

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §

COUNTY OF HARRIS §

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY §

I, the undersigned Secretary of the Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority"), hereby certify as follows:

1. The Board convened in special session, open to the public, on the 6th day of July 2023, at a meeting place within the boundaries of the Authority, and the roll was called of the members of the Board, to-wit:

Mark Ramsey	President
Melissa Rowell	Vice President
Ron Graham	Secretary
Kelly Fessler	Assistant Secretary
David Barker	Treasurer/Investment Officer

All members of the Board were present thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

**RESOLUTION ADOPTING AMENDED AND RESTATED
PROCEDURAL RULES OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 3 NOES: 2

2. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Resolution has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Resolution would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED the 7th day of August 2023.


Secretary, Board of Directors



**RESOLUTION ADOPTING AMENDED AND RESTATED
PROCEDURAL RULES OF
THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

THE STATE OF TEXAS §
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NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY §

WHEREAS, the North Harris County Regional Water Authority (the "Authority") is a governmental agency and body politic and corporate of the State of Texas created and operating pursuant to Chapter 8888, Texas Special Districts Local Laws Code (the "Act"), to accomplish the purposes provided by Section 59, Article XVI, Texas Constitution;

WHEREAS, Section 8888.153 of the Act states that the Authority shall adopt and enforce rules reasonably required to implement the Act, including rules governing procedures before the Board;

WHEREAS, the Board of Directors (the "Board") of the Authority has determined that in order to comply with the Act it is necessary to adopt procedural rules of the Authority (the "Procedural Rules");

WHEREAS, the Board previously adopted Procedural Rules at its regular meeting on February 1, 2000, and amended and restated Procedural Rules on June 20, 2000, December 12, 2000, February 12, 2002, April 2, 2002, August 4, 2003, December 5, 2005, April 3, 2006, December 3, 2012, June 6, 2016, February 1, 2021, January 9, 2023, March 20, 2023, and June 5, 2023; and

WHEREAS, the Board desires to further amend and restate certain provisions of the Procedural Rules to reorganize existing requirements related to conflicts of interest and to create additional requirements for Authority employees and contractors related to reporting actual, potential and perceived conflicts of interest.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY, THAT:

**ARTICLE I
ORGANIZATION, POWERS AND OFFICE**

Section 1.01 Organization. The Authority is a governmental agency and body politic and corporate of the State of Texas created pursuant to the Act, and confirmed by a confirmation election held on Saturday, January 15, 2000.

Section 1.02 Powers. The Authority has all the rights, powers, privileges, authority, functions and duties necessary and convenient to accomplish the purposes of the Act, including those provided by Chapter 49 of the Texas Water Code, as amended. In accordance with Section 8888.151–52 of the Act, the Authority has the following powers:

- A. The Authority may provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and for the reduction of groundwater withdrawals, in a manner consistent with the purposes of Article XVI, Section 59, Texas Constitution;
- B. The Authority may, for the purposes of reducing groundwater withdrawals and subsidence, acquire or develop surface water and groundwater supplies from sources inside of or outside of the boundaries of the Authority and conserve, store, transport, treat, purify, distribute, sell, and deliver water to persons, corporations, municipal corporations, political subdivisions of the state, and others, inside of and outside of the boundaries of the Authority;
- C. The Authority may enter into contracts with persons, including political subdivisions of the state, on terms and conditions the board considers desirable, fair, and advantageous for the performance of its rights, powers, and authority under the Act;
- D. The Authority may establish fees and charges as necessary to enable the Authority to fulfill the Authority's regulatory obligations provided by the Act;
- E. The Authority may coordinate water services provided inside of, outside of, or into the Authority; and
- F. The Authority may administer and enforce the provisions of the Act.

Section 1.03 Office. The chief administrative office of the Authority shall be located within the boundaries of the Authority in Harris County, Texas. Such office may be changed from time to time by resolution of the Board. The Authority may have such other offices either within or without the boundaries of the Authority as the Board may determine from time to time.

ARTICLE II BOARD OF DIRECTORS

Section 2.01 General Powers and Number. The business and affairs of the Authority shall be conducted under the authority and direction of the Board. The number of directors of the Board shall be five (5). As set forth in the Act, one (1) director shall be elected from each of the five (5) single-member voting districts by the qualified voters of the voting district. In the event of a vacancy in the office of director, the Board shall appoint a qualified person to the office until the next election for directors.

Section 2.02 Qualification of Directors. Each director, whether elected or appointed, shall be required to qualify by the execution of a Constitutional Oath of Office and Statement of Elected Officer. A person shall not serve as a director if he or she is not qualified to do so under the provisions of the Act and the Texas Water Code, as amended. Within sixty (60) days after the Board determines that any director is not qualified to serve on the Board, it shall replace such director with a person who is qualified. Any director not qualified to serve on the Board, who willfully occupies an office and exercises the duties and powers of that office, may be subject to penalties under the Texas Water Code, as amended, including possible conviction of a misdemeanor and imposition of a fine.

Section 2.03 Tenure. Except as provided by the Act, each director shall serve for a period of four (4) years and until his or her successor is elected and qualified. Any director appointed to the Board shall serve for the remainder of the term of the office to which such director is appointed.

Section 2.04 Meetings. The Board hereby establishes the first (1st) Monday of each calendar month as its regular meeting day and the offices of the Authority located at 3648 Cypress Creek Pkwy., Suite 110, Houston, Texas 77068 as its regular meeting place. Subject only to a majority vote of the Board to conduct a specified regular meeting on a different day or at a different place, the Board shall conduct a monthly meeting on this regular meeting day and at the regular meeting place. Notwithstanding the foregoing, if the first (1st) Monday or Tuesday of a calendar month shall be a federal holiday, then the Board shall hold the regular meeting for that month within one (1) week of the holiday. Special meetings of the Board may be called by or at the request of the President or any two (2) directors.

