

MINUTES  
NORTH FORT BEND WATER AUTHORITY

September 28, 2022

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 28<sup>th</sup> day of September, 2022, 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, thus constituting a quorum.

Also present in person were Matt Froehlich, Julia Frankovich, Whitney Milberger, and Quy Huynh of BGE; Taylor Watson of Municipal Accounts & Consulting, L.P.; Dale Clayton of Inframark, LLC ("Inframark"); Jeff Masek of AECOM; Richard Patrick of Ninyo & Moore; Jeremy Austin of RPS Group; Christina Miller, Aaron Carpenter, and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR"); and John Pertgen and Carl Peters 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 Ian Pietz and Miriam Valdez of BGE; Jonathan Marks of Concentric Construction Corporation, LLC; Heidi Steven of Fidelity National Financial; Danny Garcia and Mike Sechelski of Thompson Pipe Group; Mark Van Dyck of Big Oaks Municipal Utility District; Steve Haas and Duval McDaniel of Cinco Municipal Utility District No. 5; Stephen Talecki of Cornerstones Municipal Utility District; Betty Stewart of Fort Bend County Municipal Utility District No. 2; Linda Yorlano of Fort Bend County Municipal Utility District No. 30; Craig Lewis of Fort Bend County Municipal Utility District No. 50; Brian Joseph and Jeanette Spinks of Fort Bend County Municipal Utility District No. 119; Randy Carter of Fort Bend County Municipal Utility District No. 142; Mashhood Shah of Grand Lakes Municipal Utility District No. 4; David Johnson; Susan Leonardi-Cattolica; and additional members of the public.

## COMMENTS FROM THE PUBLIC

Director Houghton offered any members of the public attending the meeting in-person or by teleconference or videoconference the opportunity to make public comments. In response to Mr. Talecki's request that a representative of the Authority attend a Cinco Ranch neighborhood meeting, Ms. Miller stated that the request can be made through the Authority's website.

## APPROVE MINUTES

The Board considered approving the minutes of its regular meeting held on August 24, 2022. After review and discussion, Director Hollingsworth moved to approve the minutes as written. Director Abrahamson seconded the motion, which passed unanimously.

## PUBLIC COMMUNICATION MATTERS, WATER CONSERVATION, AND REUSE MATTERS, AND WATER CONSERVATION PROGRAMS

Ms. Milberger reviewed a Memorandum Regarding Water Conservation and Reuse Matters (the "Memorandum"), a copy of which is attached.

Ms. Milberger reported on six events where the Authority plans to host its water conservation mobile teaching lab, activities, and a booth. In response to Director Houghton's inquiry, Ms. Milberger stated that she will report on the number of attendees at events where the Authority's water conservation mobile teaching lab has been hosted.

Ms. Milberger reported that the Authority will give a presentation regarding the Authority's projects at the Annual Capital Improvement Plan Briefing hosted by the Texas Chapter of the American Public Works Association and the Society of American Military Engineers on October 11, 2022.

Ms. Milberger reported that the Authority's Communication, Conservation, and Reuse Committee ("CCR Committee") recommended that the Board approve:

- (1) sponsoring the Katy Turkey Dash on Thanksgiving Day, November 24, 2022, in the amount of \$500.00;
- (2) purchasing mini water misters for distribution at the Katy Turkey Dash and other public events in an amount not to exceed \$4,200.00; and
- (3) purchasing a dedicated telephone line for public inquiries related to Authority matters for an annual fee of \$1,000.00.

Ms. Milberger reported that the Water Providers Communications Toolkit is available on the Authority's website. She stated that the toolkit provides website copy, digital content, bill inserts, and public outreach talking points for utilization by the

Authority's Groundwater Reduction Plan ("GRP") Participants in communications with their constituents.

Ms. Milberger reported that the Authority's Water Force educational campaign videos regarding conservation and other topics have been uploaded to the Authority's YouTube channel and are available for public viewing.

Ms. Milberger reported that 340 irrigation system evaluations were completed through the Authority's W.I.S.E. Guys Irrigation System Evaluation Program during August 2022. She stated that, due to drought conditions and increased request volume, the wait time for the evaluations may be approximately four weeks.

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 2022 Water Provider Conservation Program. She reported that the Authority's CCR Committee recommended approval of second quarter rebate payments to the successful participants in the 2021 Larry's Toolbox Water Conservation Program in the total amount of \$191,222.21.

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

(1) sponsoring the Katy Turkey Dash on Thanksgiving Day, November 24, 2022, in the amount of \$500.00;

(2) purchasing mini water misters for distribution at the Katy Turkey Dash and other public events in an amount not to exceed \$4,200.00;

(3) purchasing a dedicated telephone line for public inquiries related to Authority matters for an annual fee of \$1,000.00; and

(4) paying second quarter rebates to the successful participants in the 2021 Larry's Toolbox Water Conservation Program in the total amount of \$191,222.21.

