

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

November 7, 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 7th day of November, 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, operator for the Authority; Mr. Jon D. Polley, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC, 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 the Authority has received in increase in correspondence regarding high water bills. Director Rendl reminded the meeting attendees that the Authority has not increased its rates for 2021 or 2022. Director Rendl then reviewed slides showing the surface water volume and groundwater comparisons over the last two years. Director Rendl stated that when water bills increase, it is because more water is being used which results in a higher water bill. Director Rendl then stated that the north Houston area has some of the cheapest water and suggested using the water bill calculator tools for surrounding cities to see how high other water rates are in other cities.

Director Rendl went on to report that the Authority received an award at the Texas Water Conservation Association conference last month from the Risk Management Fund for an outstanding safety record. Director Rendl congratulated the Authority staff on the award.

BOARD COMMENTS

Director Pulliam stated that he brought a map from the Harris-Galveston Subsidence District (the "HGSD") to tonight's meeting that shows the subsidence that has occurred throughout Houston. Director Pulliam noted that there has been over 7 feet of subsidence in the Jersey Village area in the last century. Director Rendl stated that over the years, there has been approximately two and a half feet (2 ½') of subsidence in the north Houston area due to water being drawn out of aquifers.

PUBLIC COMMENT

Director Rendl stated that a public comment card was received from Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District No. 61. Mr. Homan addressed the Board and stated that the town hall meeting held on October 11th was very educational and attendees were able to understand the Authority's projects and the tremendous undertaking that is occurring. Mr. Homan then stated that Mr. Mike Turco with the HGSD and Director Rendl gave a very informative presentation regarding subsidence at the Association of Water Board Directors' Fall Seminar on October 31st. Mr. Homan encouraged everyone to do some research regarding subsidence and stated that the HGSD is a great resource for information.

Director Rendl then stated that a public comment card was received from Mr. Nick Fava of Bammel Utility District. Mr. Fava addressed the Board and stated that he wanted to remind everyone that tomorrow is Election Day. Mr. Fava urged everyone to vote and stated that the election is very important.

REPORT ON STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

Ms. Payne reported that the mobile teaching labs were very busy in October and served 600 visitors over a 3-day period. Ms. Payne then reported that the *Connections* newsletter has been printed and is available to order on the Authority's website

GENERAL MANAGER'S REPORT

Mr. Chang reported that due to the high usage of groundwater this year, as well as the City of Houston's (the "City") restriction on surface water, the Authority will not meet the surface water conversion requirement this year. Mr. Chang stated that the Authority will need to use over-conversion credits to satisfy the requirement. Mr. Chang noted that the Authority is prepared for the situation and has been accumulating over-conversion credits for this purpose.

PROGRAM MANAGER'S REPORT

Director Rendl stated that Mr. Chang will be presenting the Program Manager's Report in Mr. Philip Topek's absence.

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Chang reported that the Luce Bayou project is complete and all pumps are working. Director Rendl stated that this means the Authority has the ability to transfer 450 million gallons per day from the Trinity River into Lake Houston.

NEWPP EXPANSION PROJECT UPDATE

Mr. Chang next stated that the NEWPP Expansion project is moving forward, but that the contractor has filed suit against the City due to a contract dispute. Mr. Chang noted that the suit is pending so he cannot provide any details, but that he wanted the Board to be aware.

CONSTRUCTION MANAGER'S REPORT

Mr. Haude presented the Construction Manager's Report to the Board. Mr. Haude reported that the Al Rendl Pump Station has a completion date of summer 2023 and the Jimmie Schindewolf Pump Station has an estimated completion date of 2023. Mr. Haude provided an update on both pump station projects. Mr. Haude next provided an update on the Authority's surface water transmission and distribution system, including the 25 and 28 series projects.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board considered approval of the minutes of the October 3, 2022 regular meeting. 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 approve the minutes of the October 3, 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 September 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

CONSIDER ADOPTION OF A FOURTEENTH SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY SENIOR LIEN REVENUE BONDS, SERIES 2022 (THE "FOURTEENTH SUPPLEMENTAL RESOLUTION") PURSUANT TO THE FINANCING AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD ("TWDB"), PREVIOUSLY APPROVED BY THE AUTHORITY BOARD ON AUGUST 1, 2022

Mr. Chang reminded the Board that the Authority entered into a Financing Agreement with the TWDB on August 1, 2022, and that a requirement of closing on the Series 2022 Bonds is approval of the Fourteenth Supplemental Resolution. Mr. Chang stated that the closing on the Series 2022 Bonds is scheduled for December 1st. 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 Fourteenth Supplemental Resolution.

APPROVE AND AUTHORIZE EXECUTION OF FIRST AMENDMENT TO EQUIPMENT LEASE ("FIRST AMENDMENT") BY AND BETWEEN THE AUTHORITY AND THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Mr. Chang stated that the Authority previously entered into a lease agreement with the WHCRWA to share the mobile teaching trailers. Mr. Chang then stated that the lease agreement has expired and the First Amendment extends the agreement and the lease. 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 First Amendment to Equipment Lease by and between the Authority and the WHCRWA.

CONFIRM UPCOMING MEETING DATE

Director Rendl then confirmed the following meeting dates:

- Canvassing meeting on Monday, November 21, 2022, at 6:00 p.m.
- Budget and Capital Improvement Plan Workshop meeting on Monday, November 21, 2022, at 6:15 p.m.
- Regular meeting on Monday, December 5, 2022, at 6:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 5th day of December, 2022.



Secretary, Board of Directors

