Board offer monthly progress payments to FB 37 during the construction project in place of FB 37's request.

REGIONAL PLANNING MATTERS: JOINT PROJECTS AND WATER SUPPLY

Mr. Froehlich reported that the final contract with Great Barrier Roof, LLC, for the proposed installation of a new Thermoplastic Polyolefin roof for the BPS has been circulated for signatures.

Mr. Froehlich reported on the status of agency review of the design plans for the BPS Phase II Improvements Project. He stated that a response has not yet been received from the TCEQ regarding a variance request related to the air gap in the ground storage tanks. Mr. Froehlich stated that, as previously reported, the design plans have been submitted to the City of Houston's ("COH") Building Code Enforcement for review.

Mr. Froehlich reported on the status of structural design services for the installation of additional structural support for the vertical supports of the hoist trolley system at the BPS.

Mr. Froehlich reported that BGE completed the annual inspection and prepared the renewal application for the Stormwater Quality Permit for the BPS expiring on November 21, 2024.

Mr. Froehlich reported that BGE completed its review of WHCRWA's draft initial True-Up for the Authority's joint SWSP with WHCRWA through December 31, 2021.

Mr. Froehlich reported on the status of design, permitting, construction, and property acquisition, as appropriate, for SWSP, 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 that bids for a contract for construction of Kinder Morgan Segment 2 are scheduled for opening on October 29, 2024.

Mr. Froehlich reported on the Authority's consultants' coordination with COH on East Water Purification Plant matters. He stated that COH plans to decrease water delivery to the Authority to 12 to 14 million gallons per day for a couple of months due to the shutdown of a 66-inch water line to establish a new connection with a 72-inch water line. He stated that the proposed shutdown of the water line has been rescheduled to begin after the Thanksgiving and Christmas holidays.

Mr. Froehlich reported that, during COH's quarterly Advisory Committee meeting held October 11, 2024, COH informed the participants of anticipated

improvements to the East Water Purification Plant and COH's water distribution system that are estimated to cost approximately \$5,000,000,000. Ms. Miller responded to Board inquiries regarding the Authority's anticipated share of the costs for the improvements.

Mr. Pietz updated the Board on COH's Northeast Water Purification Plant Expansion Project ("NEWPP Expansion Project") per its Design-Build Agreement with the Houston Waterworks Team ("HWT"). 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. Status summaries are included in the attached engineer's report. Mr. Pietz reported that the substantial completion date for Phase I of the project was July 10, 2024, and HWT has 120 days from September 20, 2024, to complete the remaining punchlist items. He reported that Phase I is anticipated to be completed at the end of 2024 and Phase II is anticipated to be completed in the summer of 2025.

Mr. Pietz reviewed Consensus Items 37 through 40, approved by all participating parties to COH's NEWPP Expansion Project. He additionally recommended payment of an upcoming cash call to be issued by COH for the remaining amount of management reserve funds for the project.

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

- (1) notifying FB 37 of the Board's offer to make monthly progress payments to FB 37 during its chloramine conversion construction project as a variance to the Authority's chloramine conversion reimbursement procedures;
- (2) Pay Estimate No. 11 submitted by Main Lane for construction of the Authority's Main Segment 11A in the amount of \$164,418.44; and
- (3) execution and submittal of the renewal application for the Stormwater Quality Permit for the BPS to COH.

Director Abrahamson seconded the motion, which passed unanimously.

FINANCING PLAN MATTERS

The Board concurred to defer this item.

REALTY INTEREST ACQUISITION

The Board concurred to defer this item.

MEETING PLANNING AND SCHEDULING MATTERS

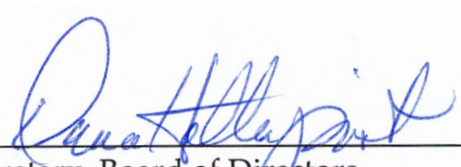
Ms. Miller reviewed changes to the Board's regular meeting schedule due to the

Thanksgiving and Christmas holidays. She reminded the Board that the November and December 2024 regular meetings will be rescheduled to Thursday, November 21, 2024, and Thursday, December 19, 2024.

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.



Secretary, Board of Directors

(SEAL)



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