


NHCRWA BOARD MEETING SPECIAL SESSION

March 20, 2023



Call to Order

- Invocation – Julie Rix, Minister
- Pledges of Allegiance

The background of the image is the United States flag, featuring a blue canton with white stars and alternating red and white horizontal stripes. A black rectangular box is centered over the flag, containing the text of the Pledge of Allegiance in white, bold, serif font.

**I pledge allegiance to the flag of the
United States of America
and to the Republic for which it
stands, one Nation
under God, indivisible, with liberty
and justice for all.**



**Honor the Texas
flag; I pledge
allegiance to
thee, Texas, one
state under God,
one and
indivisible.**

Approve minutes of prior meetings including:

- March 6, 2023 regular meeting

Public Comments

Message from the President and Board
Members

Amend Rate Order regarding
participation in Authority's
Groundwater Reduction Plan

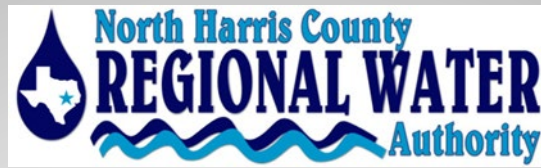
Government Affairs, including:

- Legislative update
- Alternative Water Use Incentive Program (aka REUSE)



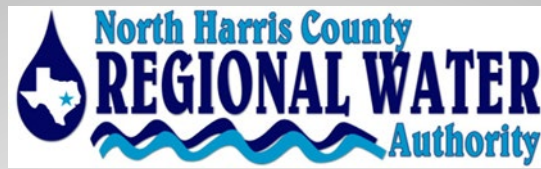
**North Harris County Regional Water Authority
ALTERNATIVE WATER USE INCENTIVE PROGRAM**





ALTERNATIVE WATER USE INCENTIVE PROGRAM

- Originally Adopted by Authority Board on April 6, 2009
- Amended and Adopted November 4, 2013
- Amended and Adopted January 8, 2018



- **Highlights**

- The Authority may enter into a written contract with the owner of a source of Alternative Water and a person engaging in Alternative Water Use
- Alternative Water Use Credits are earned through the metered use of an Alternative Water Supply, such as wastewater treatment plant effluent or captured storm water
- Alternative Water Use Credits are one-half (1/2) of the rate then being charged by the Authority for Water pumped from a Non-Exempt Well.
- The Authority, upon execution of a contract shall issue the Parties Alternative Water Use Credits in the amount of \$25,000 or 10% of the capital cost of the Alternative Water Use System, whichever is greater



- Total Alternative Water Use Credits issued may not exceed 100% of the approved capital cost of the Alternative Water Use System.
- Alternative Water Use Credits are credited against Authority Fees otherwise due to the Authority
- Reimbursable costs:
 - Engineering fees
 - Construction Cost
 - Interest Cost for a governmental entity that incurs debt to finance the system
- Alternative Water Use Credits will be issued for a maximum of 20 years after execution of a Contract.
- The Parties shall operate and maintain the System in a manner such that Alternative Water Use in the System complies with the definition of Alternative Water Supply, as defined by the HGSD, for 20 years from the date on which the Authority first (1st) issues Alternative Water Use Credits for such System.
- All Harris-Galveston Subsidence District conversion credits associated with the Alternative Water use System shall be transferred to the Authority for the benefit of the Authority's Groundwater Reduction Plan.

ALTERNATIVE WATER USE INCENTIVE PROGRAM SUMMARY

- Total Number of Agreements in Place: 12
- Total Number of Districts in the Program: 19*
- Total Number of District System's Operational and Reporting: 8
- Total Amount of Agreements and Approved Capital Cost: \$17,582,357.11
- Gallons of Alternative Water Produced, Used, and Reported: 2,257,841,640
- Harris-Galveston Subsidence District Credits Earned: 2,257,841,640