Section 2.05 Agendas. The President and/or the General Manager shall confer with the Authority's General Counsel prior to each meeting to determine the agenda items. At least seven (7) days prior to each meeting, the General Counsel shall distribute the draft agenda to all directors and the General Manager for review. At least five (5) days prior to each meeting, directors wishing to place an item on the agenda should contact the President, General Manager, or General Counsel to request agenda items. Any agenda items requested by a director shall be included on the final agenda unless the General Counsel cannot draft a legally sufficient agenda item based on the information provided and after seeking clarification from the requester, as necessary.

Section 2.06 Posting Agendas and Notice to Directors. After approval of the agenda by the President, the Authority's attorneys shall post the agenda as required by the Texas Open Meetings Act. Notice to the directors of any meeting of the Board shall be given at least seventy-two (72) hours prior to the meeting. Such notice shall be given by electronic transmission, facsimile, or telephone if the notice is given less than five (5) days prior to a meeting. Copies of the agenda will be mailed to any person who purchases a one (1) year subscription in the amount of \$52.00, made payable to the North Harris County Regional Water Authority, to the attention of General Manager, 3648 Cypress Creek Pkwy., Suite 110, Houston, Texas 77068.

Section 2.07 Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. The act of three (3) directors at a meeting for which a quorum is present shall be the act of the Board.

Section 2.08 Conduct of Meetings. The President shall preside at Board meetings. In the absence of the President, the Vice President shall preside. The meetings shall be conducted in accordance with Robert's Rules of Order, as the same may be modified from time to time, with the concurrence of all directors. The Board shall provide a portion of each meeting for public comments in accordance with the Policies and Procedures for Public Comment, adopted by the Board on June 10, 2000, and revised on November 21, 2003, a copy of which is attached here as **Appendix A**.

ARTICLE III OFFICERS

Section 3.01 Officers. The officers of the Authority shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as may be elected in accordance

with the provisions of this Article, including, but not limited to, an Investment Officer. The Board may elect or appoint such officers including an Assistant Secretary or Assistant Treasurer as it may deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the President. Any two (2) or more offices may be held by the same person, except the office of President and Secretary.

Section 3.02 Election and Term of Office. The officers of the Authority shall be elected annually by the Board at the regular meeting of the Board in January. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected.

Section 3.03 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever the best interests of the Authority would be served thereby, but such removal shall not constitute a removal from the Board.

Section 3.04 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board for the unexpired portion of the term.

Section 3.05 President. The President shall be a member of the Board with all the rights and privileges thereof, including the right to introduce motions before the Board and to vote on all matters. The President shall preside at all meetings of the Board. The President may sign any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board to the general manager or other employee of the Authority; and in general the President shall perform all duties as may be prescribed by the Board from time to time.

Section 3.06 Vice President. The Vice President shall be a member of the Board and in the absence of or upon the death of the President and in the event of the inability or refusal of the President to perform, the Vice President shall perform the duties, succeed to the authority and assume the responsibilities and powers of the office of President. In the event there is more than one (1) Vice President, the Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election shall succeed the President. A Vice President shall perform such other duties as are prescribed by the Board or assigned by the President.

Section 3.07 Secretary. The Secretary is responsible for seeing that all records and books of the Authority are properly kept and that all notices are duly given in accordance with the provisions of these rules or as required by law. The Secretary shall be Records Management Officer of the Authority and shall be custodian of the records and of the seal of the Authority. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board. The Secretary may attest the President's signature on documents. The Secretary may delegate such duties as may be prudent to staff and consultants but shall not be relieved of any responsibility to perform legally required duties.

Section 3.08 Treasurer. The Treasurer, with the assistance of the Finance Director, shall be responsible for all funds and securities of the Authority, shall receive and give receipts for moneys due and payable to the Authority from any source whatsoever, and shall deposit all such moneys in the name of the Authority in such banks as shall be selected by the Board, and in general shall perform all duties incident to the office of the Treasurer and such other duties as from time

to time may be assigned to him by the President or by the Board. The Investment Officer, if not the same person as the Treasurer, shall be responsible for the investment of the Authority's funds, as provided in Section 3.09 hereof.

Section 3.09 Investment Officer. Any officer of the Board may be appointed as the investment officer of the Authority (the "Investment Officer"). The Investment Officer so appointed by the Board, along with the Finance Director, shall be the Investment Officers of the Authority and, in such capacity, shall fulfill the responsibilities of such office regarding the investment of the Authority's funds, pursuant to the Public Funds Investment Act, as amended, and the Investment Policy of the Authority, as such policy may be amended by the Board from time to time.

ARTICLE IV CODE OF ETHICS

Section 4.01 Purpose. The purpose of this Code of Ethics is to set forth the standards of conduct and behavior for the directors, officers, employees, and persons handling the business and investments of the Authority (collectively with the directors, the "Authority Officials").

Section 4.02 Conflicts of Interest. Except where a majority of the Board is required to abstain from participation in a vote because of conflict of interest, a director will abstain from participating in a decision of the Board which either confers an economic benefit on a business in which the director or a close relative has a substantial interest, or affects the value of property in which the director or a close relative has a substantial interest differently from how it affects other real property in the Authority. For these purposes, a person is considered to have a "substantial interest" in a business if (a) the person owns 10% or more of the voting stock or shares of the business entity or owns either 10% or more or \$15,000.00 or more of the fair market value of the business entity; or (b) funds received from the business exceed 10% of the person's gross income for the previous year. A person has a substantial interest in real property if the interest is equitable or legal ownership with a fair market value of \$2,500.00 or more. A "close relative" of a director for these purposes is a person related to the director within the first degree of affinity or consanguinity. In addition, the requirements provided for in **Appendix F** shall apply to Authority directors, employees, consultants, contractors and vendors.

