

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

March 4, 2024

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. 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:

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

All members of the Board were present except Director Barker, 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. Raj Singh, P.E., Engineering Manager for the Authority; Ms. Cynthia Plunkett, Finance Director for the Authority; Ms. Kassandra Medina, Administrative Assistant for the Authority; Paul Walker of Carollo Engineers, 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; and Mr. Andrew P. Johnson, III, attorney, and Ms. Mirna Croon, paralegal, (via teleconference) of Johnson Petrov LLP, general 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.

CALL TO ORDER

Director Rowell, Board President, called the meeting to order.

Director Graham delivered an inspirational message and subsequently led the meeting attendees in an invocation and the recitation of Pledges of Allegiance to the United States and Texas flags.

PUBLIC COMMENT

Mr. Jerry Homan, a representative of Harris County Fresh Water Supply District No. 61, provided information about the Surface Water Conversion Program and the anticipated output of the Northeast Water Purification Plant. He also voiced his concerns about another rate reduction for pumpage fees and/or surface water delivery.

Mr. Ronald Chapman, a representative of Harris County Municipal Utility District No. 222, expressed his thoughts on the Board's discussions regarding the rate reduction.

Ms. Chris Seat, a resident of the Authority, raised concerns about the Authority's plans to install a 42-inch pipeline on her property as part of Project 37C. She requested more information about the project's specifics.

Mr. Chang informed the attendees that details about Project 37C will be provided during a community meeting on March 25, 2024, at Grand Lakes Junior High School in Tomball, Texas. He stated that the Authority's engineer will address questions related to specific properties. If a Resolution Declaring the existence of a Public Necessity is approved later in the meeting, letters will be sent to all affected property owners, informing them about the March 25, 2024 community meeting. Additionally, the community meeting details will be made available on the Authority's website.

Mr. Bill Papp, addressed the board and noted that his comments are his and his alone and do not reflect Harris County Water Control Improvement District No. 132. He shared his opinion on agenda item no. 12, which pertains to the proposed rate reduction.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell welcomed everyone to the meeting, and addressed the proposed rate reduction and discussed the process for adding items to the meeting agenda by Board members. She also provided the Board with a speaking chart for reference. Director Rowell mentioned the April 25th meeting of the Harris-Galveston Subsidence District.

MINUTES OF FEBRUARY 5, 2024 BOARD MEETING

Upon motion by Director Ramsey, after full discussion and with Directors Fessler, Graham and Ramsey voting in favor, and Director Rowell voting against, the Board tabled the approval of the February 5, 2024 minutes.

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, and the checks being presented for payment, a copy of which is attached hereto as Exhibit "A".

Director Fessler then moved to approve the Financial Report, and the checks being presented for payment, and with Directors Fessler, Graham and Rowell voting in favor, and Director Ramsey voting against, the Board approved the Financial Report, and the checks presented for payment.

GENERAL MANAGER'S REPORT

- A. Status of Water Supply and Conversion. Mr. Chang provided an update on the progress of converting surface water within the current permit year. He reported that the conversion rate in January 2024, was 33.2 percent. The daily pumpage rate in February 2024 was 21.6 million gallons.
- B. Resolution Declaring the existence of a Public Necessity for the construction of facilities for the transportation, distribution, and delivery of water, including reasonable and necessary appurtenances thereto, and authorizing the acquisition, by donation, purchase, or exercise of the power of Eminent Domain, of Property and Property Interests necessary for such facilities in connection with Projects 37A, 37B, 37C, 37D, 37E, 37F, 37G, 37H, and 37I ("Resolution").

Mr. Chang provided an overview of the Resolution, which is attached hereto as Exhibit "B". After a thorough discussion, Director Fessler made a motion to adopt the Resolution. Subsequently, Director Ramsey proposed an amendment to Section 3 of the Resolution, suggesting the insertion of the phrase "subject to Board's review and approval" in the following sentence:

The Board of the Authority hereby delegates to the Authority's General Manager the following duties and responsibilities, *subject to the Board's review and approval*, with respect to the design and development of the facilities and appurtenances, including meter station sites and flow control stations, and the acquisition of properties and property interests necessary for the construction, installation, operation, and maintenance of Projects 37A, 37B, 37C, 37D, 37E, 37F, 37G, 37H, and 37I.

The amendment failed, with Director Ramsey voting in favor and Directors Rowell, Fessler, and Graham voting against.

Next, the Board approved the Resolution as presented, with Directors Rowell, Fessler, and Graham voting in favor and Director Ramsey voting against.

- C. Approval of a Cost Sharing Agreement with the City of Houston for Project 23 (the "Cost Sharing Agreement"). Mr. Chang explained the Authority's plan to construct a waterline extending north along Beltway and Hardy Road. He stated that the City of Houston had proposed a cost-sharing arrangement for the waterline, which would allow the City to purchase some capacity in the waterline. Mr. Chang then reviewed a map showing the proposed waterline route. He estimated that the Authority would save \$6 million by entering into this Agreement and recommended that the Board approve it.