*Includes Kleinwood Joint Powers Board

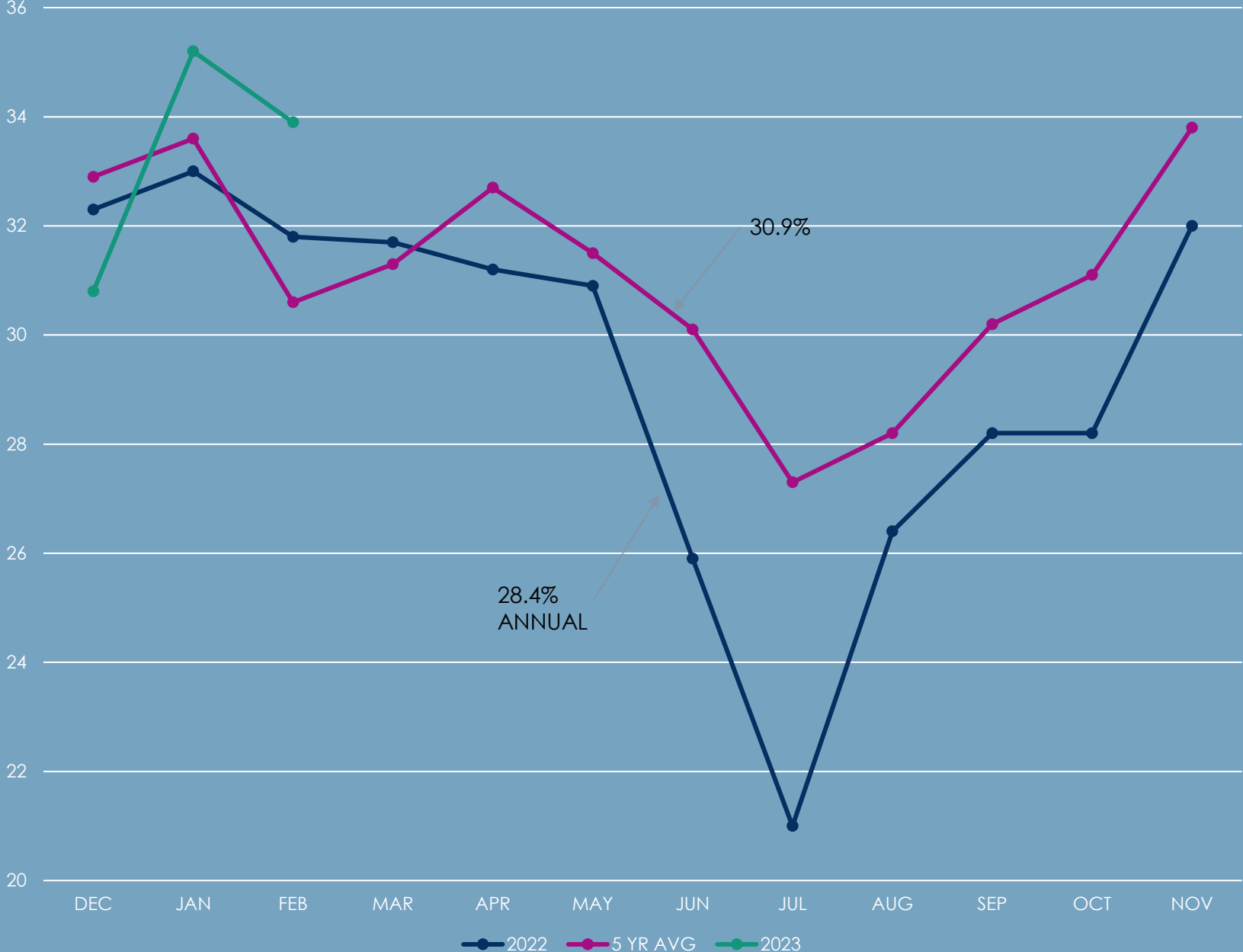
*As of December 31, 2022



QUESTIONS?

Current monthly surface water capacity, including last 5 years of pumping history

Historical Conversion % by Month



Update on contractors

Personnel update

Resolution Adopting Amended &
Restated Procedural Rules related to
acceptance of gifts

Board discussion of possible
future agenda items



Next regular meeting date

**Monday, April 3, 2023
at 6:00 p.m.**



Next special meeting date

Monday, April 17, 2023

at 6:00 p.m.

(tentative – Tax Day)



Executive session, as needed

A vertical splash of water is shown on the left side of the image, set against a blue background. The water is captured in mid-air, forming a jagged, upward-moving column with many small droplets and bubbles. The background is a gradient of light blue, and the bottom of the image shows a surface with water droplets.

