

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

January 6, 2025

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in public session, at 6:15 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, 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. Amber Batson of Carollo Engineers, Inc., Program Manager for the Authority; Ms. Kassandra Medina, Administrative Assistant for the Authority; Mr. John Howell of The GMS Group, L.L.C., co-financial advisor to the Authority; Leslie Cook of RBC Capital Markets, co-financial advisor to the Authority; Mr. Andrew P. Johnson, III, Attorney and Monica Alvarado, Paralegal, 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, and led the attendees in the Pledges of Allegiance to the United States and Texas flags.

PUBLIC COMMENT

Mr. Jerry Homan addressed the Board.

Mr. Ron Chapman addressed the Board.

ADMINISTRATION OF OATHS OF ELECTED OFFICERS

The Oaths were administered after the Financial Report.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell wished everyone a Happy New Year and advised that public comments can be made on the Authority’s website.

MINUTES OF THE DECEMBER 2, 2024 SPECIAL AND REGULAR BOARD MEETINGS

The Board concurred by general consent and hearing no objection that the minutes of the December 2, 2024 special and regular Board meetings be approved.

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

Mrs. Plunkett reviewed the Authority's Financial Report with the Board and the checks being presented for payment.

Upon motion by Director Graham, seconded by Director Rowell, after full discussion and with all Directors present voting in favor, the Board approved the Financial Report, and the checks being presented for payment.

ADMINISTRATION OF OATHS OF ELECTED OFFICERS

Directors Fessler and Ramsey were presented with the Statements of Elected Officer, and Oaths of Office, as required by the Texas Constitution.

DISCUSSION OF BOND REFUNDING OPPORTUNITY

Ms. Cook discussed with the Board a refinancing opportunity for the Series 2013 and Series 2014 Bonds. She then reviewed the Authority’s outstanding debt and provided its economic outlook for the 2025 fiscal year. Director Rowell inquired about call features and interest rates.

The Board concurred by general consent for RBC Capital Markets to commence a “soft start” with respect to refinancing of the bonds.

GENERAL MANAGER'S REPORT

- A. Status of Water Supply and Conversion. Ms. Batson provided an update on the progress of converting surface water within the current permit year and presented charts illustrating the conversion over time. She then discussed the Harris-Galveston Subsidence District mandate for 2025.

- B. Approve Selection Committee’s recommendation for Authority’s Lobbyist. Mr. Chang advised the Board that an RFQ for a lobbyist was published, and three submittals were received in response to same. The Selection Committee recommended Graydon Strama Lucio Group be engaged as the Authority’s lobbyist.

Director Rowell moved to engage Graydon Strama Lucio Group to be the Authority's lobbyist, and with Directors Rowell, Graham and Barker voting in favor, Director Fessler voting nay, and Director Ramsey abstaining, the motion passed.

- C. Approve engagement of Financial Auditor. Mr. Chang advised the Board that an RFQ for an auditor was published, and three submittals were received in response to same. He recommended that Pattillo Brown & Hill LLP be engaged as the Authority's auditor for the 2024 fiscal year end audit.

Director Graham moved to engage Pattillo Brown & Hill LLP as the Authority's auditor for the 2024 fiscal year end audit, and with all Directors present voting in favor, the motion passed.

OPERATIONS STATUS REPORT

Mr. McDevitt updated the Board on various operations in the region.

REPORT FROM DIRECTOR OF PLANNING AND GOVERNMENTAL AFFAIRS

Mr. Evans discussed House Bill 1532 and House Bill 1643 with the Board.

Director Fessler moved to authorize Mr. Evans to meet with the newly engaged lobbyist regarding the Authority's opposition of House Bill 1532, and with Directors Rowell, Fessler, Graham and Barker voting in favor, and Director Ramsey abstaining, the motion passed.

Director Barker then moved to authorize the Authority's General Counsel to conduct a legal analysis on House Bill 1643, and with all Directors present voting in favor, the motion passed.

CONSTRUCTION/ENGINEERING UPDATE

- A. Update on NEWPP Expansion Project. Mr. Walker provided an update regarding the NEWPP.
- B. Authorize final acceptance of the work and approve the final contract payments, pending TWDB acceptance and release of retainage. Director Fessler moved to authorize final acceptance of work and approve final contract payments for Projects 6C-1, 6C-2, and 25A, pending TWDB acceptance and release of retainage, and with all Directors present voting in favor, the motion passed.

AUTHORITY INSURANCE POLICIES AND ORDER ADOPTING A POLICY AND PROCEDURE REGARDING REIMBURSEMENT OF PRIVATE DEFENSE COSTS

Director Ramsey moved to discuss this item in executive session. Mr. Johnson advised that insurance policies can be discussed in open session, and recommended the Board obtain additional coverage.

Director Fessler moved to authorize the General Manager to investigate additional directors and officers coverages for an amount between \$50,000 and \$100,000, and with all Directors present voting in favor, the motion passed.

Discussion then ensued regarding suspension of the 21-Day Rule to adopt an Order Adopting Policy and Procedure Regarding Reimbursement of Private Defense Costs. Director Ramsey moved to suspend said rule, and with Directors Ramsey and Barker voting in favor, and Directors Rowell, Fessler, and Graham voting nay, the motion failed.

FUTURE AGENDA ITEMS

Director Graham requested that an item to amend or remove the 21-Day Rule be added to the February agenda, and Director Rowell requested an item for discussion regarding the Harris-Galveston Subsidence District letter be added.

NEXT REGULAR MEETING

Director Rowell advised that the next regular meeting will take place on February 3, 2025.

ADJOURNMENT

With no objection, Director Rowell adjourned the meeting at 8:51 p.m.

[EXECUTION PAGE FOLLOWS]

PASSED, APPROVED AND ADOPTED on the 3rd day of February, 2025.

Les Graham
Secretary, Board of Directors