Section 4.03 Conduct of Authority Business. Each Authority Official will conduct all business of the Authority in a manner consistent with the requirements of the Texas Open Meetings Act.

Section 4.04 Acceptance of Gifts. No Authority Official shall accept any benefit as consideration for any decision, opinion, recommendation, vote, or other exercise of discretion in carrying out his official acts for the Authority. No Authority Official shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the Authority Official's discretion. As used herein, "benefit" shall not include:

- A. A fee prescribed by law to be received by a public servant or any other benefit to which the Authority Official is lawfully entitled or for which he gives legitimate consideration in a capacity other than as an Authority Official;

- B. A gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the status of the recipient as an Authority Official;
- C. A political contribution, as defined by the Texas Election Code;
- D. A benefit consisting of food, lodging, transportation, or entertainment, that is under \$100 and is accepted as a guest;
- E. A benefit to an Authority Official required to file a financial statement under the Texas Election Code that is derived from a function in honor or appreciation of the recipient if
 - 1. The benefit and the source of any benefit in excess of \$50.00 is reported in the required financial statement;
 - 2. The benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with its official duties for the Authority which are non-reimbursable by the Authority;
- F. An item with a value of less than \$50.00, excluding cash or a negotiable instrument; or
- G. An item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity.

Section 4.05 Investment Officer. Any Investment Officer of the Authority who has a personal business relationship with an entity seeking to sell an investment to the Authority shall file a statement disclosing that personal business interest. Any Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Authority shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board.

ARTICLE V DISCLOSURES

Section 5.01 Purpose. The purpose of these disclosure rules is to insure Authority compliance with Chapter 176 of the Texas Local Government Code.

Section 5.02 Disclosure Statement. The directors, officers and General Manager of the Authority, who are required to complete a Conflicts Disclosure Statement ("Disclosure Statement") under Section 176.003 of the Texas Local Government Code, shall use the Disclosure Statement form attached hereto as **Appendix B**. It is the policy of the Authority that each Authority Official is individually responsible for determining if a Disclosure Statement must be completed or updated.

Section 5.03 Disclosure Questionnaire. Any person who contracts or seeks to contract with the Authority for the sale or purchase of property, goods, or services shall complete a Disclosure Questionnaire (the "Questionnaire") as required by Section 176.006 of the Texas Local

Government Code in a form substantially similar to the Questionnaire form attached hereto as **Appendix C**. It is the policy of the Authority that each person is required to and is individually responsible for completing or updating the questionnaire.

Section 5.04 Filing. Any document required under Sections 5.02 and 5.03 above must be filed with the Authority's Records Administrator within seven (7) business days after the date that the person required to complete the form becomes aware of events requiring disclosure. For purposes of this Article, "Records Administrator" shall mean the person or persons designated by the Authority to maintain the Authority's records.

Section 5.05 List of Authority Officers. To better facilitate the requirements of this Article, the Records Administrator for the Authority shall maintain a list of officers of the Authority required to file a Disclosure Statement. The list shall be made available to the public or any person who may be required to file a Questionnaire under Section 5.03 of these Procedural Rules.

Section 5.06 Internet Access. The Authority shall maintain on the Authority's website access to the Disclosure Statements and Questionnaires filed under this Article.

ARTICLE VI EXPENSE POLICY

Section 6.01 Purpose. The purpose of this Expense Policy is to set forth the policies of the Authority concerning fees of office and expense reimbursements. The Amended Purchasing and Payment Procedures attached hereto as **Appendix D** shall be applicable to directors, officers and employees of the Authority.

Section 6.02 Fees of Office for Directors. Pursuant to Section 49.060 of the Texas Water Code, as amended, directors are entitled to receive fees of office of \$150.00 a day for each day the director actually spends performing the duties of a director, provided the fees of office shall not exceed a sum of \$7,200.00 per annum. "Performing the duties of a director" means substantive performance of the management or business of the Authority, including participation in board and committee meetings and other activities involving the substantive deliberation of Authority business and in pertinent educational programs. The phrase does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time. Directors may attend other meetings relating to the management or business of the Authority and receive fees of office and expenses at the discretion of each director. Directors may travel to State of Texas legislative or agency meetings or hearings relating to the management of business of the Authority and receive fees of office and expenses at the discretion of each Director, without limit as to the location of the legislative meetings or hearings.

Section 6.03 Attendance at Conferences and Meetings. Directors and designated employees of the Authority may attend conferences and meetings of the Association of Water Board Directors – Texas and the Texas Water Conservation Association, whether within or outside the City of Houston. Attendance at other conferences, hearings or meetings outside the Houston metropolitan area by directors must be approved by the Board. Attendance at conferences,

hearings or meetings by employees must be approved by the General Manager. Attendance at local meetings or conduct of other local Authority business will be at each director's discretion.

Section 6.04 Expenses Outside of Metropolitan Houston. If Authority business requires that the director or employee be out of metropolitan Houston, the Authority will reimburse a director or employee for hotel room expenses based on the conference rate, government rate or most favorable corporate rate, including costs of the room the night before the commencement of a conference, meeting or seminar and the night of the final meeting day of the conference, meeting or seminar. Other reimbursable expenses include reasonable tips incurred in making the trip, round trip mileage at the then current IRS mileage rate, parking or round-trip airfare at current commercial rates for standard (not first class) airfare, and reasonable rental car or taxi charges. The Authority will reimburse a director or employee for meals that are actually eaten and paid for by the director or employee on an approved trip outside of metropolitan Houston; provided, however, reimbursement for meals of a director, employee and any guest (excluding spouse) will be limited to \$125.00 per day per person. Appropriate documentation listing the persons in attendance and a description of the business discussed at the meeting or activity is required. No reimbursement shall be made for the purchase of alcoholic beverages for a director, spouse, employee or guest. No reimbursement shall be made for the meals of a spouse of a director or employee.

