

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

August 1, 2022

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, at 6:00 p.m. on Monday, the 1st day of August, 2022, at the Authority's office located at 3648 Cypress Creek Parkway, Suite 110, Houston, Texas, a public meeting place within the boundaries of the Authority; whereupon, the roll was called of the duly constituted officers and members of the Board, to-wit:

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

All members of the Board were present except Director Fessler, thus constituting a quorum. Also attending the meeting were: Mr. Jun Chang, P.E., D.WRE, General Manager for the Authority; Mr. Mark Evans, Director of Planning and Governmental Affairs for the Authority; Mr. Doug Haude, P.E., Construction Manager for the Authority; Ms. Cynthia Plunkett, Finance Director for the Authority; Ms. Lisa Sagstetter, Communications and Community Relations Manager for the Authority; Ms. Kibriana Bonner, Administrative Assistant to the Authority; Mr. Philip Topek and Mr. Mike Baugher, of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Mr. Jon D. Polley, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), general counsel and co-bond counsel for the Authority. Other members of the public and consultants to the Authority were also present at the meeting. Copies of the public sign-in sheets are attached hereto.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PRESIDENT'S MESSAGE

Director Rendl first stated that he has seen many posts on the Nextdoor website discussing the price of water and why the Authority surface water fee has increased. Director Rendl encouraged the meeting attendees to reach out to the Authority to schedule a presentation to residents and/or HOAs to explain what the Authority is doing and the purpose of the surface water fee.

PUBLIC COMMENT

Mr. Nick Fava of Bammel Utility District addressed the Board and stated that the Authority has over 1,000 years of experience between the Directors, staff and consultants and that everyone does a great job and great work for the Authority.

REPORT ON STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

A copy of the meeting PowerPoint presentation is attached as an exhibit to these minutes.

Ms. Payne reviewed Director Rendl's upcoming presentation dates. Ms. Payne stated that if anyone would like to schedule a presentation, they can contact Ms. Sagstetter.

Ms. Payne next stated that water conservation and education billing inserts and materials can be obtained by contacting Ms. Sagstetter.

Ms. Payne then reviewed the new Patty Potty website and suggested including a link to the website on any utility district websites for informational purposes.

Ms. Payne went on to report that the summer edition of the *Connections* newsletter is currently being prepared and will be printed for utility districts to share with their customers.

GENERAL MANAGER'S REPORT

Mr. Chang reported that a suspected leak occurred approximately 10 days ago near the Authority's 48-inch transmission line, which caused the line to be shut down for the investigation of the leak. Mr. Chang stated that Mr. Haude has prepared a briefing regarding the incident.

Mr. Haude reviewed a presentation regarding the timeline and steps taken during the period of Wednesday, July 20th to Wednesday, July 27th. Mr. Haude stated that on Wednesday, July 20th a water leak was reported under the southbound lanes of T.C. Jester between Woodbriar Drive and Aspen Bend Drive, which was causing water to flow up through expansion joints in four (4) locations. Mr. Haude then stated that the Authority has a 48-inch water line located underneath the southbound lanes of T.C. Jester and the decision was made to isolate the pipe section to assess the leak. Mr. Haude next stated that Inframark isolated approximately 4,600 feet of water line along T.C. Jester between Pebble Trace Drive and Woodbriar Drive. Mr. Haude then stated that Reytec Construction Resources, Inc., the Authority's on-call system repair contract and Aurora Technical Services, the Authority's technical advisor, along with the Authority staff, conducted an internal assessment of the pipe. Mr. Haude next stated that a potential leak source with the Authority's 48-inch water line was not identified. Mr. Haude further stated that the next steps included notifying the operator for Harris County Municipal Utility District No. 44 that the leak was not coming from the Authority's water line. Mr. Haude noted that the utility district operator identified and replaced three (3) leaking service lines running under T.C. Jester that were the source of the water. Mr. Haude stated that the Authority's line was prepared to be placed back into service and the necessary disinfection, flushing and bacteriological testing was performed, with the line being placed back into service on Wednesday, July 27th. Mr. Haude then reported that while the Authority's line was being inspected, a few minor issues were discovered and repaired.

