

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

July 6, 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 Thursday, the 6th day of July, 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. Kassandra Medina, Receptionist for the Authority; Ms. Krystal Boggs, Staff Analyst for the Authority, Mr. Mike Baugher of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Carlton McDevitt of Inframark, LLC, operator for the Authority; and Mr. John Howell of The GMS Group, L.L.C., co-financial advisor to the Authority. Other members of the public and consultants to the Authority were also present at the meeting either in-person or via Zoom. 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 Ramsey, Board President called the meeting to order.

Director Ramsey delivered the invocation and led the meeting attendees in the Pledge of Allegiance to the United States and Texas flags.

APPROVE MINUTES OF PRIOR MEETING

Director Rowell provided edits to the public comments and operations report sections of the minutes of the June 5th Board meeting.

Director Rowell moved to approve the minutes. The Board voted unanimously to approve the minutes of the June 5, 2023, regular meeting, as revised by Director Rowell.

PUBLIC COMMENTS

Mr. Jerry Homan, General Manager of Harris County FWSD 61, addressed the Board commenting on the legal counsel selection process, communications, and Board's leadership.

Mr. Nicholas Fava, Director of Bammel UD, addressed the Board regarding a public attendee not being recognized after the public comment period ended during the prior meeting.

Mr. Richard Murphy, Director of Westador MUD, thanked the Board regarding the decreased rate; then addressed the Board regarding the absence of a "second to motion" and commented on the legal counsel selection process.

Director Ramsey addressed Mr. Murphy's comments regarding "second to motion" stating his intent to bring to the Board such a requirement.

Mr. Ron Chapman, Director of Harris County MUD 222, addressed the Board commenting on the direction of the Authority, the legal counsel selection decision and process, and a change in leadership for the Authority.

Mr. Darrell Barroso, Director of Harris County FWSD 61, addressed the Board regarding Board meeting decorum, teamwork within the Board, and a change in leadership for the Authority.

Mr. Bill Papp, Director of Harris County WCID 132, addressed the Board regarding a change in officer appointment of the Authority, communication between Board members, and HGSD rates to residents if the Authority does not meet HGSD mandates.

MESSAGES FROM THE PRESIDENT AND BOARD MEMBERS

Director Rowell thanked all in attendance for being there, and those listening online, addressed communication with Authority Board members, reported on her activities since the last Board meeting, including attending the AWBD summer conference, and touring the NEWPP, and addressed the rushed legal counsel selection process.

Director Fessler stated his preference of two 15 minutes of public comments periods at the beginning and before end of the Board meetings, and comments regarding legal counsel selection process and committee. Director Fessler also supported public comments being restricted to public comment portions of the meetings.

Director Barker commented on the Northeast Water Purification Plant ("NEWPP") tour he attended, thanked Sarah Berkey for taking the Board and Staff on the tour, and complimented the facilities. Director Barker asked if Schindewolf RPS was in operation. Mr. Haude responded stating it is operating. Discussion regarding pumpage capacity at pump stations ensued.

Director Ramsey provided updates on June activities including the NEWPP tour, behind the scenes activities including conversations with district board directors and residents, and the Authority meeting process.

OPERATOR'S REPORT

Carlton McDevitt, reported on a water quality issue that caused a discoloration of water for a few days. The water issue with high manganese does not affect our health. That issue appears to have since subsided. Mr. McDevitt also reported that the presence of Methyl-Isoborneol (“MIB”) and Geosmin may be expected during the summer months contributing to increased water quality complaints but not affecting health. Mr. McDevitt also explained to the board regarding the water availability and pressure concerns by Northwest Harris County MUD 5. He also brought up issues possibly coming up with bringing the NEWPP online.

CONSTRUCTION/ENGINEERING UPDATES:

Mr. Haude addressed construction safety. He reported that a contractor safety records are reviewed as part of the bid evaluation process prior to making recommendations on contractor award.

Mr. Chang reported on various issues relating to the NEWPP. . He stated that the HWT’s commissioning schedule assumed that the review and approval time by TCEQ would be 14 days but in reality it could take up to 90 days.

Mr. Haude reported BRH-Garver’s bankruptcy case. He reported that the Authority is in discussions with BRH-Garver’s surety, Hartford, on taking over and completing the project. The current status of the project is approximately 90% complete and will take approximately 90-days to complete.

Mr. Haude reported on the status of the Schindewolf Regional Pump Station Upgrade project (“Project 2-8”).

Upon motion by Director Graham, after full discussion, the Board voted unanimously to accept and close out Project 2-8.

Mr. Haude reported on the three projects in which the Authority recently received bids: Project 6C-1, Project 6C-2 and Project 7D-1. Director Rowell asked clarifying questions regarding the bid process, apparent low bid contractors, and payment approval timeline. And a full discussion on the spread amongst the bids, the gaps between the engineer’s estimates and actual bids. Mr. Haude then made recommendations to the Board on awarding the contracts. Upon motion by Director Barker, after further discussion, the Board voted unanimously to approve Award construction contracts for Projects 6C-1, 6C-2, and 7D-1.

Mr. Haude presented the updated Authority’s project schedule.

Mr. Haude reported Project 28G was awarded the Project of the Year by the American

Public Works Association (“APWA”).

Director Ramsey then recessed the meeting at 7:41 p.m. and reconvened the meeting at 7:55 p.m.

