CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY	§

I, the undersigned Secretary of the Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on the 5th day of April, 2021, at a meeting place within the boundaries of the Authority, and the roll was called of the members of the Board, to-wit:

Alan J. Rendl President
Kelly P. Fessler Vice President
Lenox A. Sigler Secretary
Ron Graham Assistant Secretary
James D. Pulliam Treasurer/Investment Officer

All members of the Board were present thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

RESOLUTION ADOPTING POLICY AND PROCEDURES FOR FEBRUARY 2021 FREEZE EVENT FEE ADJUSTMENT CREDITS

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 5 NOES: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Resolution has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Resolution would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED the 5th day of April, 2021.



Assistant Secretary, Board of Directors

RESOLUTION ADOPTING POLICY AND PROCEDURES FOR FEBRUARY 2021 FREEZE EVENT FEE ADJUSTMENT CREDITS

WHEREAS, the North Harris County Regional Water Authority (the "Authority") has been duly created and organized to, among other things, develop a regional groundwater reduction plan, pursuant to which it charges certain fees ("RWA Fees"), including groundwater well pumpage fees ("GRP Fees"), to its retail water providers ("Retail Water Providers"), and other well owners that do not provide retail water services, which are either located within the boundaries of the Authority or provided groundwater reduction plan coverage pursuant to a contract with the Authority;

WHEREAS, from February 14, 2021 through February 21, 2021, a freeze event ("Freeze Event") caused widespread power outages throughout the State of Texas and, due to the Freeze Event, facilities and piping serving the retail customers of the Retail Water Providers ("Retail Customers") experienced water leaks beyond the reasonable control of Retail Customers; and

WHEREAS, the Authority's Board of Directors (the "Board") wishes to establish a written policy and procedures as set forth in this Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits (the "Resolution") for the consistent evaluation and treatment of requests for relief credits with respect to RWA Fees charged by the Authority to Retail Water Providers related to water lost by their respective Retail Customers as a result of water leaks caused by the Freeze Event.

NOW, THEREFORE, the Board resolves as follows:

Section 1. The Authority shall grant credits ("Authority GRP Credits") to its Retail Water Providers in accordance with Section 2 of this Resolution, provided that such Retail Water Provider adopts a written leak adjustment policy (which may be adopted via an action of its governing board reflected in a minute entry) that (i) is uniformly applied across the classes of its Retail Customers; and (ii) provides that such Retail Water Provider waives RWA Fees charged by such Retail Water Provider to its Retail Customers on a gallon-to-gallon basis with waivers of its own retail water fees charged to its Retail Customers.

Section 2. In order to be eligible to receive Authority GRP Credits, a Retail Water Provider must submit to the Authority a final accounting of all of its Freeze Event leak adjustments, which must include an executed certificate, in the form attached hereto as **Exhibit A** (a "Certificate"), by the Board of Directors (or equivalent governing board or authorized person) of such Retail Water Provider, which certifies that:

- (i) the aggregate amount in gallons (on a 1,000 gallon basis, the "Waived Retail Gallons") of leak adjustments related to the Freeze Event granted to its Retail Customers as shown in the Certificate is accurate;
- (ii) the Waived Retail Gallons were derived solely from waivers to its Retail Customers related to leaks (i) resulting from the Freeze Event (as opposed to excess usage for which a Retail Customer received beneficial use of the water);

- and (ii) for which the Retail Provider waived its own fees and RWA Fees, including penalties and interest related thereto;
- (iii) sufficient documentation was submitted by each Retail Customer to the Retail Water Provider in order to determine that such Retail Customer's internal facilities and piping have been repaired so as to reasonably prevent future excess usage; and
- (iv) all Waived Retail Gallons were granted in accordance with a written leak adjustment policy (which may be adopted via an action of its governing board reflected in a minute entry) that meets the requirements set forth in Section 1 of this Resolution.

