

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

May 1, 2023

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 1<sup>st</sup> day of May, 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 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. Kibriana Bonner, Administrative Assistant to 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. John Howell of The GMS Group, L.L.C., co-financial advisor to the Authority; Mr. Tim Applewhite of McGrath & Co., PLLC, auditors for the Authority; and Mr. Jon D. Polley, attorney, and Ms. Alison Miller, paralegal, of Polley Garza 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.

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

Mr. Chang stated a correction was needed to the April 17<sup>th</sup> minutes to change the number of utility districts converted to surface water to date from 82 to 63. Discussion ensued regarding the content of the Authority's meeting minutes.

Upon motion by Director Graham, Barker seconds after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the April 17,

2023 regular meeting, as revised, and including the redlined and yellow highlighted portions included in the draft.

### PUBLIC COMMENT

Mr. Bill Papp, Director of Harris County Water Control and Improvement District ("HCWCID") No. 132, addressed the Board regarding various Authority topics.

Mr. Homan addressed the Board regarding Board comments and the North Harris County Subsidence Update Town Hall meeting scheduled on May 4<sup>th</sup>.

Mr. Jim Spigener, President of the Lone Star Groundwater Conservation District, addressed the Board regarding a subsidence study in Montgomery County.

### MESSAGES FROM PRESIDENT AND BOARD MEMBERS

Director Graham stated he recently ran into Mr. Mike Turco, General Manager of the Harris-Galveston Subsidence District ("HGSD"), and that Mr. Turco regularly listens to the Authority's Board meetings via Zoom.

Director Rowell thanked everyone for attending and/or listening online to tonight's meeting and reported on her activities since the last Board meeting.

Director Fessler provided comments regarding Board member's previous comments related to Mr. Turco and the subsequent Authority request to send a letter to HGSD asking for favors.

Director Ramsey reported on his activities since the last Board meeting.

### REVIEW AND APPROVE AUDIT REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022, AND AUTHORIZE FILING OF SAME

Mr. Applewhite next reviewed with the Board the draft of the Authority's audit report for the FYE December 31, 2022, a copy of which is attached hereto. Mr. Applewhite first reported that review of the Authority's books and records had resulted in an excellent report for the Authority and the issuance of an unmodified opinion from McGrath & Co. Mr. Applewhite commended Ms. Plunkett and the Authority staff on another excellent job preparing and maintaining the Authority's financial statements. Mr. Applewhite further noted that the Authority remains in good financial condition and has been able to meet all bond payment obligations.

Upon motion by Director Rowell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the audit report for FYE December 31, 2022, and to authorize the filing of same with the appropriate governmental authorities, pending a one (1) week review period.

## GENERAL MANAGER UPDATES

### SURFACE WATER CONVERSION PROGRAM METRICS

Mr. Chang reported the Authority used 24.7 MGD of alternative water in April and achieved 32.5% surface water conversion for March.

### PERSONNEL UPDATE

Mr. Chang stated he had nothing to report relating to personnel matters.

### WEB ONLINE PUMPAGE REPORTING SYSTEM REPLACEMENT

Mr. Chang reported he is waiting on proposals for a new reporting system.

### FINANCE DIRECTOR'S REPORT, INCLUDING MONTHLY FINANCIAL REPORT AND PAYMENT OF BILLS

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 March 30, 2023, a copy of which is attached hereto. Discussion regarding various financial items. After full discussion and the question being put to the Board, the Board voted four (4) votes in favor, with Director Rowell abstaining, to approve the Financial Report, the monthly investment report, and the checks being presented for payment.

### 2023 QUARTERLY BUDGET UPDATE

Ms. Plunkett provided an overview of the Authority's budget for the first quarter of 2023.

### RATE ORDER REVISIONS, INCLUDING PROCESS TO JOIN AUTHORITY GROUNDWATER REDUCTION PLAN

Discussion ensued regarding the implementation of a Groundwater Reduction Plan participation fee for new participants in the Authority's GRP.

### CAPITAL BUDGET AND BONDS REVIEW, INCLUDING BOND APPLICATION STATUS

Mr. Chang reviewed the Authority's capital funding needs for 2023-2027. Discussion ensued regarding costs and options for funding of capital projects.

Director Ramsey then recessed the meeting at 7:58 p.m. and reconvened the meeting at 8:10 p.m.

Mr. Chang requested clarification on how to move forward with the current SWIFT application for 2023. Mr. Chang stated the Board already provided authorization to submit the application, which is due in one (1) week. The Board concurred to move forward with filing the application as previously authorized.

AMENDMENT TO PROCEDURAL RULES (THE "PROCEDURAL RULES") REGARDING CONFLICTS OF INTEREST POLICY

Mr. Polley stated he passed out a slightly revised version of the proposed Procedural Rules and reviewed the changes with the Board. Discussion ensued regarding the Procedural Rules. Upon motion by Director Ramsey, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor and two (2) votes opposed, with Directors Graham and Fessler voting in opposition, to adopt the amendment to Procedural Rules regarding the Authority's conflicts of interest policy, with the exception of the change to Section 4.04.C.

Upon motion by Director Ramsey, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Director Rowell as the compliance officer.

AMENDMENT TO PROCEDURAL RULES REGARDING BOARD AUTHORITY AND RESPONSIBILITY

Upon motion by Director Ramsey, after full discussion and the question being put to the Board, the Board voted unanimously to table this agenda item.

BOARD COMMITTEES

Director Ramsey stated he is appointing himself and Director Rowell to a committee to select additional auditors for the Authority, with input from Mr. Chang. Mr. Polley recommended that a motion be passed to authorize the committee since the Authority's Procedural Rules delegate the authority to procure professional services to the Authority's General Manager. Upon motion by Director Ramsey, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor, with Director Fessler abstaining, to appoint Directors Ramsey and Rowell to a committee to select additional auditors for the Authority.

LEGISLATIVE/GOVERNMENT AFFAIRS

Mr. Evans reported on the 88<sup>th</sup> Legislative Session and provided an update on various legislative activities and events.

LEGAL UPDATES, INCLUDING ENGAGEMENT OF SPECIAL COUNSEL REGARDING DISPUTE BETWEEN CITY OF HOUSTON AND HOUSTON WATERWORKS TEAM ("HWT")

Mr. Polley provided an update on the dispute between the City and HWT and reported written responses to the subpoena that was reported on at the last Board meeting have been sent and document gathering has begun.

Mr. Polley then reported that nothing has been received from Harris County Elections Administration in response to the letter that was sent regarding payment of election costs for the Authority's 2022 election.

INTERLOCAL AGREEMENT ("INTERLOCAL AGREEMENT") BETWEEN NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY AND HARRIS COUNTY FRESHWATER SUPPLY DISTRICT NO. 61 REGARDING PROPERTY ACCESS FOR AUTHORITY CONSTRUCTION NETWORK

Mr. Chang presented the Interlocal Agreement to the Board and explained it allows the Authority to acquire easements from HCFWSD No. 61. Upon motion by Director Fessler, seconded by Director Barker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Interlocal Agreement.

ANNOUNCE NEXT MEETING DATE

Director Ramsey then confirmed the next meeting will be held on Monday, June 5, 2023 at 6:00 p.m.

Director Rowell congratulated Mr. McDevitt on his 30 year anniversary working for Inframark.

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

PASSED, APPROVED AND ADOPTED this 5<sup>th</sup> day of June, 2023.



  
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Secretary, Board of Directors