

**MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

May 4, 2026

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:

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

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Jun Chang, P.E., BC.WRE, General Manager for the Authority; Mr. Mark Evans, Director of Planning and Governmental Affairs for the Authority; Ms. Cynthia Plunkett, Finance Director for the Authority; Mr. John Howell, of the GMS Group, L.L.C., Financial Advisor for the Authority; Ms. Amber Batson, P.E. of Carollo Engineers, Inc., Engineers for the Authority; Mr. Raj Singh, P.E., the Authority’s Engineering Manager; Ms. Kassandra Medina, Administrative Assistant for the Authority; Mr. Andrew P. Johnson, III, Attorney, and Mrs. Teresa Menacho, Paralegal, of Johnson Petrov LLP, General Counsel for the Authority; Mr. Clayton Roger, of Patillo, Brown & Hill, L.L.P., the Authority’s Auditor; and other members of the public and consultants to the Authority. 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.

PRAYER

Director Barker led the Board in prayer.

CALL TO ORDER

Director Ramsey, 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. Rod Rudine of Texas Ground Works Management addressed the Board regarding his company’s capabilities and services.

Mr. Jerry Homan presented comments to the Board regarding the Authority’s agenda items.

Mr. Chris Carter of Riverstone Property Management addressed the Board regarding relocation of the Authority offices.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell gave her messages and comments.

MINUTES FROM APRIL 6, 2026, REGULAR BOARD MEETING

Director Ramsey provided comments to the proposed minutes. Director Barker moved to approve the minutes with Director Ramsey's requested revisions of the April 6, 2026 Board meeting, subject to the agreed revisions discussed, and with all Directors present voting in favor, the motion passed.

Director Rowell requested the Board to amend the minutes to include her written statements presented at the meeting of April 6, 2026, as done in past meetings. Director Ramsey moved to leave the approval of the minutes as revised and defer voting on including Director Rowell's requested amendment to the minutes to next month's meeting, and with all Directors present voting in favor, the motion passed.

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

Mrs. Plunkett reviewed the Authority's Financial Report, including the checks being presented for payment. Director Fessler moved to approve the Financial Report, and with all Directors present voting in favor, the motion passed.

REVIEW AND APPROVE AUDIT REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2025; AND AUTHORIZE FILING OF SAME

Mr. Chang stated that the audit needed to be approved today so the Authority could file it by the deadline with the Texas Commission on Environmental Quality and the Texas Water Development Board and asked the Board to waive its informal first reading/second reading policy.

Mr. Rogers of Patillo, Brown & Hill, L.L.P., the Authority's Auditor, presented the final Annual Financial Report for the fiscal year ending December 31, 2025 (the "Audit"), which indicated a clean audit opinion, and answered questions from the Board. Director Graham moved to approve the Audit, and with all Directors present voting in favor, the motion passed.

GENERAL MANAGER'S REPORT

A. Status of Water Supply and Conversion. Ms. Batson presented an update on surface water conversion progress during the current permit year, including charts illustrating conversion trends over time.

B. NEWPP Expansion Project. Mr. Singh gave an update to the Board and reported that Phase 1 and Phase 2 are online now.

C. NHCRWA Office Relocation. Mr. Chang reported that he and the owner of the office building located at 19450 SH249 had reached an agreement and was asking the Board for authorization to execute the corresponding lease. Director Fessler moved to authorize Mr. Chang to sign the lease for the new office location on behalf of the Authority on the condition that Mr. Chang is satisfied with the legal terms thereof, and with all Directors present voting in favor, the motion passed.

D. Purchase of Harris–Galveston Subsidence District Groundwater Credits. Mr. Chang recommended that the Authority purchase Groundwater Conservation credits from entities that are willing to sell them at deep discounted price, noting that the Authority is projected to fall short of its required conversion numbers. He further explained that the Authority will benefit from acquiring additional Groundwater Conservation credits and use them to fulfill the conversion requirement instead of using Over-Conversion Credits which are more valuable. Director Graham moved to authorize Mr. Chang to negotiate and execute contracts for the purchase of Groundwater Conservation credits, and with all Directors present voting in favor, the motion passed.

OPERATOR’S REPORT

A. Waterline Leak/Sinkhole Repair. Mr. Singh reported on the status of the waterline leak repair and sinkhole on Veterans Memorial Drive at Bammel North Houston Road. He indicated that after receiving an after-hour’s call from Precinct 1, the Authority’s operator and on-call repair contractor were there that evening to investigate. They did not find a leak in the Authority’s water line under the sinkhole, noting the existence of other utility lines in near proximity to the sinkhole. He is not sure at this time of the sole contributor to the sinkhole. There was leakage in the Authority’s 36-inch line farther away from the sinkhole. He reported that the Authority’s 36-inch line has since been fixed, and that the Authority will start the disinfection process and testing to put the line back in service.

B. Improvements to Leak Detection. Mr. Chang stated that locating a leak is very challenging. He reminded the Board that in the past the option of installing smart meters within the distribution system had been discussed; but that implementation had been postponed due to cost. However, he stated that the Authority’s infrastructure is aging, and that the Board may want to revisit the option of installing smart meters or other options to detect leaks.

GROUNDWATER REDUCTION PLAN (“GRP”) PARTICIPATION FEE

Mr. Chang stated that he would present the annual Recalculation of the New Participation Fees next month to the Board for approval per Section 3.08(c) of the Authority’s current Rate Order. He stated that the fee would increase from \$2.82 to \$2.93 for new participants.

TEXAS WATER DEVELOPMENT BOARD ("TWDB") WATER SUPPLY INFRASTRUCTURE GRANT

Ms. Batson reported to the Board that HB500 from the 89th Texas Legislative Session appropriated over \$1B in grant funds for Water Supply Infrastructure Grants, to be administered by TWDB, and discussed potential Authority projects eligible for grant funding. She stated that Mr. Chang will bring a resolution to the next meeting for approval which needs to be included in the Authority's application for the grant that is due by July 30, 2026.

At this time Director Ramsey called for a 15-minute temporary recess at 7:38 p.m. At 7:50 p.m., Director Ramsey reconvened the meeting.

WATER RATES AND DISTRICT IMPROVEMENT FUND

Mr. John Howell, the Authority's Financial Advisor, stated that the Raftelis Rate Study recommended a water rate increase of \$2.08 by January 2026. Mr. Howell suggested a "50-50-50" plan: three incremental \$0.50 increases on August 2026, January 2027, and July 2027. Director Ramsey requested Mr. Howell to prepare alternative scenarios in which an increase would take effect in January 2027: one reflecting a \$0.50 increase and another reflecting a \$1.00 increase.

Discussion ensued regarding Authority water rates.

Director Ramsey asked Mr. Howell to review if the Authority could pay off certain outstanding debt early (capital contributions and chloramination credits).

CONSERVATION GROUNDWATER RATE.

Director Barker circulated a chart titled December 2025 Water Usage Summary for Connected MUDs by Water Type. Ms. Batson noted that all the data should be considered as preliminary estimates, and that the chart does not reflect interconnected MUDs or shared facilities. Discussion ensued. No action taken.

Director Graham left the meeting.

FUTURE AGENDA ITEMS

No new items.

NEXT REGULAR MEETING

The Board will tentatively hold its next regular Board meeting on June 1, 2026.

ADJOURNMENT

With no additional matters to discuss, Director Rowell moved adjourn, and with all Directors present voting in favor, the motion passed. The meeting was adjourned at 9:21 p.m.

PASSED, APPROVED AND ADOPTED on the 1st day of June, 2026.


Secretary, Board of Directors