Section 3. Following review and approval of a Certificate, the Authority shall grant Authority GRP Credits to the applicable Retail Water Provider on a gallon-to-gallon basis with its Waived Retail Gallons within 60 days of receipt of its Certificate or as is otherwise reasonably practicable to the Authority. The Authority GRP Credits shall be calculated by multiplying the Authority's GRP Fee by the Retail Water Provider's Waived Retail Gallons and shall not include any markup included within the fees charged by the Retail Water Provider to its Retail Customers. (By way of example, if a Retail Water Provider's Waived Retail Gallons total 100,000 gallons, the Authority GRP Credits would be anticipated to be $(100,000/1,000) \times 5.05 = 505.00$. Authority GRP Credits may be granted by the Authority to a Retail Water Provider either as rebate credit(s) against future RWA Fees charged by the Authority or by check(s) issued by the Authority to a Retail Water Provider, in each case in the sole discretion of the Authority.

Section 4. The Authority will not be obligated to review any requests for Authority GRP Credits by a Retail Water Provider if its Certificate is received by the Authority following July 1, 2021, whether or not such Retail Water Provider provided relief for Freeze Event leak adjustments to its Retail Customers prior to such date. For ease of administration, the Authority requests that only one Certificate be submitted to the Authority for its review and consideration.

[SIGNATURE PAGES FOLLOW]

APPROVED and ADOPTED this 5^{th} day of April, 2021.

President, Board of Directors

ATTEST:

Assistant Secretary, Board of Directors



EXHIBIT A TO RESOLUTION

WAIVED RETAIL GALLONS CERTIFICATE FEBRUARY 2021 FREEZE EVENT FEE ADJUSTMENT CREDITS

We, the undersigned [President and Secretary], respectively, of the [Board of Directors] of [Name of District]¹ (the "Retail Water Provider"), do hereby execute and deliver this certificate for the benefit of the North Harris County Regional Water Authority (the "Authority") pursuant to its Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits. We certify the following:

- 1. The aggregate amount in gallons (on a 1,000 gallon basis, the "Waived Retail Gallons") of leak adjustments related to the freeze event from February 14, 2021 through February 21, 2021 (the "Freeze Event") granted to the retail customers of the Retail Water Provider ("Retail Customers"), as shown in **Exhibit A** attached hereto, is accurate;
- 2. The Waived Retail Gallons have been derived solely from waivers to Retail Customers related to leaks (i) resulting from the Freeze Event (as opposed to excess usage for which a Retail Customer received beneficial use of the water); and (ii) for which the Retail Water Provider waived its own retail water fees and fees of the Authority charged by the Retail Water Provider ("RWA Fees"), including penalties and interest related thereto;
- 3. Sufficient documentation was submitted by each Retail Customer to the Retail Water Provider in order to determine that such Retail Customer's internal facilities and piping have been repaired so as to reasonably prevent future excess usage; and
- 4. All Waived Retail Gallons have been granted in accordance with a written leak adjustment policy (which may have been adopted via an action of the governing body of the Retail Water Provider reflected in a minute entry) that (i) has been uniformly applied across the classes of Retail Customers; and (ii) provides that Retail Water Provider waives RWA Fees charged by Retail Water Provider to its Retail Customers on a gallon-to-gallon basis with waivers of its own retail water fees charged to its Retail Customers.

[SIGNATURE PAGE FOLLOWS]

¹ **Note**: Retail Water Providers that are not municipal utility districts may modify the defined terms and signatories referenced in this paragraph to meet their needs, provided that the body of the certificate is not changed.

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE DISTRICT or day of [], 2021.		
[President, Board of Directors] [District Name]	[Secretary, Board of Directors] [District Name]	
(DISTRICT SEAL)		

EXHIBIT A TO WAIVER RETAIL GALLONS CERTIFICATE

Waived Retail Gallons

Account Number or Address of Retail Customer	Waived Retail Gallons (on a 1,000 gallon basis)

Aggregate Waived Retail Gallons: [Insert sum of Waived Retail Gallons above on a 1,000 gallon basis]