After discussing the matter, Director Fessler moved to approve the Agreement, and with all Directors present voting in favor, the Agreement was approved.

OPERATIONS STATUS REPORT

Mr. McDevitt discussed the Operations Report, a copy of which is attached hereto as Exhibit "C". He updated the Board regarding the Authority facilities, including the purchase of pump no. 4. He further reported on the meter station training scheduled for March 5, 2024 and commissioning and startup of the new pump station.

REPORT FROM DIRECTOR OF PLANNING AND GOVERNMENTAL AFFAIRS.

Mr. Evans informed the Board that the Harris-Galveston Subsidence District (the "District") will conduct its annual hearing event on April 25, 2024, at 9 a.m. The hearing aims to review testimony, evidence, exhibits, and any other relevant information presented regarding the impact of groundwater withdrawal on subsidence within the District, during the preceding calendar year.

Additionally, Mr. Evans provided an update to the Board about the Region H Planning Group, which is one of the 16 regional planning groups operating under the guidance of the Texas Water Development Board.

CONSTRUCTION/ENGINEERING UPDATES

- A. Update on NEWPP, including schedule, remaining issues, and acceptance testing. Mr. Chang reported that the City of Houston and HWT expect to start delivering water to the distribution systems of the City of Houston, and the North and Central Water Authorities in April 2024. The original delivery date was February 2023.

PROCEDURAL RULES DISCUSSION.

Director Rowell stated that according to the current Authority's rules, any director has the right to add an item to the agenda. However, this practice has led to an excessive number of items on the agenda, resulting in prolonged Board meetings.

Director Ramsey argued that restricting a Board member's ability to add an item to the agenda would violate the Roberts Rules of Order.

Director Rowell stated that after consulting with a parliamentary procedure expert, she proposed placing an approx. time next to each agenda item.

In response to Director Graham's inquiry, Mr. Johnson clarified that the Board had previously adopted a policy allowing any director to add an item to any agenda. To change this policy, an amendment would be required to limit the addition of the same item to the agenda for a specified period.

An extensive discussion followed regarding the Roberts Rules of Law and its application to recurring agenda items each month.

EXECUTIVE SESSION.

Next, at 7:36 p.m., upon motion by Director Graham and with all Directors present voting in favor, the President called an Executive Session, pursuant to Sections 551.071 and 551.074 of the Texas Open Meetings Act to discuss personnel and litigation matters. Present for the Executive Session were the Board members, Mr. Chang, Mr. Singh, Mr. Walker and Mr. Johnson.

REGULAR SESSION.

The Board reconvened the meeting in the Regular Session at 8:39 p.m. No action was taken in the Executive Session.

REDUCTION OF RATES FOR PUMPAGE FEES AND/OR SURFACE WATER DELIVERY.

Madam President acknowledged Mr. Howell, who initially asked whether the Board would prefer to discuss this matter in a special meeting, particularly since Director Baker was absent. After a lengthy discussion, Director Fessler moved to table the matter. Director Ramsey suggested a friendly amendment to consider the issue at the April 1, 2024 meeting. Director Fessler declined the amendment.

Subsequently, with Directors Rowell, Fessler, and Graham voting in favor, and Director Ramsey voting against, the Board tabled the matter until a future meeting.

BOARD DISCUSSION OF POTENTIAL FUTURE AGENDA ITEMS AND COST SAVING ACTIONS; INCLUDING FAQ ON WEBSITE; AND STATUS UPDATE ON CONFLICT-OF-INTEREST RESPONSES.

Mr. Chang informed the Board that he is awaiting their guidance on frequently asked questions to be posted on the website. He also provided an update on the process for distributing conflicts of interest forms. According to the procedure, once a vendor receives and completes the form, they are directed to send it to the Compliance Officer, who is Director Rowell. If any forms are sent back to the staff, they are forwarded to the Compliance Officer without being opened. In some cases, the forms are sent back to the Attorney and the staff has no knowledge of those forms.

NEXT REGULAR MEETING WILL BE MONDAY, APRIL 1, 2024.

There was no action.

PUBLIC COMMENT.


Mr. Jerry Homan, of Harris County Fresh Water Supply District No. 61, commented on Mr. Howell's analysis related to the proposed rate reduction for pumpage fees and/or surface water delivery, and other matters discussed in the meeting.

ADJOURNMENT

With no additional matters to discuss, the meeting was adjourned at 9:21 p.m.

[EXECUTION PAGE FOLLOWS]

PASSED, APPROVED AND ADOPTED on the 1st day of April 2024.


Secretary, Board of Directors