Director Hollingsworth seconded the motion, which passed unanimously.

## CONTRACTS

The Board concurred to defer this item.

## RENEWAL OF CYBER LIABILITY INSURANCE POLICY

Ms. Miller reported that the Authority's Finance and Policy Committee recommended that the Board approve a proposal from McDonald & Wessendorff Insurance for renewal of the Authority's cyber liability insurance policy for the short term of October 28, 2022 to August 2, 2022, to coincide with the renewal date of the

Authority's other insurance policies, in the amount of \$16,020.00. Following review and discussion, Director Hollingsworth moved to approve the proposal from McDonald & Wessendorff Insurance for renewal of the Authority's cyber liability insurance policy in the amount of \$16,020.00. Director Fay seconded the motion, which passed unanimously.

#### 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, a current period and year-to-date actual versus budget comparison, and a schedule of debt service payments. A copy of the bookkeeper's report is attached.

Mr. Watson reported that Fort Bend County Municipal Utility District No. 168's ("FB 168") well went into service on February 1, 2022. He stated that the well was not included in the Authority's aggregate well permit which has led to underreporting of approximately 3.4 million gallons of water usage through July 2022. He stated that the pumpage fees for unreported usage through July 2022 are calculated at \$15,451.80 and unreported August usage has not yet been determined. He stated that FB 168 is a contract participant in the Authority's GRP, currently has no residents, and contracted with Quadvest, LP for water usage. He stated that Quadvest, LP is taking cooperative actions to ensure FB 168 becomes compliant with the Authority's GRP. Mr. Watson reported that the Authority's Finance and Policy Committee recommended waiving penalties and late fees for FB 168's 2022 underreported water usage, provided that FB 168 pay the outstanding fees for usage to date.

Following review and discussion, Director Abrahamson moved to approve the bookkeeper's report. 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, and responded to questions. A copy of the operator's report is attached. Following review and discussion, Director Darden moved to approve the operator's report. Director Fay seconded the motion, which passed unanimously.

#### REGULATORY MATTERS: SUBSIDENCE DISTRICT REGULATIONS AND PERMITTING, AND AUTHORITY'S GRP

Mr. Froehlich presented the engineer's report, a copy of which is attached.

Mr. Froehlich reported that BGE applied to the Fort Bend Subsidence District

("FBSD") for an amendment to the Authority's Aggregate Well Permit for the October 2021 through September 2022 permit term and FBSD's approval remains pending. He reported that FBSD approved renewal of the Authority's annual permit for the October 2022 through September 2023 term. He recommended payment of FBSD's permit renewal fee in the amount of \$230,000.00.

Mr. Froehlich reported that an Over-Conversion Credit Certificate in the amount of 2,421,300,000 gallons was received from FBSD for the Authority's 2020-2021 permit term. He stated that the Authority received a credit from FBSD for the Authority's 2020-2021 permit term in the amount of \$14,500.00.

Mr. Froehlich reported on a meeting of FBSD's stakeholders on September 8, 2022, regarding FBSD's Joint Regulatory Plan Review.

Ms. Miller reported that Melony Gay took her oath to serve as one of the Authority's representatives on FBSD's Board of Directors earlier in the day.

Mr. Froehlich reported that the fee for renewal of the Authority's annual permit from the Harris-Galveston Subsidence District was paid and the renewed permit has not yet been received.

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.

Mr. Froehlich reported that contact from an engineer working with the City of Fulshear regarding permitting for a proposed water well located outside of the Authority's boundaries in Fort Bend County Municipal Utility District No. 222 will be discussed with the Authority's Capital Planning and Design Committee ("CPD Committee").

Mr. Froehlich reported that BGE is reviewing information and preparing a metes and bounds description for a permanent water line and meter easement related to Fort Bend County Municipal Utility District No. 50's request for reimbursement of costs for the construction of a connection surface water line and meter station at its water plant no. 2 in the approximate amount of \$287,010.00.

#### ENGINEERING MATTERS: DESIGN, CONSTRUCTION, PROJECTS, AND STUDIES

Mr. Froehlich reported on the status of property acquisition matters. Charts summarizing the status of property acquisition matters are 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 Grand Lakes Municipal Utility District Nos. 1, 2, and 4 (collectively, "Grand Lakes"). He

stated that construction is substantially complete.

Mr. Froehlich reported on the status of construction of the Grand Lakes Reuse Irrigation System Retrofit Project. He stated that the contractor is addressing punchlist items and the final pay estimate is anticipated for the October regular meeting of the Board.

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 ("FB 146 and FB 194"). He stated that the contractor is waiting for the delivery of one lake feed meter.