Section 6.05 Expenses for Local Meetings and Activities. The Authority will reimburse a director or employee for round trip mileage at the then current IRS mileage rate for travel by car, parking or other related out-of-pocket expenses, and will reimburse a director or employee for meals that are directly related to attendance at local meetings or activities or that are directly related to the conduct of Authority business; provided, however, reimbursement for meals of a director, employee and any guest (excluding spouse) will be limited to \$125.00 per day per person. Appropriate documentation listing the persons in attendance and a description of the business discussed at the meeting or activity is required. No reimbursement shall be made for the purchase of alcoholic beverages for a director, spouse, employee or guest. No reimbursement shall be made for the meals of a spouse of a director or employee.

Section 6.06 Expenses Related to Authority Business. The Authority will provide a monthly cellular telephone allowance, set by the General Manager, for cellular telephone usage in connection with the conduct of Authority related business. The Authority will reimburse a director or employee for expenses incurred in connection with the conduct of Authority-related business, including, but not necessarily limited to postage, office supplies and other related items. To receive reimbursement for such expenses, the director or employee must submit an itemized expense report accompanied by supporting itemized receipts (credit card receipts reflecting only the total expense amount will not be accepted), invoices or other appropriate documentation to the Finance Director in accordance with the Authority's Amended Purchasing and Payment Procedures, attached hereto as **Appendix D**. An expense reimbursement request submitted without an itemized receipt will not be approved for reimbursement, unless approved by the General Manager.

Section 6.07 Reimbursement Procedures. Directors attending conferences, meetings or other activities and wishing to receive a fee of office and/or expense reimbursement must submit a verified statement showing the number of days actually spent in service to the Authority and a general description of the duties performed for each day of service. To receive reimbursement for expenses, the director or employee must also submit an itemized expense report accompanied by

supporting itemized receipts (credit card receipts reflecting only the total expense amount will not be accepted), invoices or other appropriate documentation to the Finance Director in accordance with the Authority's Amended Purchasing and Payment Procedures, a copy of which is attached hereto as **Appendix D**. An expense reimbursement request submitted without an itemized receipt will not be approved for reimbursement, unless approved by the General Manager. Items on the expense report shall include lodging, meals, tips, parking and transportation. Directors sharing expense items may split reported expenses in any matter they deem equitable, but the Board will pay no more than 100% of the actual total cost of reimbursable items. All expense report forms submitted for reimbursement shall be included in the Finance Director's monthly report package.

Section 6.08 Extraordinary Expenses. Any extraordinary expenses for a director or employee attending a sanctioned activity of the Authority must be approved by the Board prior to receiving reimbursement for such expenses.

ARTICLE VII GENERAL MANAGER

Section 7.01 Duties of General Manager.

- A. In accordance with Section 8888.107 of the Act, the Board shall employ a General Manager as the chief administrative officer of the Authority. The General Manager shall have full and exclusive management and control of decisions in the day-to-day affairs of the Authority including the power to do any and all things deemed appropriate, necessary, or advisable in the conduct of the Authority's business and, except as otherwise provided herein or under applicable law, may, without limitation:
1. obtain permits or other governmental approvals with respect to the construction, development, ownership, operation or disposition of any real property or facility owned by the Authority;
 2. approve plans and specifications for, and constructional alteration of, any improvements with respect to real property or facilities owned by the Authority;
 3. manage any such improvements or facilities;
 4. prosecute, defend or settle any dispute or litigation involving the Authority;
 5. negotiate and execute any contracts and agreements involving the Authority which the General Manager deems necessary or appropriate, and to pay, prepare, modify, renew, extend or otherwise cause the Authority to perform its obligations with respect to, and otherwise deal with, any such contracts or agreements; provided, however, that
 - a. all contracts must be approved by the Board; and
 - b. and any contract having aggregate value exceeding \$50,000.00 shall be executed by the Board; and

- c. for the calendar months of January 2023 through March 2023, all transactions involving payments or incurring of new obligations in excess of \$20,000 are reported in writing to the Board on a weekly basis. This section 7.01A.5.c expires March 31, 2023 unless extended by the Board.
 - 6. employ and compensate from Authority funds appropriate managers, employees and agents; provided, however, prior to extending a final offer of employment to an exempt employee, the offer shall first be discussed with the Board President;
 - 7. negotiate and enter into agreements for the lease of office space, furniture, fixtures and equipment;
 - 8. obtain and maintain insurance against all risks and hazards reasonably related to the Authority in its business in amounts and with companies determined by the General Manager; and
 - 9. do any act which is necessary or incidental to carry out the purposes of the Authority.
- B. The General Manager may execute in the Authority's name any and all plats, plans, applications, leases, deeds, bills of sale, contracts, certificates and other documents and papers pertaining to the business of the Authority and the person dealing with the Authority shall be entitled to presume any prerequisites to the taking of action by the General Manager have been satisfied, and no person shall be entitled to inquire into the authority of the General Manager to act on behalf of the Authority with respect to any matter.

ARTICLE VIII

EVALUATION OF PROFESSIONAL CONSULTANTS

Section 8.01 Definition of Professional Consultant. "Professional Consultant" shall mean and include the Authority's attorneys, auditors, bookkeepers, financial advisors, engineers, and such other consultants, other than employees, the Authority may engage.

Section 8.02 Selection of Consultants. Whenever the Authority decides to retain the services of one (1) or more of its Professional Consultants, the Authority shall follow the procedures of the Professional Services Procurement Act.

Section 8.03 Monitoring of Professional Consultants. For those Professional Consultants with annual contracts, the General Manager will review the performance of the Professional Consultants for the prior year at the time the contract is renewed. The General Manager shall review the performance of its other Professional Consultants annually at the time of its audit or more often, upon the request of one (1) or more directors.