Reconvene



Adjourn

AGENDA
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Notice is hereby given that pursuant to Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, both as amended, the Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") will meet in special session, open to the public, on **Monday, March 20, 2023, at 6:00 p.m.**, at the **Authority's Office, 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068** to consider and act on the matters listed below.

The Authority will broadcast this meeting on Zoom. People must register to view and/or listen to the meeting on Zoom at <https://tinyurl.com/4f4zfcmy>. Upon registration, a telephone number to listen to the meeting, a link to watch the meeting, and a password will be provided. **People viewing/listening to the meeting on Zoom will NOT be able to address the Board during the meeting. The Authority makes no assurances that all or any business conducted during this meeting will be visible or audible to people monitoring the meeting on Zoom. The Zoom broadcast will be recorded.**

1. Call to Order
 - a. Invocation – Julie Rix, Minister
 - b. Pledges of Allegiance
2. Approve minutes of prior meetings, including March 6, 2023 regular meeting
3. Public Comments (up to 3 minutes per person for a maximum of 30 minutes)
4. Messages from the President and Board Members
5. Amend Rate Order regarding participation in Authority's Groundwater Reduction Plan
6. Government Affairs, including:
 - a. Legislative update
 - b. Alternative Water Use Incentive Program (aka REUSE)
7. Current monthly surface water capacity, including last 5 years of pumping history
8. Update on contractors
9. Personnel update
10. Resolution Adopting Amended & Restated Procedural Rules related to acceptance of gifts
11. Board discussion of possible future agenda items

12. Announce next meetings:
 - a. Regular meeting - Monday, April 3, 2023 at 6:00 p.m.
 - b. Special meeting - Monday, April 17, 2023, at 6:00 p.m. (tentative – Tax Day)
13. Executive session, as needed
14. Reconvene in public session to act on items discussed in executive session
15. Adjourn

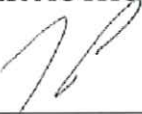
If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by the Texas Open Meetings Act or other applicable law, including, but not limited to Section 551.071, for the purpose of a private consultation with the Board's attorney on any and all subjects or matters authorized by law.

EXECUTED this 16th day of March, 2023.



NORTH HARRIS COUNTY REGIONAL
WATER AUTHORITY

By: _____


Jon Polley
Radcliffe Bobbitt Adams Polley PLLC
General Counsel for the Authority

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

March 6, 2023

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in ~~special~~-regular session, open to the public, at 6:00 p.m. on Monday, the 6th day of March, 2023, 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:

Mark Ramsey	President
Melissa Rowell	Vice President
Ron Graham	Secretary
David Barker	Treasurer
Kelly P. Fessler	Assistant Secretary

All members of the Board were present except Director Ramsey, 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; Mr. Mike Baugher and Mr. Paul Vining of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Carlton McDevitt of Inframark, LLC, operator for the Authority; Mr. Rafael Ortega of Aurora Technical Services; 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.

CALL TO ORDER

Director Rowell called the meeting to order and noted that tonight's meeting was being recorded. Director Rowell stated that Director Ramsey would not be in attendance at tonight's meeting due to a prior work commitment. Director Rowell then stated that at the February 20th meeting, the Board concurred to have a short agenda for tonight's meeting, but that this was not a bait and switch. Director Rowell explained that the Board decided to have more items on tonight's agenda and that she is hopeful to move through the agenda items quickly.

Mr. Jerry Homan, General Manager of Harris County Fresh Water Supply District No. 61, delivered an invocation and led the meeting attendees in the Pledges of Allegiance to the United States and Texas flags.

APPROVE MINUTES OF PRIOR MEETINGS

Director Rowell noted that there is one (1) slight revision to the February 6, 2023 regular meeting minutes to correct the name of a meeting attendee. Upon motion by Director Graham, 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 regular meeting of February 6, 2023, as revised.

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 the minutes of the special meeting of February 20, 2023, as written.

PUBLIC COMMENT

Mr. Homan addressed the Board to discuss the Authority's mission and vision statements and stated he needs the support of the Authority for future town hall meetings ~~utility districts~~ related to surface water conversion.

