

MINUTES
NORTH FORT BEND WATER AUTHORITY

October 9, 2019

The Board of Directors (the "Board") of the North Fort Bend Water Authority (the "Authority") met in special session, open to the public, on the 9th day of October, 2019, at the offices of BGE, Inc., 10777 Westheimer, 3rd Floor, Houston, Texas, outside the boundaries of the Authority, and the roll was called of the members of the Board:

Peter Houghton	President
Robert Patton	Vice President
Melony Gay	Secretary
David Spell	Assistant Secretary
Robert Darden	Assistant Vice President
Bruce Fay	Assistant Secretary
Pat Hebert	Assistant Secretary

and all of the above were present, except Directors Houghton, Spell, and Fay, thus constituting a quorum.

Also present for all or part of the meeting were Charles Matheson of Grand Lakes Municipal Utility District No. 4; Francine Stefan of Post Oak Municipal Advisors LLC; Lindsay Kovar, Matthew Froehlich, Julia Frankovich, and Tiffany Moore of BGE, Inc.; Dale Clayton of Inframark, LLC; and David Oliver, Christina Miller, Sandra Staine, and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

AUTHORITY FINANCING PLAN MATTERS

Mr. Oliver reported that the Authority's \$168,625,000 Water System Revenue and Revenue Refunding Bonds, Series 2019A ("Series 2019A Bonds") closed on October 2, 2019. Ms. Stefan stated that the refunding portion of the Authority's Series 2019A Bonds yielded a 16.33% net present value savings of \$16,909,465, providing a tangible impact on the Authority's fees and rates.

Mr. Oliver discussed the Authority's obligations related to its revenue note placement program for interim financing in an amount not to exceed \$150,000,000 pursuant to the Note Purchase Agreement with JPMorgan Chase Bank, N.A. He stated that proceeds from the Series 2019A Bonds will be used to redeem all but \$1,000,000 of the currently issued \$30,000,000 note to provide the Authority with financial flexibility.

Ms. Miller reported on coordination with the Texas Water Development Board (the "TWDB") to amend the Authority's Loan Forgiveness Agreements in connection with the funding received from the TWDB's Clean Water State Revolving Fund for the reclaimed water system projects for Grand Lakes Municipal Utility District Nos. 1, 2, and 4

(collectively, "Grand Lakes") and Fort Bend County Municipal Utility District Nos. 146 and 194 with revised schedules. She stated that the TWDB is preparing an amendment to the Loan Forgiveness Agreement related to the Grand Lakes project for consideration at the Board's October 23, 2019, meeting.

AUTHORITY'S \$244,110,000 WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2019B ("SERIES 2019B BONDS") AND AUTHORITY'S \$56,610,000 WATER SYSTEM REVENUE BONDS, SERIES 2019C ("SERIES 2019C BONDS")

Ms. Stefan reported on interest rates and maturity dates for the Authority's Series 2019B Bonds and Series 2019C Bonds pursuant to funding from the State Water Implementation Revenue Fund for Texas through a private placement issuance with the TWDB.

Mr. Oliver reviewed the documents and procedures related to issuing the Authority's junior lien and senior lien debt. He stated that the Authority is required to have pledged revenue analyses performed and recommended authorizing McGrath & Co., PLLC, to perform the required pledged revenue securities analyses consistent with their current engagement letter. He stated that the closing date for the Authority's Series 2019B Bonds and Series 2019C Bonds is scheduled for November 21, 2019.

Following review and discussion regarding the Series 2019B Bonds, Director Gay moved to: (1) adopt a Resolution Authorizing the Issuance, Sale, and Delivery of the North Fort Bend Water Authority Water System Junior Lien Revenue Bonds, Series 2019B; Approving the Form and Substance and Authorizing the Execution of a Twelfth Supplemental Indenture of Trust Relating to Such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject; (2) authorize the Board of Directors to sign all documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action in connection with the issuance of the Authority's Series 2019B Bonds; (3) authorize execution of a Certificate Regarding Provision of Financial Advice; (4) authorize McGrath & Co., PLLC to perform a pledged revenue analysis; and (5) approve issuing a check to the Attorney General for bond issue transcript review. Director Hebert seconded the motion, which was approved by unanimous vote.

Following additional review and discussion regarding the Series 2019C Bonds, Director Gay moved to: (1) adopt a Resolution Authorizing the Issuance, Sale, and Delivery of the North Fort Bend Water Authority Water System Revenue Bonds, Series 2019C; Approving the Form and Substance and Authorizing the Execution of a Thirteenth Supplemental Indenture of Trust Relating to Such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject; (2) authorize the Board of Directors to sign all documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action in connection with the issuance of the Authority's Series 2019C

Bonds; (3) authorize execution of a Certificate Regarding Provision of Financial Advice; (4) authorize McGrath & Co., PLLC to perform a pledged revenue analysis; and (5) approve issuing a check to the Attorney General for bond issue transcript review. Director Hebert seconded the motion, which was approved by unanimous vote.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:02 p.m., to conduct a private consultation with its attorney to discuss the purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code. The Board determined that the attendance in this executive session of Ms. Kovar and Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 6:08 p.m., the Board reconvened in open session. Director Gay moved to object to the Decision and Award of the Special Commissioners for the inner tract of the Authority's second pump station site, containing approximately 4.328 acres of real property located in Harris County, Texas. Director Hebert seconded the motion, which was approved by unanimous vote.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:09 p.m., to conduct a private consultation with its attorney regarding the Authority's legal rights and obligations under the Joint Facilities Agreement with the West Harris County Regional Water Authority pursuant to Section 551.071, Texas Government Code. The Board determined that the attendance in this executive session of Ms. Kovar and Mr. Froehlich was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 6:35 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.

(SEAL)




Secretary, Board of Directors