ARTICLE IX ADMINISTRATION

Section 9.01 Books. The Authority shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board. All books and records may be inspected at any reasonable time. The Board has adopted and implemented Purchasing and Payment Procedures for handling all purchases, invoice payments, expense reimbursements and director fees of office. A copy of the Amended Purchasing and Payment Procedures is attached hereto as **Appendix D** and made a part hereof for all purposes.

Section 9.02 Public Information Policy. All documents, reports, records, and minutes of the Authority shall be available for public inspection and copying in accordance with the Texas Public Information Act and the Authority's Public Information Act Request Policies and Procedures, a copy of which is attached hereto as **Appendix E**.

Section 9.03 Records Retention Policy. The Board shall keep a complete account of all its meetings and proceedings and shall preserve its minutes, contracts, records, notices, accounts, receipts and other records in a safe place at the Chief Administrative Office of the Authority in Harris County, Texas.

Section 9.04 Annual Budget. Prior to each fiscal year, the Board of the Authority shall adopt an annual budget for the next fiscal year for use in planning and controlling of costs.

Section 9.05 Audits. The financial records of the Authority shall be kept in accordance with generally accepted accounting practices and at such time as the Authority has income, an annual audit of the books and records of the Authority shall be made by an independent certified public accountant or public accountant. The Authority hereby appoints its Board as an audit committee to review the annual audit prepared by the Authority's auditor. The Authority hereby directs its auditor to adopt uniform auditing reporting requirements that use "Audits of State and Local Governmental Units" as a guide on audit working papers and that uses "Governmental Accounting and Financial Reporting Standards".

Section 9.06 Fiscal Year. The Fiscal Year of the Authority shall be the twelve (12) months commencing on January 1st of each year.

Section 9.07 Corporate Seal. The Authority shall have a corporate seal which shall consist of: two (2) concentric circles with a five point star surrounded by the word "TEXAS" in the middle and the name of the Authority appearing between the circles.

ARTICLE X MISCELLANEOUS

Section 10.01 Amendments. These Rules, as amended and restated herein, may be altered, amended or repealed and new Rules may be adopted by a majority of the directors present at any regular meeting or at any special meeting, if a description of the change in the Rules is on the agenda for the meeting and has been posted in accordance with law and these Rules.

Section 10.02 Effective Date. These Rules shall be effective from and after the date of their approval.

APPROVED and ADOPTED this 6th day of July 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors



APPENDIX A

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES FOR PUBLIC COMMENT

SECTION 1.1: STATEMENT OF GENERAL POLICY.

A. The Authority is required to comply with the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended (the "Act"), which generally requires that meetings of the Board be open to the public. Although the Act does not give the public the right to speak at such public meetings, it is the policy of the Authority to allow and encourage members of the public to speak and provide public comment at public meetings of the Authority during specifically allotted times, in accordance with the Procedural Rules of the Authority and the policies herein adopted by the Board (the "Policies").

B. It is the Policy of the Authority that any member of the public shall have a reasonable opportunity to be heard at all regular and special meetings of the Board in regard to any and all matters to be considered at such meetings that are germane and relevant to the Authority's affairs. Any member of the Board shall have the privilege of raising a point of order as to whether the subject matter to be presented by a member of the public is germane and relevant to the Authority's affairs to be considered by the Board. Decisions of the Board's presiding officer are final.

C. It is the policy of the Authority to act reasonably and not discriminate among members of the public on the basis of the particular views expressed, and it is the intent of the Board to apply and administer these policies in a nondiscriminatory manner.

SECTION 1.2: NOTICE. If the Board is aware, prior to a meeting, of specific topics to be raised during the public comment period, an item regarding the matter will be included on the agenda for such meeting. Otherwise, public comments will only be permitted during the specified time on the agenda. Members of the public may not participate in the discussions of the Board unless recognized by the Board's presiding officer.

SECTION 1.3: PUBLIC COMMENT CARD. Members of the public must complete and sign a Public Comment Card prior to the start of the meeting. When called upon by the presiding officer, the individual should stand at the place designated for public commentary and state his or her name and affiliation for the record.

SECTION 1.4: RESPONSE TO INQUIRY. In accordance with Section 551.042, of the Act, the Board shall make a limited response to any inquiry from members of the public about a subject not included on the posted agenda for the meeting, and no deliberation or decision making about the subject matter of the inquiry will occur at the meeting. Such matter will be placed on a future agenda if so determined by the Board.

SECTION 1.5: CONDUCT OF THE PUBLIC. All comments should be addressed to the Board as a whole and not to individual members. Members of the public shall refrain from making accusatory, condemnatory or threatening remarks to members of the Board, Authority employees, consultants, or any other member of the public present at the meeting. If a member of the Board feels that a member of the public is acting in such a way to threaten or endanger members of the Board, the Authority employees, consultants, or any other member of the public present at the meeting, the presiding officer may rule the individual out of order and terminate the public comment from such individual.

SECTION 1.6: TIME LIMIT. At each public meeting, the Board shall accept public comment from members of the public who wish to present comments for no more than two (2) minutes per person for a maximum of thirty (30) minutes per meeting, unless the entire Board agrees otherwise. Once the presiding officer indicates the time period of two (2) minutes has ended, the member of the public shall refrain from speaking any further.

SECTION 1.7: VISUAL AIDS/INFORMATION TABLE. Members of the public wishing to display visual aids or distribute literature during the meeting shall contact the General Manager of the Authority prior to the meeting in order to facilitate the orderly presentation of such information or materials. Information and materials placed on the information table during Authority meetings for display and dissemination are limited to Authority-related items only that have been reviewed and approved by the Authority's General Manager, such as sign-in sheets, minutes, agendas, etc. Any information or materials found on the information table that are not in compliance with this policy will be removed and disposed of as may be appropriate.