Mr. Chang then thanked Mr. McDevitt and Mr. Haude for their work during the event. Mr. Chang stated that Mr. McDevitt and Mr. Haude worked tirelessly to figure out the issue and to keep the Authority's system operating.

PROGRAM MANAGER'S REPORT

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Topek first reported that the Spears Road Regional Pump Station delivered approximately 30.1 MGD of surface water during July. Mr. Topek added that the alternative water used in June was approximately 25.6% of the Authority's total water demand, compared to approximately 30.9% in May. Mr. Chang noted that the dip in surface water delivered during July was due to the City of Houston (the "City") requesting that the Authority reduce the amount of surface water it receives because of an operational issue at the NEWPP.

MAJOR ACTIVITIES

Mr. Topek went on to report that during the prior month AECOM performed other activities for the Authority as follows: 1) implemented and performed tasks regarding the Authority's aggregate water well permit (the "Permit"); 2) assisted the Authority in a variety of activities involving the City; 3) continued oversight of engineering and real estate acquisition related efforts; 4) provided oversight of Inframark's activities and its contract to operate the Authority's system; and 5) monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's Permit and, in consort with Inframark and the respective PWS operators, took appropriate actions to optimize the use of surface water. Mr. Topek also reported that the Authority currently has 10 active construction projects, with 18 projects in design.

NEWPP EXPANSION PROJECT UPDATE

Mr. Topek further reported on the status of the NEWPP Expansion Project, noting that construction of the Central Plant continues with filter media depth verification and leak tests at filter modules, and masonry, HVAC and electrical work at the transfer pump station. Mr. Topek also reported that construction of the North Plant continues with ongoing structural, electrical and mechanical work for all structures. Mr. Topek added that the electrical substation and site electrical work has continued. Mr. Topek then reported that the installation of tile and plaza footings at the administration and maintenance buildings has continued. Mr. Topek next reported that construction of the South Plant is continuing with leak testing of the ground storage tank and ongoing mechanical and electrical work at the dewatering building. Mr. Topek further noted that the City's Project Advisor/Technical Consultant continues to provide construction oversight services.

CONSTRUCTION MANAGER'S REPORT

Mr. Haude presented the Construction Manager's Report to the Board. Mr. Haude reviewed the progress of construction of the Authority's projects. Mr. Haude also provided an update on the Authority's surface water transmission and distribution system. Mr. Haude reported that Project 24C is approximately 25% complete and Project 2-8 is approximately 60% complete.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board considered approval of the minutes of the July 11, 2022 regular meeting. Upon motion by Director Pulliam, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the July 11, 2022 regular meeting regular meeting, as written.

FINANCE DIRECTOR'S REPORT, INCLUDING APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF PAYMENTS OF QUARTERLY PUMPAGE FEES

Director Rendl then recognized Ms. Plunkett, who reviewed the Authority's Financial Report with the Board, including the monthly investment report, the checks being presented for payment, and the budget comparison for the month ended June 30, 2022, a copy of which is attached hereto. Upon motion by Director Sigler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Financial Report, the monthly investment report, and the checks being presented for payment.

GENERAL MANAGER'S ACTION ITEMS

AUTHORIZE INTERLOCAL AGREEMENT BETWEEN THE AUTHORITY AND HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 69 ("HCMUD NO. 69")

Mr. Chang stated that HCMUD No. 69 desires to convert their chlorine gas disinfection system to a liquid bleach disinfection system and that the Interlocal Agreement contemplates construction of the liquid bleach disinfection system by the Authority at HCMUD No. 69's cost during the Authority's construction of Project 31D. Mr. Haude noted that the Authority will be performing the work for HCMUD No. 69, but that HCMUD No. 69 will bear all increased costs associated with the liquid bleach disinfection system. Upon motion by Director Pulliam, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the Interlocal Agreement between the Authority and HCMUD No. 69.