GENERAL MANAGER'S UPDATES

Mr. Chang reported the Authority used 28.9 MGD of alternative water in June and achieved 33.2% surface water conversion for May. Mr. Chang reviewed changes in the Over Conversion Credit (“OCC”) and Historical Conversion chart and discussed the Authority’s water capacity.

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Mr. Chang reported Mr. Nandagiri’s plan to retire by the end of the year. Mr. Chang announced the hiring of Mr. Nandagiri’s successor, Mr. Raj Singh.

Mr. Chang reported that he is working with the Compliance Officer on logistics to collect and store Conflicts of Interest Forms.

Mr. Chang reported that Johnson Petrov is the recommendation for general counsel. Mr. Chang stated that once the Board approves the selection, he would begin the negotiation with the firm on the scope of work and fee schedule.

Upon motion by Director Graham, after full discussion and a lengthy Q&A with Andy Johnson of Johnson Petrov, primarily by Director Rowell, the Board voted four (4) votes in favor and one (1) vote opposed, with Director Rowell voting in opposition, to authorize the General Manager to negotiate and execute the agreement with Johnson Petrov LLC as General Counsel for the Authority.

RESOLUTIONS ADOPTING ADDENDUM TO WATER CONSERVATION PLAN AND PAYMENT OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY WATER RIGHT APPLICATION FEE

Mr. Chang requested the Board adopt the Addendum to the Water Conservation Plan and approve payment to the Texas Commission on Environmental Quality (“TCEQ”) for the water rights application fee. Mr. Chang explained that the Addendum was required by the TCEQ as a part of the application process. Discussion ensued regarding the purpose and benefits of the water rights to the Authority.

Upon motion by Director Fessler, the Board voted unanimously to approve the Resolution Adopting the Addendum to the Water Conservation Plan.

Upon motion by Director Fessler, the Board voted unanimously to authorize payment to the Texas Commission on Environmental Quality of the water rights application fee.

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE AUTHORITY AND THE TEXAS NETWORK, LLC

Mr. Chang requested the Board approve the Agreement for Professional Services between the Authority and The Texas Network, LLC (“Agreement”). Mr. Chang informed the Board that Authority staff explored various opportunities concluding that the stated Agreement is in the best interest of the Authority and rate payers.

Upon motion by Director Barker, after further discussion, the Board voted four (4) votes in favor and one (1) vote opposed, with Director Rowell voting in opposition, to approve the Agreement with The Texas Network.

INVESTMENT OFFICER VACANCY

Mr. Chang reported a vacancy exists for the Investment Officer due to the resignation by Director Barker. However, Mr. Chang clarified that the position held by a board member as the second Investment Officer is optional. No Board action was required nor taken.

FINANCE DIRECTOR'S REPORT:

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 May 31, 2023, a copy of which is attached hereto.

Upon motion by Director Fessler, the Board voted unanimously to approve the Financial Reports, the monthly investment report, and the checks being presented for payment.

BOND DEBT DISCUSSION:

Mr. Howell followed up with the Board regarding questions since the prior Board meeting. A brief discussion ensued regarding TWDB financing and bond commitments.

Should a headline or something go here so it sets the rest a part from Bond Debt discussion?
Upon motion by Director Fessler, after full discussion, the Board voted three (3) votes in favor, one (1) vote opposed, with Director Ramsey voting in opposition, and Director Barker abstaining, to approve tabling the remaining agenda items with the exception of items 14 and 18.

Agenda Items Tabled:

Legislative/Government Affairs

Attorney’s Report

Communications With The Public

Board Committees:

- a. Auditor selection
- b. Authority mission/website
- c. Rate leveling and impact fees
- d. Science, technology & engineering committee

Rate Order revisions

Board discussion of possible future agenda items

Executive session or recess as required

Announce next regular meeting: Monday, August 7, 2023

PROCEDURAL RULES REVISIONS

Director Rowell presented and reviewed draft revisions to Section 2.04 and Section 2.05 of the Procedural Rules. Director Rowell moved to adopt revisions to Section 2.05. A lengthy discussion ensued.

Director Rowell moved to call the question. Director Ramsey called for a vote on calling the question. The Board voted three (3) votes in favor and two (2) votes opposed, with Director Ramsey and Director Barker in opposition, to call the question. Director Ramsey ruled the vote calling the question (ending debate) as failing to reach the 2/3 vote required to pass. The question was not called.

The Board voted three (3) votes in favor and two (2) votes opposed, with Director Ramsey and Director Barker in opposition, to amend Section 2.05 of the Procedural Rules. The revisions are adopted.

Director Rowell moved to adopt revisions to Section 2.04 of the Procedural Rules. Discussion ensued. Director Rowell amended her motion to adopt revisions to Section 2.04. Discussion ensued. Director Ramsey moved to table the item until the next Board meeting. Director Rowell called the question on her motion.

Director Ramsey called for a vote on calling the question. The Board voted three (3) votes in favor and two (2) votes opposed, with Director Ramsey and Director Barker in opposition, to call the question. Director Ramsey ruled the vote calling the question failed.

After more discussion, Director Ramsey called a vote on the previous motion to table the item until the next Board meeting. The Board voted three (3) votes in favor and two (2) votes opposed, with Director Fessler and Rowell in opposition, to table the item.

Director Ramsey called for a vote on Director Barker's motion to adjourn. The board voted three (3) votes in favor and two (2) votes in opposition, with Director Fessler and Rowell in opposition, to adjourn.

Director Ramsey adjourned the meeting.

PASSED, APPROVED AND ADOPTED this 7th day of August, 2023.



Secretary, Board of Directors