

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

October 3, 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 3<sup>rd</sup> day of October, 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. Philip Topek 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 Ms. Sagstetter met with the resident from the September 12<sup>th</sup> Board meeting who provided public comment regarding her high water bill, and Ms. Sagstetter helped them reach out to the board of directors for their utility district. Director Rendl reported that it was determined by the district board a recently installed irrigation system was programmed for extended periods of irrigation which caused the high water usage. The resident was satisfied with the findings and the resolution. Director Rendl further stated that the Authority takes public comments very seriously and is always willing to help with any concerns.

PUBLIC COMMENT

Director Rendl stated that a public comment card was received from Mr. Ron Chapman, a member of the Board of Directors of Harris County Municipal Utility District ("HCMUD") No. 222. Mr. Chapman stated that residents in HCMUD No. 222 have been complaining about

the drought signs throughout his utility district, but that HCMUD No. 222 is just complying with the City of Houston (the "City") drought restrictions. Director Rendl stated that the Authority must comply with the Authority's Drought Contingency Plan which requires the Authority to trigger its drought restrictions for as long as the City's Drought Contingency Plan is in effect.

#### 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 reported that National Night Out is on October 4<sup>th</sup> and the Authority's mobile teaching trailers have been booked for three (3) community events. Ms. Payne then reported that the *Connections* newsletter has been printed and is available to order on the Authority's website. Director Rendl then stated that a meeting is scheduled on October 11<sup>th</sup> for the utility districts that will be converting to surface water in the near future, and that anyone that would like to attend should contact Ms. Randecker.

#### GENERAL MANAGER'S REPORT

Mr. Chang stated that he had nothing to report under the General Manager's Report.

#### PROGRAM MANAGER'S REPORT

##### UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Topek first reported that the Spears Road Regional Pump Station delivered approximately 30.2 MGD of surface water during September. Mr. Topek added that the alternative water used in August was approximately 26.7% of the Authority's total water demand, compared to approximately 21.2% in July.

#### 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.

#### 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 clean water loop testing, leak tests of chemical and mechanical piping at filter modules, and masonry work 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 installation of workstation furniture and appliances at the administration and maintenance buildings has continued. Mr. Topek next reported that construction of the South Plant is continuing with ongoing mechanical and electrical work at the various facilities, and installation of instrumentation and hydro-testing of piping. 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 provided an update on the Authority's surface water transmission and distribution system, and the 25 and 28 series projects. 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 Jimmie Schindewolf Regional Pump Station if there is a problem with the existing Greens Road Waterline or the Northeast Transmission Line that is under construction.

#### REGULAR AGENDA

##### APPROVAL OF MINUTES

The Board considered approval of the minutes of the September 12, 2022 regular meeting. 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 approve the minutes of the September 12, 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 August 31, 2022, a copy of which is attached hereto. 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 Financial Report, the monthly investment report, and the checks being presented for payment.

##### GENERAL MANAGER'S ACTION ITEMS

##### APPROVE AND AUTHORIZE EXECUTION OF AMENDED GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT (THE "AMENDED GRP PARTICIPATION AGREEMENT") WITH HCMUD NO. 560

Mr. Polley reminded the Board that HCMUD No. 560 had previously entered into a GRP Participation Agreement with the Authority to be included in the Authority's GRP. Mr. Polley stated that the Authority has restructured the GRP participation fee and pumpage fee and the Amended GRP Participation Agreement includes revisions only to implement that new fee structure.

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 Amended GRP Participation Agreement with HCMUD No. 560.

APPROVE AND AUTHORIZE EXECUTION OF BULK WATER PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE AUTHORITY AND NRG

Mr. Chang stated that the Authority will require water to pressure test and disinfect their water lines and ground storage tanks, and NRG has a source of water that the Authority can utilize. Mr. Chang then stated that the Bulk Water Purchase and Sale Agreement will allow the Authority to purchase the water from NRG and deliver the water from the NRG wells to the Al Rendl Regional Pump Station.

APPROVE AND AUTHORIZE EXECUTION OF ACCESS AGREEMENT BY AND BETWEEN THE AUTHORITY AND NRG

Mr. Chang stated that the Access Agreement allows the Authority to enter onto NRG's property to construct, operate and maintain a temporary waterline that will deliver the water to be purchased from NRG to the Al Rendl Regional Pump Station.

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: 1) approve and authorize execution of the Bulk Water Purchase Sale Agreement by and between the Authority and NRG; and 2) approve and authorize execution of Access Agreement by and between the Authority and NRG.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, November 7, 2022, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENT

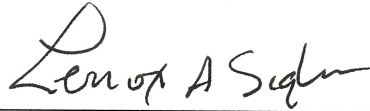
Ms. Melissa Rowell addressed the Board and stated that at the September Board meeting, Director Rendl stated that the Authority did not seek a refund from Harris County for overpaid joint election costs because it "was not very much money." Ms. Rowell asked what amount of money the Authority would deem enough to try and recoup. Director Rendl stated that he did not say the Authority did not seek a refund from Harris County for joint election costs. Director Rendl then stated that the Authority did request a refund from Harris County and also tried to negotiate the costs with Harris County, but Harris County would not negotiate with the Authority or refund any of the money. Director Rendl further stated that the Authority will attempt to recover any amount of money, no matter how big or small, if it is owed to the Authority. Ms. Rowell next asked if the Authority has ever looked into having the surface water conversion projects paid by the City, the State of Texas or grant programs, instead of passing the costs on to homeowners. Director Rendl stated that the best method of financing for the projects has been through the Texas Water Development Board's SWIFT program, which has saved millions of dollars for rate payers over the course of the bonds. Director Rendl then stated that the Authority has also refinanced older bond issues to receive lower interest rates and save additional money. Director Rendl also stated that there is no free money available to the



Authority. Director Fessler stated that the Authority is not a taxing entity and that the Authority has no other means of revenue besides the pumpage and surface water fees that the Authority is allowed to charge. Ms. Rowell then asked if the Authority did anything for homeowners who had high water bills due to water leaks at their home after Winter Storm Uri. Director Rendl stated that the Authority implemented a program to offer a credit for unusual high water usage if problems were caused by Winter Storm Uri. Director Rendl then noted that the best way for homeowners to save money on their water bills is through water conservation.

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

PASSED, APPROVED AND ADOPTED this 7<sup>th</sup> day of November, 2022.



Secretary, Board of Directors

(AUTHORITY SEAL)

