

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

June 3, 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, 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. Cassandra 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. Rafael Ortega of Aurora Technical Services; Mr. Andrew P. Johnson, III, attorney, and Ms. Mirna Croon, 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. She then shared an inspiring message authored by Harris County Precinct 4 Commissioner Leslie Briones.

The meeting was then continued with Director Rowell leading the Pledges of Allegiance to the United States and Texas flags.

PUBLIC COMMENT

Mr. Jerry Homan, representing Harris County Fresh Water Supply District No. 61, discussed the legislation surrounding tax exemptions for multifamily developments and how these exemptions result in decreased tax values for governmental entities

## MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell thanked everyone for attending. Director Rowell then shared a list of characteristics that a Board member should possess.

## MINUTES OF MAY 6, 2024, BOARD MEETING

Director Fessler moved to approve the minutes of the May 6, 2024, Board meeting, and with all Directors present voting in favor, the minutes were approved.

## 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, including the checks being presented for payment and with Directors Rowell, Fessler, Graham, and Barker voting in favor, and Director Ramsey voting against, the motion passed.

Director Rowell inquired on the submission of the annual audit. Ms. Plunkett responded that McCall Gibson Swedlund Barfoot is the CPA firm that does the review of the annual audit. They are still working with the audit firm to get the necessary information to complete their report.

## APPOINTMENT OF DESIGNATED AGENT FOR NOVEMBER 5, 2024 ELECTION.

Director Fessler moved to appoint Monica Garza as the Authority's designated agenda for the November 4, 2024, Directors Election, and with Directors Rowell and Fessler voting in favor, and Directors Graham, Baker, and Ramsey voting against, the motion failed.

Director Barker then moved to appoint Johnson Petrov as the Authority's designated agent for the November 4, 2024, Directors' Election, and with all Directors present voting in favor, the motion passed.

## GENERAL MANAGER'S REPORT

- A. Status of Water Supply and Conversion. Mr. Walker provided an update on the progress of converting surface water within the current permit year. He reported that the conversion rate in April 2024, was 32.9 percent. The surface water delivery rate in May 2024 was 29.1 MGD.
- B. Alternative Water Use Incentive Agreement with Charterwood Municipal Utility District ("Alternative Water Use Agreement with Charterwood MUD").

Mr. Evans presented and reviewed the Alternative Water Use Agreement, a copy of which is attached hereto as Exhibit "B".

Mr. Evans and Mr. Chang then responded to questions from the Board regarding the Alternative Water Use Agreement with Charterwood MUD.

Discussion ensued after which the Board agreed to table this matter until the next Board meeting.

- C. First Amendment to Alternative Water Use Incentive Agreement between the North Harris County Regional Water Authority and Champions Municipal Utility District, Cypress Forest Public Utility District, and Kleinwood Joint Powers Board ("First Amendment to Alternative Water Use Incentive Agreement").

Mr. Evans presented and reviewed the First Amendment to Alternative Water Use Incentive Agreement, a copy of which is attached hereto as Exhibit "C".

Director Fessler moved to approve the First Amendment to Alternative Water Use Incentive Agreement, and with all Directors present voting in favor, the motion passed.

#### OPERATIONS STATUS REPORT

Mr. McDevitt presented the Operations Report, a copy attached hereto as Exhibit "D". Mr. McDevitt reported that the existing Northeast Water Purification Plant ("NEWPP") had to be shut down due to electrical and other issues. Mr. McDevitt noted that the Authority received all needed surface water from the new NEWPP expansion.

#### REPORT FROM DIRECTOR OF PLANNING AND GOVERNMENTAL AFFAIRS

Mr. Evans reported that the Harris-Galveston Subsidence District ("Subsidence District") annual groundwater report has been approved and posted on the Subsidence District's website. He further reported that the Subsidence District gave a status update on the joint regulatory plan review and intends to hold a workshop related to the joint regulatory plan either in July or more likely in August. Mr. Evans gave an update on recent run off elections.

#### CONSTRUCTION/ENGINEERING UPDATE

- A. Update on NEWPP Expansion project. Mr. Walker provided an update regarding the NEWPP. As previously mentioned by Mr. McDevitt, the original NEWPP experienced a shutdown on May 23, 2024. A root cause analysis was conducted to identify the underlying issue and to ensure that such an incident does not occur in the future. To compensate for the deficit in production caused by the existing plant's shutdown, the output from the expansion plant was promptly increased. This swift action allowed the expansion plant to effectively bridge the gap and meet the required water demand.
- B. Authorize General Manager to award contract for construction of Project 31A. Upon motion by Director Barker, and with all Directors present voting in favor, the Board authorized the General Manager to award Project 31A to Reytec Construction Resources in the amount of \$26,361,891.50, as recommended by the Authority's Engineer.

- C. Authorize General Manager to award contract for construction of Project 35D. Upon motion by Director Fessler, and with all Directors present voting in favor, the Board authorized the General Manager to award the Project 35D Contract to Persons Services Corporation in the amount of \$7,711,319, as recommended by the Authority's Engineer.

#### REVIEW OF AUTHORITY CONSULTANTS

There was no action.

#### GROUND REDUCTION PLAN ("GRP") COMMITTEE UPDATE

Mr. Chang presented a memo to the Board on the committee's meetings and provided an update on the GRP Committee meeting, regarding Capital Recovery fees on development.

Mr. Chang clarified that there is no action requested at this time and then expressed his gratitude to Mr. Homan, Mr. Porter, and Directors Fessler and Barker for dedicating their time to discuss and deliberate on this important issue.

#### BOARD DISCUSSION OF POTENTIAL FUTURE AGENDA ITEMS

Mr. Johnson updated the Board regarding a request to the Harris-Galveston Subsidence District ("Subsidence District") to adjust the mandatory conversion dates. Mr. Johnson explained that the Subsidence District is still finalizing review of the joint regulatory plan as Mr. Evans stated. Mr. Johnson explained that the results of the joint regulatory plan review may impact the Authority's request and approach to the Subsidence District, so he is waiting on the plan review to finalize the letter.

#### NEXT REGULAR MEETING WILL BE MONDAY, JULY 1, 2024

There was no action.

#### PUBLIC COMMENT

Mr. Jerry Homan, representing Harris County Fresh Water Supply District No. 61, expressed his views on the Authority's request to the Subsidence District regarding the adjustment of mandatory conversion dates.

#### ADJOURNMENT.

With no additional matters to discuss, the meeting was adjourned at 7:43 p.m.

PASSED, APPROVED AND ADOPTED on the 5th day of August 2024.

*Lon Bullock*  
Secretary, Board of Directors

