

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

February 3, 2025

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in public session, 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, 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; Mr. Paul Walker and Ms. Amber Batson of Carollo Engineers, Inc., Program Manager for the Authority; Ms. Cassandra Medina, Administrative Assistant for the Authority; Mr. John Howell of The GMS Group, L.L.C., co-financial advisor to the Authority; Leslie Cook and Jake Terry of RBC Capital Markets, co-financial advisor to the Authority; Carlton McDevitt and Todd Burrer of Inframark; 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 Mr. Carlton McDevitt led the attendees in the Pledges of Allegiance to the United States and Texas flags.

PUBLIC COMMENT

Mr. Norman Adamek addressed the Board.

Mr. Joseph Olson addressed the Board.

Mr. Jerry Homan addressed the Board.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell welcomed all attendees, both in-person and online, to the meeting.

Director Rowell advised that she attended the Association of Water Board Directors Winter conference.

MINUTES OF THE JANUARY 6, 2025 REGULAR BOARD MEETING

The Board, by general consent and hearing no objection, approved the minutes of the January 6, 2025 regular Board meeting.

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

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

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

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.
- B. Approve and authorize the GM to execute a Groundwater Reduction Plan Service Agreement between the Authority and NRG Texas Power, LLC. Mr. Evans, Mr. Chang, and Mr. Johnson then discussed with the Board the Groundwater Reduction Plan Service Agreement with NRG Texas Power. Upon motion by Director Graham, after full discussion and with Directors Graham, Fessler, Barker, and Ramsey voting in favor, and Director Rowell abstaining, the Board approved and authorized the GM to execute the Groundwater Reduction Plan Service Agreement between the Authority and NRG Texas Power, LLC.
- C. Authorize the GM to amend the Agreement with Moss Adams. Mr. Chang discussed an amendment to the Agreement with Moss Adams that would permit funding for Moss Adams's employees to make a trip to the Authority's office.

Upon motion by Director Ramsey, after full discussion and with Directors Ramsey, Rowell, Graham, and Barker voting in favor, and Director Fessler abstaining, the Board authorized the GM to amend the Agreement with Moss Adams and to coordinate said trip for a cost not to exceed \$10,000.

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 the legislative report received from the lobbyist, and advised the Board that Governor Abbott delivered the State of the State address and included a Texas-Size Investment in Water Infrastructure in his emergency items for the 89th Regular Session of the Texas Legislature..

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 Texas Water Development Board ("TWDB") acceptance and release of retainage. Mr. Singh recommended final acceptance of work and approval of the final contract payments for Projects 7D-1 and 25C, pending TWDB acceptance and release of retainage.

Director Barker moved to authorize final acceptance of work and approve final contract payments for Projects 7D-1 and 25C, pending TWDB acceptance and release of retainage, and with all Directors present voting in favor, the motion passed.

- C. Authorize the award of construction contract to MC2 Civil, LLC for Project 35B contingent on TWDB approval. Mr. Singh recommended the award of a construction contract to MC2 Civil, LLC for Project 35B.

Director Barker moved to cut the costs for all projects by ten percent and the motion failed. Director Fessler then moved to authorize the award of a construction contract to MC2 Civil, LLC for Project 35B, pending TWDB approval, and with Directors Fessler, Rowell, Graham, and Ramsey voting in favor, and Director Barker abstaining, the motion passed.

- D. Approve the Amended and Restated Professional Services Agreement with Inframark. Mr. Walker discussed amending the Professional Services Agreement with Inframark to include an expanded scope of services, a rate increase and an annual CPI adjustment. Mr. Burrer then introduced himself.

Upon motion by Director Fessler, after full discussion and with all Directors present voting in favor, the Board approved the Amended and Restated Professional Services Agreement with Inframark.

BOND REFUNDING OPPORTUNITY

Mr. Howell recommended the issuance of a Second Senior Lien Revenue Refunding Bonds to refund only the bonds that contribute positively to the Authority's present value savings.

Ms. Cook introduced Mr. Terry to the Board. Discussion ensued as to whether The GMS Group or RBC Capital Markets is responsible for financial advisor matters related to refunding bonds.

Upon motion by Director Ramsey, seconded by Director Fessler, after full discussion and with Directors Ramsey, Fessler, Rowell and Barker voting in favor, and Director Graham voting nay, the Board authorized the GM to post an RFQ for a financial advisor.

AMENDMENT TO THE AUTHORITY'S PROCEDURAL RULES

Mr. Johnson discussed removing the 21-day rule for an amendment to the Authority's Procedural Rules as requested by Director Graham. Director Ramsey recommended that all amendments to the Procedural Rules be made prior to the draft agenda being distributed to the Board.

Director Rowell moved to change the said rule to reflect a seven-day notice for agenda item requests. Director Barker then moved to amend Director Rowell's motion to include a requirement for a unanimous vote of those Directors present to waive the notice requirement. With Directors Fessler, Barker, and Ramsey voting in favor, and Directors Rowell and Graham voting nay, Director Barker's motion to amended Director Rowell's motion passed.

After full discussion and with all Directors present voting in favor, the motion to change the 21-day rule to reflect a seven-day notice for amendments to the Procedural Rules and require a unanimous vote of those Directors present to waive the notice requirement.

AMENDMENT TO AUTHORITY RATE ORDER TO ADD FEES FOR NEW GRP COVERAGE

Mr. Chang reviewed with the Board the fees for new groundwater reduction plan ("GRP") coverage.

Upon motion by Director Fessler, after full discussion and with Directors Fessler, Rowell, Graham, and Barker voting in favor, and Director Ramsey abstaining, the Board approved scheduling of a workshop for the stakeholders.

ECONOMIC IMPACT STUDY

This item was postponed.

SUSTAINABILITY OF WATER RATES

Discussion ensued regarding the sustainability of water rates.

H.B. 1643 ("Bill")

Mr. Johnson discussed the proposed Bill with the Board.

Upon motion by Director Ramsey, after full discussion and with Directors Ramsey, Graham, and Barker voting in favor, and Directors Rowell and Fessler voting nay, the Board authorized Mr. Evans to instruct the Authority's lobbyist to support H.B. 1643 and find out what amendments will make the bill more palatable.

FUTURE AGENDA ITEMS

Director Rowell reminded the Board that it would hold a workshop to further discuss fees for new GRP coverage.

NEXT REGULAR MEETING

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

ADJOURNMENT

With no objection, Director Rowell adjourned the meeting at 9:23 p.m.

[EXECUTION PAGE FOLLOWS]

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

Tom Graham

Secretary, Board of Directors