APPROVE AND AUTHORIZE EXECUTION OF FINANCING AGREEMENT(S) WITH TEXAS WATER DEVELOPMENT BOARD IN CONNECTION WITH 2022 STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS ("SWIRFT"), SUBJECT TO FINAL REVIEW BY AUTHORITY'S GENERAL MANAGER AND GENERAL COUNSEL

Mr. Evans stated that the Authority will close on \$225,576,000 in previously committed SWIRFT funding (the "Bonds") in November or December. Mr. Evans then reviewed the key provisions of the SWIRFT Financing Agreement and the timeline for closing on the sale of the Bonds. Mr. Evans noted that this closing will bring the total amount of SWIRFT funding received by the Authority to approximately \$1.7 billion.

Upon motion by Director Graham, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize

execution of the SWIRFT Financing Agreement(s), subject to final review by the Authority's General Manager and General Counsel.

ADOPT SUPPLEMENTAL RESOLUTION DECLARING THE EXISTENCE OF A PUBLIC NECESSITY FOR THE CONSTRUCTION OF FACILITIES FOR THE TRANSPORTATION, DISTRIBUTION, AND DELIVERY OF WATER, INCLUDING REASONABLE AND NECESSARY APPURTENANCES THERETO, AND AUTHORIZING THE ACQUISITION, BY DONATION, PURCHASE, OR EXERCISE OF THE POWER OF EMINENT DOMAIN, OF PROPERTY AND PROPERTY INTERESTS NECESSARY FOR SUCH FACILITIES, IN CONNECTION WITH PROJECT 23 (THE "SUPPLEMENTAL RESOLUTION")

Mr. Topek explained that adjustments and changes have been made to the route for Project 23, so a Supplemental Resolution is needed to ensure that all of the necessary properties and alignments are included. Upon motion by Director Graham, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Supplemental Resolution for Project 23.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

UPDATE ON NOVEMBER 8, 2022 DIRECTORS ELECTION MATTERS

Mr. Polley then reminded the Board that the terms of all five (5) single-member voting districts are expiring on November 8, 2022 due to the Authority's recent redistricting. Mr. Polley went on to report that the first day to file for a place on the November 8, 2022 ballot was Saturday, July 23, 2022, and that the last day to file for a place on the ballot is Monday, August 22, 2022, at 5:00 p.m.

Mr. Polley next presented a draft of the Order Calling Directors Election (the "Order") and explained that the Election will be conducted by Harris County pursuant to a Joint Election Agreement to be entered into by the Authority and the County. Mr. Polley explained that the Joint Election Agreement with the County has not yet been received, but requested approval and authorization of execution of same upon receipt and review by RBAP. Mr. Polley noted that RBAP has already been in conversations with the County to ensure that the Authority will only be billed for any voting districts that have contested elections, and not for any uncontested voting districts. Mr. Polley also requested authorization for payment of the deposit amount to the County for the joint election costs.

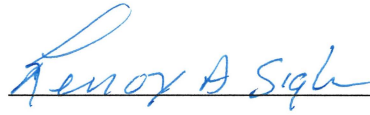
Upon motion by Director Pulliam, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve the following items: 1) adopt the Order; 2) authorize execution of the Joint Election Agreement with the County; and 3) authorize payment of the deposit to the County pursuant to the Joint Election Agreement.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, September 12, 2022, at 6:00 p.m. at the Authority's office.

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

PASSED, APPROVED AND ADOPTED this 12th day of September, 2022.

A handwritten signature in blue ink, reading "Lenox A. Sigh", is written over a horizontal line.

Secretary, Board of Directors

(AUTHORITY SEAL)