Mr. Froehlich reported on the status of construction of the FB 146 and FB 194 Reuse Irrigation System Retrofit Project. He recommended that the Board approve Pay Estimate No. 6 and Final submitted by Earthcare Landscaping for the project in the amount of \$44,663.44. He reported that the original contract amount was over \$600,000.00 and the final contract amount was \$428,064.18 due to less irrigation sprinkler heads were needed to complete the project than originally estimated.

Mr. Froehlich reported that the Authority's automated meter installation project is 42% complete. He reviewed and recommended approval of Pay Estimate Nos. 6 and 7 submitted by Accurate Meter & Backflow, LLC ("AMB") in the amounts of \$26,460.00 and \$125,595.00, respectively. Mr. Froehlich discussed coordination with ABHR on obtaining the necessary Right of Entry Agreements for the project and reviewed a list of Right of Entry Agreements ready for the Board's execution.

Mr. Froehlich reported that a warranty inspection was held for the Authority's Grand Lakes Reuse Wastewater Treatment Plant Improvements project on September 15, 2022, and the contractor is addressing a short punchlist of items.

Mr. Froehlich reported on the status of RPS Infrastructure, Inc.'s design of Main Segment 11A. He stated that the Texas Commission on Environmental Quality's ("TCEQ") approval for an exception request related to the clearance between a portion of the proposed water line and a parallel existing reclaimed water line has been received and the design plans will be resubmitted to TCEQ for technical review. He stated that the project will now advertise for bids.

Mr. Froehlich reported that the Texas Department of Transportation's ("TxDOT") project to widen FM 723 at Bellaire Boulevard is delayed due to right-of-way acquisition matters. He stated that, as previously reported, BGE's design of the project to extend the steel casing on Main Segment 8B at FM 723 as required by TxDOT's project, is complete. He reported that BGE addressed TxDOT's comments to the Standard Utility Agreement for reimbursement of the Authority's engineering and construction costs for the extension and resubmitted the agreement to TxDOT for review. Mr. Froehlich stated that BGE will begin preparing the project to advertise for

bids.

Mr. Froehlich reported on the status of the design of water lines for the Authority's proposed 2025 surface water supply system (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 FB 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 Fort Bend County Engineering's approval of the design plans for Main Segment 13B are pending, and the project will be advertised for bids once the design plans are fully approved. He stated that Notice to Proceed on 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 that a preconstruction meeting was held on September 7, 2022, with the Authority's contractor for the 2025 System surface water line connection for Fort Bend County Fresh Water Supply District No. 2's ("FWSD 2") water plant no. 2, Reddico Construction Company, Inc.

Mr. Froehlich reported that the engineer for FWSD 2 plans to advertise for bids for construction of FWSD 2's water plant no. 1, which includes the Authority's surface water line connection to the water plant, upon final approval from the U.S. Department of Agriculture.

Mr. Froehlich reported on the status of BGE's design of an offset of the Authority's existing water line around a proposed storm sewer required by Fort Bend County's planned improvements to Old Richmond Road. He stated that City of Houston ("COH") approved the design plans and BGE has solicited bids due from three contractors by October 20, 2022.

Mr. Froehlich stated that, as previously reported, the attorneys for Fort Bend County Municipal Utility District Nos. 34 and 35 ("FB 34 and 35") are reviewing an initial Summary of Terms related to the design, construction, and maintenance of an effluent reuse system for a proposed joint reclaimed water system project. He reported that BGE attended a meeting on September 26, 2022, with representatives of FB 34 and 35 and the homeowners' associations located within FB 34 and 35 to discuss the potential project. He noted that the cost estimate for the proposed project is approximately two years old and will need to be updated in the future.

Mr. Froehlich reported that BGE is waiting for the final report for the second phase of the Authority's water blending project from its subconsultant, Corona Environmental Consulting, LLC.

Mr. Froehlich reported that the schedule for the remaining excavations and ge archaeological investigations for the System Environmental Determination Form

and the Cultural Resources Study required for the 2025 System is pending right of access to the property located at the southwest corner of FM 1093 and FM 359.

Mr. Froehlich reported that Inframark obtained a quote for repairing corrosion on the cabinets of the Authority's cathodic protection systems in the approximate amount of \$3,000.00 and the work has begun. He stated that quotes for leveling nine or ten of the foundations of the cabinets are being solicited for presentation to the CPD Committee.

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

Mr. Jones reported on an invoice received from Texas Microgrid, LLC for services during a grid outage in August 2022 in the amount of \$187.74.

