

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

September 12, 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 12th day of September, 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, 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. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Mr. Steve Bresnen and Ms. Amy Bresnen, of Bresnen Associates, legislative consultants to 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 recognized former Senator Jon Lindsay in the audience and stated that Senator Lindsay was instrumental in passing the enabling legislation to create the Authority.

PUBLIC COMMENT

Mr. Nick Fava of Bammel Utility District addressed the Board and stated that the Board has done a nice job over the years and that they deserve round of applause. Mr. Fava further stated that he wants to make sure that the Board knows what a good job they have done.

Director Rendl stated that a public comment card was received from Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District ("HCFWSD") No. 61. Mr.

Homan addressed the Board and stated that HCFWSD No. 61 is partnering with the Authority to have a town hall meeting on October 11th and that Director Rendl will be giving a presentation. Mr. Homan then stated that the Association of Water Board Directors will be holding a fall seminar on October 31st that will be focused on subsidence issues, and that Director Rendl and Mr. Mike Turco, General Manager of the Harris-Galveston Subsidence District, will be speaking.

A member of the audience addressed the Board and asked why water rates have increased dramatically over the last few months. Director Rendl stated that the Authority has not raised its fees in about two (2) years and that an increased water bill would be due to increased water usage during the summer months. A discussion ensued regarding the Authority's rates, water rates charged by a utility district and other possible reasons for an increased water bill. Director Rendl reiterated that the Authority has not raised its rates in about two (2) years and that any further questions on this matter can be directed to Ms. Sagstetter for more information.

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 for scheduling information.

Ms. Payne then reported that the Authority's new updated website is live and encouraged the meeting attendees to view the website. Ms. Payne also stated that answers to many questions often asked by members of the public can be found on the Authority's website.

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.

Director Rendl recommended that everyone review the new Authority website because it contains a wealth of information and videos regarding water conservation and Authority history. Director Rendl stated that anyone with questions or concerns can fill out the contact form and Ms. Sagstetter will respond.

GENERAL MANAGER'S REPORT

Mr. Chang stated that he had nothing to report under the General Manager's Report, but that he would be providing the Program Manager's Report in Mr. Philip Topek's absence.

PROGRAM MANAGER'S REPORT

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Chang first reported that the Spears Road Regional Pump Station delivered approximately 28.8 MGD of surface water during August. Mr. Chang added that the alternative water used in July was approximately 21.2% of the Authority's total water demand, compared to approximately 25.6% in June. Mr. Chang noted that the decrease in surface water delivered

during the last few months is 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 its Northeast Water Purification Plant ("NEWPP"). Mr. Chang further stated that the Authority might have to use over-conversion credits to meet this year's conversion requirement.

REGIONAL PROJECTS UPDATE

Mr. Chang reported on the status of the NEWPP Expansion Project ("Project"), noting that the Project is proceeding with a slight delay in schedule. Mr. Chang further reported that one segment of the Northeast Transmission Line ("NETL") project managed by the City of Houston is experiencing construction issues and will be delayed for several months, affecting the completion of the NETL.

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 provided an update on the Authority's surface water transmission and distribution system, and the 25 and 28 series projects. Mr. Haude then provided the following project updates on the two major pumping station projects: 1) Project 24C is 46% complete with completion of the project scheduled for May 2023; and 2) Project 2-8 is 61% complete with completion of the project scheduled for December 2022.

Director Rendl stated that these projects are important because they will provide a looped system that will allow the Authority to continue to provide water if there is an issue with a major transmission line and provide an interconnect between the 84-inch waterline that's under construction and the Spears Road Regional Pump Station if there is a problem with the existing Greens Road Waterline or the Northeast Transmission Line that is under construction. Director Rendl further stated that these projects will help ensure that utility districts within the Authority always have access to surface water. Finally, Director Rendl noted that it is also important for utility districts to keep existing water wells operable as emergency backup systems.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board considered approval of the minutes of the August 1, 2022 regular meeting. Upon motion by Director Pulliam, seconded by Director Fessler, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the August 1, 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 July 31, 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 APPLICATION AND LETTER OF AGREEMENT FOR CONSTRUCTION SERVICES BY AND BETWEEN THE AUTHORITY AND SOUTHWESTERN BELL TELEPHONE COMPANY D/B/A AT&T TEXAS RELATED TO PROJECT 1A-4

Mr. Chang stated that the Application and Letter of Agreement require the Authority to use AT&T's contractor to relocate cables in connection with Project 1A-4. Mr. Chang stated that this is standard practice when dealing with relocation of cables owned by AT&T. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the Application and Letter Agreement for Project 1A-4.

AUTHORIZE GENERAL MANAGER TO AWARD CONTRACT FOR REPLACEMENT OF PUMP AT SPEARS ROAD REGIONAL PUMP STATION (THE "CONTRACT")

Mr. Chang reported that a pump at the Spears Road Pump Station is broken and the repair cost is nearly the same as the replacement cost. Mr. Chang stated that the pump has been repaired many times over the years and Inframark is recommending replacement of the pump at an approximate cost of \$145,000. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the General Manager to award the Contract.