APPENDIX B

DISCLOSURE STATEMENT FORM

[SEE ATTACHED FORM]

APPENDIX C

DISCLOSURE QUESTIONNAIRE FORM

[SEE ATTACHED FORM]

APPENDIX D

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY AMENDED PURCHASING AND PAYMENT PROCEDURES

PURCHASING PROCEDURES

General Manager Authorization:

The General Manager of the North Harris County Regional Water Authority (the "Authority") is authorized to approve purchases and expenditures up to \$50,000.00.

Funds must be available in the budget prior to the General Manager's approval of a purchase or expenditure of \$50,000.00 or less.

Board of Directors Authorization:

The Board of Directors must approve all purchases or expenditures requiring a contract or agreement, and all purchases or expenditures over \$50,000.00.

Unauthorized Purchases:

An unauthorized purchase is defined as any item(s) purchased or service requested by an Authority employee or Director without prior approval of the General Manager or action by the Board of Directors, as may be applicable. Any unauthorized purchases may result in the employee or Director being held personally responsible for payment of such unauthorized item(s) or service.

INVOICE PAYMENT PROCEDURES

All vendor/consultant invoices are to be delivered to the Authority office. The invoices will be distributed to the Finance Director for review, consideration and processing. Invoices will be returned to the vendor/consultant if an error exists, if further clarification or explanation is needed or if it is an unauthorized purchase. If an error exists, a corrected invoice will be requested.

An unauthorized invoice consists of a purchase of goods or services that was not authorized in advance by the General Manager or the Board of Directors. Payment of such invoice becomes the responsibility of the requesting party.

The Finance Director shall review all invoices for accuracy and budget appropriation, and shall attach all necessary backup for the invoice, including receipts, times sheets, etc. and shall submit all processed invoices for approval by the General Manager or the Board of Directors, as may be applicable. Invoices will be paid by their due date or as close thereto as possible. Checks with totals exceeding the General Manager's authorization amount will be submitted to the Board of Directors for approval and execution at the next regularly scheduled meeting of the Board.

EXPENSE REIMBURSEMENTS (Directors and Employees)

Expense Reports may be submitted either monthly or quarterly, but may not exceed a quarterly submittal. If submitting quarterly, a separate form is to be used for each month submitted. Expense Reports not submitted within the appropriate time frame will be denied.

The Expense Report form is available electronically.

The Expense Report must be filled out completely, must have all receipts attached, and must be executed by the person requesting reimbursement.

Itemized receipts, along with a brief explanation/description of the expenditure, are required for the following: parking, meals, transportation costs (taxi fare, car rental, etc.), hotel stays, seminars, etc. Parking in an unattended lot requires location of cross streets if in excess of \$10.00. Receipts shall not be required for tips, tolls and unattended parking lot expenses. A credit card receipt reflecting only the total expense amount will not be accepted. An expense reimbursement request submitted without an itemized receipt will not be approved for reimbursement, unless approved by the General Manager.

Expenses incurred for the consumption of alcohol shall not be reimbursed.

Mileage expenses shall be reimbursed at the then current rate allowed by the Internal Revenue Service.

The Finance Director shall review, verify dollar amounts and receipts, and obtain approval to pay all expense reimbursement requests submitted to the Authority.

Expense Report checks (if Expense Report forms are timely submitted) will be issued at the monthly Board of Directors meeting or at such time as other checks are being processed.

FEES OF OFFICE

Director fees of office shall be paid at the rate of \$150.00 for each day the director actually spends performing the duties of a director, provided the fees of office shall not exceed a sum of \$7,200.00 per annum. "Performing the duties of a director" means substantive performance of the management or business of the Authority, including participation in board and committee meetings and other activities involving the substantive deliberation of Authority business and in pertinent educational programs. The phrase does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time. Applicable taxes, i.e. Federal Withholding, Social Security and Medicare, shall be deducted. A description of the specific duties performed for each day of service, including documentation of persons in attendance at such meeting or activity and the purpose of the meeting or activity, is required. The Finance Director will monitor the amount of the fees of office received by each director. Requests for payment of fees of office may be submitted monthly or quarterly; provided, however, if a director has reached the annual limit of \$7,200.00, requests for payment of fees of office for service performed during the last two (2) calendar months of the year must be submitted for payment within the first two (2) months of the next calendar year. The requests for fees of office will be processed in the same manner as Expense Reports.

APPENDIX E

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY TEXAS PUBLIC INFORMATION ACT REQUEST POLICIES AND PROCEDURES

It is the policy of the North Harris County Regional Water Authority (the "Authority") to, at all times, provide full and complete information about the affairs of the Authority to the public in compliance with the Texas Public Information Act, Chapter 552, Texas Government Code (the "Act"), as amended by the 79th Texas Legislature. The following Policies and Procedures are adopted pursuant to Section 552.230, as amended of the Act to ensure the orderly compliance with the Act so that public information may be inspected and copied efficiently, safely and without delay.

1. The Authority's General Manager, or his/her designated representative, will be the custodians of public records, and the custodians will be responsible for the preservation and care of the public records of the Authority.

2. It shall be the duty of the custodians of public records, to see that the public records are made available for public inspection and copying and that the records are carefully protected and preserved from deterioration, alteration, mutilation, loss, removal, or destruction; and that the public records are repaired, renovated, or rebound when necessary to preserve them in a proper manner.

3. Neither the General Manager nor agents of the Authority who control the use of public records will make any inquiry of any person who applies for inspection or copying of public records beyond the purpose of establishing proper identification of the public records being requested or establishing whether the custodians are authorized to refuse to honor the request for the records.

4. The General Manager, and the agents of the Authority, shall treat all requests for information uniformly without regard to the position or occupation of the requestor, the person on whose behalf the request is made, or the status of the individual as a member of the media.

5. The Authority shall promptly produce public information for inspection, duplication, or both upon application by any person.