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 the West Harris County Regional Water Authority (the "WHCRWA"), including Segments A, combined Segments B1 and B2, B3, C1, and C2, the Kinder Morgan subsegments, the Segment 3 subsegments, the Repump Station, the Central Pump Station, and the Northeast Meter Station. A copy of a chart listing the status of construction is included in the engineer's report. Mr. Jones reported that a negotiating session related to the proposed Amended and Restated Joint Facilities Agreement was held on June 21, 2022, and the attorneys are memorializing the agreed upon terms. Ms. Miller reported that a response from the WHCRWA remains pending.

Mr. Pietz reported that a Notice of Upcoming Cash Call No. 12 for projected expenses for the 2023 calendar year for the Northeast Water Purification Plant Expansion Project was received in the total amount of \$191,997,160.00. He reported that the Authority's share of the cash call is due for payment to COH on February 1, 2023, in the amount of \$41,682,346.00.

Mr. Pietz updated the Board on COH'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 for the Influent Pump Station, North Plant, Central Plant, and the Balance of Plant. Mr. Pietz stated that Phase 1 of the project will provide 80 million gallons per day ("MGD") of capacity and is currently anticipated to be completed approximately one month behind schedule in March 2023. He reported that Phase 2 of the project will provide 320 MGD of capacity and is currently anticipated to be completed approximately one month behind schedule in the summer of 2025.

Mr. Pietz discussed coordination with COH on the commissioning and startup tasks for COH's Northeast Water Purification Plant Expansion Project, including planning and documentation, and determining how and where to pump testing water during the startup and commissioning phases. He reported that the Authority's share

of the costs for Consensus Item No. 31 for a contract between COH and Lockwood, Andrews & Newnam, Inc. for additional modeling is approximately \$50,000.00.

Mr. Froehlich reported that BGE submitted an Engineering Feasibility Report regarding the 2025 System to the Texas Water Development Board (the "TWDB") for review as required for funding. He stated that the TWDB provided comments to the report and a revised version of the report was resubmitted to TWDB on September 21, 2022.

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

- (1) payment of the fee for renewal of the Authority's annual permit with FBSD for the October 2022 through September 2023 term in the amount of \$230,000.00;
- (2) Pay Estimate No. 6 and Final submitted by Earthcare Landscaping for construction of the FB 146 and FB 194 Reuse Irrigation System Retrofit Project in the amount of \$44,663.44; and
- (3) Pay Estimate Nos. 6 and 7 submitted by AMB for the Authority's automated meter installation project in the amounts of \$26,460.00 and \$125,595.00, respectively.

Director Fay seconded the motion, which passed unanimously.

#### PARTICIPATION AS AMICUS PARTY

Ms. Miller stated that there were no updates related to the Authority's amicus briefs filed in the *San Jacinto River Authority v. City of Conroe and City of Magnolia* or *Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1* matters.

#### FINANCING PLAN MATTERS

Ms. Miller reported on procedures related to the Authority's issuance of \$23,110,000 Water System Junior Lien Revenue Bonds, Series 2022 ("Series 2022 Bonds") through the TWDB's State Water Implementation Revenue Fund for Texas. She stated that the anticipated sale of the Series 2022 Bonds is scheduled at a special meeting to be held at 5:30 p.m. on October 12, 2022.

There was no update regarding amendments to the Authority's Loan Forgiveness Agreements with the TWDB for funding through the TWDB's Clean Water State Revolving Fund.

There was no update regarding the Authority's Note Purchase Agreement with JPMorgan Chase Bank, N.A.

## REALTY INTEREST ACQUISITION

Ms. Miller reviewed five Right of Entry Agreements for the Authority's automated meter reader installation project. A copy of a chart listing the Right of Entry Agreements is attached. Following review and discussion, Director Hollingsworth moved to authorize execution of the Right of Entry Agreements as presented. Director Fay seconded the motion, which passed unanimously.

## MEETING PLANNING AND SCHEDULING MATTERS

The Board concurred to hold a special meeting on October 12, 2022, to issue the Authority's Series 2022 Bonds and a regular meeting at 6:00 p.m. on October 26, 2022.

## CONVENE EXECUTIVE SESSION

The Board convened in executive session at 6:59 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 7:02 p.m., the Board reconvened in open session. Director Darden moved to authorize payment of the Award of Special Commissioners for Parcel 17A.08. Director Fay seconded the motion, which passed unanimously.

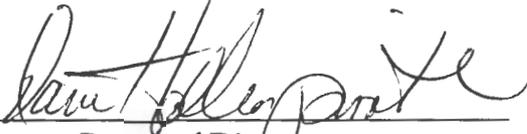
## CONVENE EXECUTIVE SESSION

The Board convened in executive session at 7:03 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 District's attorney.

## RECONVENE IN OPEN SESSION

At 7:14 p.m., the Board reconvened in open session. Director Darden moved to approve a legal services engagement letter with Feldman & Feldman, and direct that the legal services engagement letter be filed appropriately and retained in the District's official records. Director Hollingsworth 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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