ADOPT 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 1A-5 (THE "RESOLUTION")

Mr. Chang next presented for the Board's approval and adoption the Resolution, a copy of which is attached hereto. Mr. Chang then briefly reviewed the Resolution with the Board, explaining that the Resolution pertains to Project 1A-5, which will provide a waterline directly from the Authority's distribution system to a water plant owned by Champions MUD. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution for Project 1A-5.

APPROVE AND AUTHORIZE EXECUTION OF ENGAGEMENT LETTER WITH BAKER BOTTS L.L.P. ("BAKER BOTTS") FOR SERVICES AS SPECIAL COUNSEL

Mr. Chang stated that the Authority has a need to retain Baker Botts' services as special counsel to the Authority. 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 and authorize execution of the Engagement Letter with Baker Botts.

APPROVE AND AUTHORIZE EXECUTION OF CONTRACT FOR PROFESSIONAL SERVICES WITH BRESNEN ASSOCIATES, INC.

Mr. Bresnen next explained that the proposed Contract is for the two (2) year period beginning January 1, 2023 and ending December 31, 2024, a copy of which is attached hereto. Mr. Bresnen extended his appreciation to the Authority for his long-term representation of the Authority. Mr. Bresnen then summarized some of what he expects to occur in the upcoming 88th Legislative Session. Mr. Bresnen then thanked the Board and stated that he looks forward to his continued work with the Authority.

Mr. Chang stated that every rate payer within the Authority should thank the Bresnens for their excellent work during the 87th Legislative Session to oppose a bill intended to create the Lake Houston Dredging District, which would have billed the Authority and its ratepayers to fund its operations.

Upon motion by Director Fessler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Contract with Bresnen Associates, Inc.

ADOPT RESOLUTION NAMING SPEARS ROAD PUMP STATION

Director Rendl then stated that he had the pleasure of working with Mr. Jimmie Schindewolf for 17 years while Mr. Schindewolf served as the Authority's General Manager. Director Rendl presented the Resolution Naming Spears Road Pump Station to name the pump station after Mr. Schindewolf to honor his work for the Authority. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Naming Spears Road Pump Station.

ADOPT RESOLUTION NAMING STATE HIGHWAY 249 PUMP STATION

Director Fessler then presented the Resolution Naming State Highway 249 Pump Station to name the State Highway 249 Pump Station after Director Rendl to honor his many years of service to the Authority. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Naming State Highway 249 Pump Station.

Director Rendl thanked the Board, Authority staff and his wife and stated that he has given hundreds of Authority presentations over the years.

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 following

the 2020 census. Mr. Polley reported that as of the filing deadline, Single Member Voting District No. 1 is uncontested and Single Member Voting District Nos. 2, 3, 4 and 5 will be holding elections.

Mr. Polley next stated that Harris County is requesting that all entities holding contested elections schedule their canvassing meetings on November 21st or November 22nd to allow ample time for the canvassing returns to be prepared. The Board concurred to canvas the 2022 elections for Single Member Voting District Nos. 2, 3, 4 and 5 on Monday, November 21st at 6:00 p.m.

Mr. Polley presented the Order Declaring Unopposed Candidates Elected to Office and Canceling Election (the "Order") and noted that pursuant to Section 2.053 of the Texas Election Code, as amended, the Board has the authority to declare the unopposed candidates for the office of Director for Single-Member Voting District No. 1 elected to office and cancel the November 8, 2022 Directors Election for Single Member District No. 1.

Upon motion by Director Fessler, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, October 3, 2022, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENT

A member of the audience asked why the Authority was engaging Baker Botts as special counsel. Mr. Chang stated that Baker Botts has attorneys who specifically deal with water rights and the City is preparing to file for water rights.

Another member of the audience asked where the surface water fees paid to the Authority go every month. Ms. Plunkett stated that the Authority's financial report is posted on the Authority's website each month and it details the Authority's revenues and expenditures. Ms. Plunkett noted that the majority of the Authority's revenue is used for debt service payments.

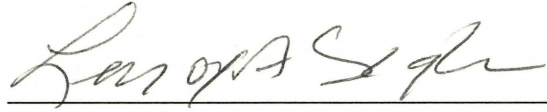
Another member of the audience asked what happens when residents receive water that has a foul taste and/or smell. Director Rendl stated that the water provided by the Authority is tested several times daily without any water quality issues and that any specific water quality issues need to be addressed to the retail public water system providing the water.

Senator Lindsay then stated that he has held two (2) elected positions that have given him the opportunity to work with professional engineers and that the Authority Board and staff has done a fantastic job of working with all of the agencies that they have to work with.

Director Rendl then stated that the Authority has vowed to keep the cost of water as low as possible for as long as possible, and that he feels like the Authority has kept that promise for 22 years.

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

PASSED, APPROVED AND ADOPTED this 3rd day of October, 2022.



Asst. Secretary, Board of Directors

(AUTHORITY SEAL)