6. If the Authority receives a written request for information which it considers within one of the exceptions of the Act, but there has been no previous determination that it falls within one of the exceptions of the Act, the Authority shall promptly, after receiving a written request, shall request a decision from the Attorney General to determine whether the information is within that exception.

7. "Promptly" means as soon as possible under the circumstances that is within a reasonable time, without delay.

8. All requests to view public information shall be made in writing to the Authority's General Manager. A written request includes a request made in writing that is sent to the General Manager, or the person designated by the General Manager, by U.S. Mail, electronic mail or facsimile transmission or that is hand delivered. Such written request may be submitted on forms

provided by the Authority's General Manager. If the requestor chooses not to use the Authority's form for requesting to view or obtain copies of public records, the request must be submitted in writing and must clearly identify the public records or documents to be viewed.

9. The General Manager of the Authority may submit these written requests to legal counsel for review and advice, if necessary.

10. All written requests under the Act will be received in the official office of the Authority.

11. All reviews and examinations of public records will be made during regular Authority business hours.

12. All reviews and examinations of public records will be made in the presence of the General Manager or his/her designee.

13. If the public information is in active use or in storage and, therefore, not available at the time the person asks to examine it, the General Manager will certify this fact in writing to the applicant and set a date and hour within a reasonable time when the information will be available for review and examination under the provisions of the Act.

14. No person, who is not an official of the Authority, will be authorized to remove original copies of public records from the offices of the Authority.

15. No official of the Authority will be authorized to remove original copies of public records from the offices of the Authority without the written permission of the General Manager.

16. A review of public information must be completed within ten (10) business days after the date the General Manager makes the material available to the person requesting the public information for review, unless the requestor files within the initial ten (10) business days a request for additional time which shall entitle the requestor to an additional ten (10) business days to review the information. After that time, the information will be returned to the official files of the Authority and a new request will be required.

17. The time during which a person may examine information may be interrupted by the General Manager if such information is needed for use by the Authority.

18. The period of interruption is not considered to be part of the time during which the person may examine the information.

19. Copies of public information may be requested by completing the Copy Request Form promulgated by the General Manager. The Authority hereby adopts the schedule of charges for providing copies of public information as established by the Texas Attorney General's Office, as same may be amended from time to time. If a request is for 50 or fewer pages of paper records, the charge for providing the copy of the information may not include cost of materials, labor, or overhead, except under the exceptions set forth in the Act. A schedule of such charges is included herein as Attachment "A".

20. A suitable copy of the public information shall be provided to the requestor within a reasonable time after the date on which the copy is requested.

21. If a request for a copy of public information will result in the imposition of a charge that exceeds \$40.00 or under certain other circumstances under the Act, the General Manager shall provide the requestor with an itemized statement that details all of the estimated charges that will be imposed, including all allowable charges for labor or personnel costs.

22. A deposit or bond for payment of anticipated costs for copies shall be required if the anticipated costs are expected to exceed \$50.00 or if a requestor owes the Authority more than \$50.00 from unpaid previous requests. Failure to provide the required deposit within ten (10) days of the request shall be viewed as a withdrawal of the request for public information.

23. Any person who willfully destroys, mutilates, or removes documents without permission as provided herein, or alters public records, shall be guilty of a misdemeanor subject to criminal prosecution.

24. The General Manager shall prominently display in the official office of the Authority a sign in the form prescribed by the Texas Attorney General's Office that contains basic information about the rights of a requestor, the responsibilities of the Authority and the procedures for inspecting and obtaining a copy of public information under the Act, the form of which is included herein as Attachment "B".

APPENDIX F

POLICY AND PROCEDURES REGARDING REPORTING OF PERCEIVED, POTENTIAL AND ACTUAL CONFLICTS OF INTEREST

A. **Definitions.** The following definitions shall apply to this Policy and Procedures regarding Reporting of Perceived, Potential and Actual Conflicts of Interest:

1. "Actual Conflict" shall mean a direct or real conflict between a Covered Person's duties and/or responsibilities to the Authority and a competing interest or obligation, whether personal or involving a third party, which could improperly influence the decisions or activities of a Covered Person.
2. "Conflicts Compliance Officer" shall mean the person appointed by the Authority's Board of Directors who shall be responsible for effectively administering this COI Policy.
3. "COI Policy" shall mean this Policy and Procedures regarding Reporting of Perceived, Potential, and Actual Conflicts of Interest, as may have been amended from time-to-time.
4. "Conflict of Interest" shall mean any Actual Conflict, Perceived Conflict or Potential Conflict.
5. "Covered Person" shall mean each person performing duties for or on behalf of the Authority, including each director and employee of the Authority, and the non-Authority employees performing such duties for a consultant, contractor or vendor paid by the Authority.
6. "Immediate Family" shall mean a person's spouse, children, mother, father, siblings and anyone living in the same household.
7. "Indirect Interest" shall mean an Interest of a Covered Person's Immediate Family.
8. "Interest" shall mean any economic or financial interest that could reasonably influence judgement or action.

9. "Perceived Conflict" shall mean a situation in which a conflict could reasonably be perceived, or give the appearance that a competing interest with the Authority could improperly influence the decisions/activities of a Covered Party.

10. "Potential Conflict" shall mean a situation in which a Covered Person has an interest or obligation that is not presently an Actual Conflict, but it is reasonably foreseeable that an Actual Conflict could develop in the future.