Mr. Bill Papp of Harris County Water Control and Improvement District ("HCWCID") No. 132 noted that his comments are his alone and do not reflect HCWCID No. 132. Mr. Papp addressed the Board regarding the Authority's meeting schedule and meeting minutes.

Mr. Norman Adamek of Harris County Municipal Utility District No. 249, addressed the Board regarding recent news items and the Authority's engineering and construction contracts.

Mr. George Wozny of Heron Lakes Estates Homeowners Association addressed the Board regarding matters related to the Authority's development of /near the 249 (Rendl) Pump Station, including localized flooding and drainage issues and light and sound issues between his subdivision ~~a potential light and sound buffer between his subdivision~~ and Sam Houston Race Park due to tree removal.

MESSAGES FROM PRESIDENT AND BOARD MEMBERS

Director Rowell thanked everyone for attending tonight's meeting. Director Rowell shared a fun fact with the meeting attendees that Director Graham served on the Cy-Fair School Board for 12 years with a different David Barker. Director Rowell stated that the Board is putting in work to do the best job that they can and they want the best for their constituents. Director Rowell then stated that the Board is not a team of two (2) or three (3) Directors, but is made up of five (5) individuals on the same leadership team. Director Rowell next stated that she hopes the Board can make some positive differences for the Authority with the institutional knowledge of Directors Fessler and Graham and the fresh perspective of the new Directors. Director Rowell asked that the new Directors receive grace, patience and encouragement as they continue to move forward. Director Rowell then reported that since the last Board meeting, she has met with utility district directors, state representatives and attended Texas Water Day in Austin. Director Rowell also reported that the *Community Impact* newspaper has published several articles ~~on~~ regarding the Authority's groundwater and surface water rate decreases.

GENERAL MANAGER'S REPORT

Mr. Chang reported that the Authority used 19.7 MGD of alternative water in February.

OPERATOR'S REPORT, INCLUDING LIST OF MAINTENANCE ISSUES YEAR-TO-DATE

Mr. McDevitt presented the Operator's Report to the Board. Mr. McDevitt reported on the operations of the Authority's system and receipt of water from the City of Houston. [Mr. McDevitt stated that this is a low demand time of year and that maintenance on aging infrastructure would continue.](#)

CONSTRUCTION/PLANNING REVIEW

Mr. Chang stated that a Gantt chart has been provided for projects that are currently in progress.

Mr. Chang then stated Projects 31D and 31E have been prepared and analyzed repeatedly by the Authority's team and consultants and design is currently 95% complete. Mr. Chang next stated that he does not see any benefit or necessity to review the projects again because any changes at this point would be extremely costly. Mr. Chang suggested discussion regarding easement acquisition be held in executive session due to ongoing litigation.

FINANCE DIRECTOR'S REPORT, INCLUDING FINANCIAL REPORT, PAYMENT OF BILLS AND PROCESS FOR DIRECTORS' REVIEW OF INVOICES

Ms. Plunkett 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 January 31, 2023, a copy of which is attached hereto. [Ms. Plunkett reported that the enterprise fund balance is \\$1,150,285,921.70.](#) Upon motion by Director Fessler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor, with Director Rowell abstaining, to approve the Financial Report, the monthly investment report, and the checks being presented for payment.

Ms. Rowell asked that all invoices be provided to the Board at least five (5) days prior to each Board meeting. Extensive discussion ensued regarding the receipt of invoices prior to the Board meeting at which the invoices are being approved for payment. Mr. Chang and Mr. Haude reviewed the timeline and process for payment of construction invoices. Director Fessler suggested that if a Director would like to review the invoices, the Director could review the invoices after the bills were approved and paid and bring up any discrepancies at that time to be investigated further. [Director Graham stated he did not need to have the invoices emailed to him in advance of Board meetings.](#)

LEGISLATIVE/GOVERNMENT AFFAIRS

Mr. Evans reported that the 88th Legislative Session is underway. Mr. Evans then provided an update on various legislative activities and events. [Mr. Evans stated there is \\$32 billion in the Rainy Day Fund.](#) Mr. Evans [then](#) stated that the bill filing deadline is Friday, March 10th.