B. Policy Statement. The Authority is committed to acting in good faith in all aspects of its work. As such, each Covered Person is expected to avoid situations in which an Interest or Indirect Interest creates a Conflict of Interest. A Conflict of Interest may exist when a Covered Person or Immediate Family receives an individual benefit from any decision or action taken on behalf of the Authority by the Covered Person. Therefore, each Covered Person is expected to:

1. Disclose to the Conflicts Compliance Officer any current or proposed relationship, transaction, ownership interest, arrangement or activity that constitutes a Conflict of Interest.
2. Not offer, accept, or provide gifts or favors, such as meals, transportation or entertainment, which might reasonably be interpreted as an inducement.
3. Maintain unbiased relationships with actual and potential Covered Persons.
4. Exercise the duties of loyalty, good faith, honesty and fair dealing in all activities and transactions related to the Authority.
5. Not misuse his/her position with the Authority for personal gain.
6. Not engage in outside business activities or relationships, such as employment, consulting arrangements, financial interests (including ownership or investment interests), contracting arrangements, appointed positions, or board or committee memberships that conflict with the Authority's interests.
7. Not use Authority resources or property (including supplies, equipment, facilities, or personnel) in conducting non-Authority business activities.
8. Not use or disclose Authority information that is privileged, confidential or not otherwise available to the public for personal gain.
9. For Covered Persons who are Authority directors or employees, not employ a relative without disclosing same to his/her supervisor and the Board of Directors.
10. For Covered Persons who are Authority directors or employees, not employ a person to be supervised by a relative or employ a person to supervise a relative without approval from the Board of Directors.

C. Procedures to Implement Policy Statement.

1. The Authority's Board shall appoint a Conflicts Compliance Officer.
2. In addition to any other action required of a Covered Person under applicable law, each Covered Person shall complete a Conflicts of Interest Survey in a form substantially similar to that attached hereto as **Attachment F-1** as follows:
 - i. Initially, each Covered Person shall complete the survey within two (2) weeks of adoption of this COI Policy and each person who becomes a Covered Person hereafter shall complete the survey within two (2) weeks prior to commencing duties for or on behalf of the Authority.
 - ii. In addition, each Covered Person shall complete the survey immediately upon learning about a previously undisclosed Conflict of Interest involving him or herself or another Covered Person.
 - iii. Finally, each Covered Person shall complete the survey no less frequently than once each calendar year. Non-compliance with this requirement shall be reported to the Conflicts Compliance Officer.
3. Upon completion of a survey, the Covered Person should submit the completed survey to the Conflicts Compliance Officer.
4. Upon receipt of a survey including information about a Conflict of Interest, the Conflicts Compliance Officer may conduct additional investigation and shall provide a written report regarding his or her findings related to the reported Conflict of Interest to the Board of Directors and the Authority's General Counsel at the next scheduled Board meeting following the completion of any such additional investigation. **In order to allow the Board of Directors to discuss its legal obligations and options while preserving attorney-client privilege, all such reports shall be presented by the Conflicts Compliance Officer in a closed session of the Board.**
5. Thereafter, the Board of Directors will decide what actions, if any, the Covered Person should take to mitigate the Conflict of Interest.

Attachment F-1
North Harris County Regional Water Authority
Conflicts of Interest Survey

Each Covered Person, which includes each person performing duties for or on behalf of the North Harris County Regional Water Authority (the "Authority"), including each director and employee of the Authority, and the employees performing such duties for a consultant, contractor or vendor paid by the Authority, shall complete this Conflicts of Interest Survey at the following times:

- A. within two (2) weeks of beginning to perform duties for or on behalf of the Authority;
- B. at least once each calendar year; and
- C. immediately upon learning of any Conflict of Interest involving any Covered Person.

Capitalized terms in this survey shall have the meaning provided in the Authority's Policy and Procedures Regarding Reporting of Perceived, Potential and Actual Conflicts of Interest, which is available on the Authority's website.

Instructions

Please circle "Yes" or "No" as appropriate for each question. If you answer "yes" to any question, please provide additional details, attaching additional pages if needed. Once completed, please read and sign the certification at the end of the survey and submit the completed survey to the Authority's Conflicts Compliance Officer via email, regular mail or by first class mail at the Authority's mailing address.

Answers to this survey may be subject to disclosure under the Texas Public Information Act, Texas Government Code Chapter 552.

- 1. Is anyone in your Immediate Family, other than you, a Covered Person?**

Yes or No. If yes, please explain.

- 2. Have you or anyone in your Immediate Family received from a Covered Person any gift or entertainment valued at more than \$100?**

Yes or No. If yes, please explain.

3. Have you or anyone in your Immediate Family given a Covered Person any gift or provided any hospitality with a value in excess of \$100?

Yes or No. If yes, please explain.

4. Do you have an Interest or Indirect Interest in a business that employs a Covered Person (whether as a W-2 employee or 1099 contractor)?

Yes or No. If yes, please explain.

5. Are you or anyone in your Immediate Family serving on the board of an entity that employs a Covered Person (whether as a W-2 employee or 1099 contractor)?

Yes or No. If yes, please explain.

6. Have you or anyone in your Immediate Family maintained employment or participated in other business activities which creates a Conflict of Interest?

Yes or No. If yes, please explain.

7. Have you or any member of your Immediate Family disclosed any information you know to be confidential to a Covered Person who is not otherwise entitled to receive to such information?

Yes or No. If yes, please explain.

8. Have you or any member of your Immediate Family utilized for personal benefit any information you know to be confidential?

Yes or No. If yes, please explain.

9. Are you aware of any Conflict of Interest, whether due to your own relationships, those of your Immediate Family or of any other Covered Person?

Yes or No. If yes, please explain.

Certification

By my initials and signature below, I certify that:

1. I have reviewed and I understand the Authority's Policy and Procedures Regarding Reporting of Perceived, Potential and Actual Conflicts of Interest (the "COI Policy").

(initial)

2. I am in compliance with the COI Policy.

(initial)

3. The information I provided in this survey is true, accurate and complete to the best of my knowledge.

(initial)

4. If any information provided in this survey becomes inaccurate, I understand the Policy requires me to complete a new survey and submit it to the Conflicts Compliance Officer.

(initial)

Signature

Date

Name (please print)