REPORT ON MUNICIPAL UTILITY DISTRICT ("MUD") DIRECTORS SPECIAL COMMITTEE

Director Rowell reported that the MUD Directors Special Committee met on March 2nd and discussed how utility districts are handling the recent rate reduction by the Authority, as well as communication between the Authority and utility districts. Director Rowell stated that the MUD Directors Special Committee will meet again in a month.

RESOLUTION ADOPTING AMENDED AND RESTATED PROCEDURAL RULES ("RESOLUTION") REGARDING REGULAR BOARD MEETING AND SCHEDULE

Director Fessler stated he requested this agenda item to amend the Authority's Procedural Rules to designate the first Monday of each month at 6:00 p.m. as the Authority's regular meeting day. Mr. Polley stated the Resolution would formally designate the first Monday of each month at 6:00 p.m. at the Authority's offices as the regular meeting date and location, unless the first Monday of the month is a holiday, but by a majority vote the Board could decide to move a regular Board meeting to a different day or location. Mr. Polley noted the Procedural Rules already allow a special Board meeting to be called at the request of the President or two (2) Directors. Upon motion by Director Fessler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor and one (1) vote opposed, with Director Barker voting in opposition, to adopt the Resolution.

Director Rowell stated she does not believe it was Director Ramsey's intention to change the Authority's regular meeting day when moving the March and April Board meeting dates.

REPORTING TO DIRECTORS OF PUBLIC COMMENTS/ISSUES/COMPLAINTS RECEIVED THROUGH WEBSITE, EMAIL OR PHONE CALL

Director Rowell asked that a log be kept of any questions, concerns or complaints that are received by the Authority's office. Extensive discussion ensued regarding the process for same. Mr. Chang explained that the staff can easily forward complaints received from emails and website inquiries and stated that a log could be kept of any complaint calls if the caller is willing to provide their contact information.

PERSONNEL UPDATE

Mr. Chang reported that Ms. Lisa Sagstetter is scheduled to return from leave on March 16th.

SALE OF MOBILE TEACHING LABS

Director Rowell stated that she would like to discuss the sale of the Authority's mobile teaching labs. Mr. Polley explained the Authority is in partnership with the West Harris County Regional Water Authority ("WHCRWA") for the mobile teaching labs, and the WHCRWA has right of first refusal should the Authority decide to sell the mobile teaching labs. Upon motion by Director Fessler, seconded by Director Rowell, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the General Manager to sell the mobile teaching labs in accordance with the contract between the Authority and the WHCRWA.

BOARD DISCUSSION OF POSSIBLE FUTURE AGENDA ITEMS

Director Barker stated that he would like a future agenda item to discuss creating a rate structure for new developments that would be included in the Authority's groundwater reduction plan.

Mr. Nick Fava of Bammel Utility District stated that the Board never responds to anyone during public comment. Mr. Polley stated the Board is prohibited from responding to topics brought up during public comment that are not on the agenda according to the Texas Open Meetings Act, which limits discussion by the Board to topics listed on the posted agenda.

At 7:29 p.m., Director Rowell recessed the meeting until 7:45 p.m.

EXECUTIVE SESSION

Director Rowell convened the Board in executive session at 7:45 p.m., pursuant to Section 551.071, Texas Government Code, regarding attorney-client privileged matters and pending litigation, Section 55.072, Texas Government Code regarding deliberation regarding real property and Section 551.074, Texas Government Code, regarding personnel matters. Directors Rowell, Barker, Graham and Fessler, Mr. Chang, Mr. Polley and Ms. Miller remained in the executive session. Mr. Vining and Mr. Ortega participated in the executive session pertaining to Project 31.

RECONVENE IN OPEN SESSION

Director Rowell then reconvened the meeting in open session at 8:48 p.m., at which time no further action was taken.

ANNOUNCE NEXT MEETING DATE

Director Rowell then confirmed the following meeting dates:

- Monday, March 20, 2023 at 6:00 p.m.
- Monday, April 3, 2023 at 6:00 p.m.
- Monday, April 17, 2023 at 6:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 20th day of March, 2023.

Secretary, Board of Directors

(AUTHORITY SEAL)