

The background of the slide is a photograph of ocean waves, rendered in a monochromatic blue color scheme. The waves are breaking and creating white foam, set against a clear blue sky.

NHCRWA

Special Board Meeting

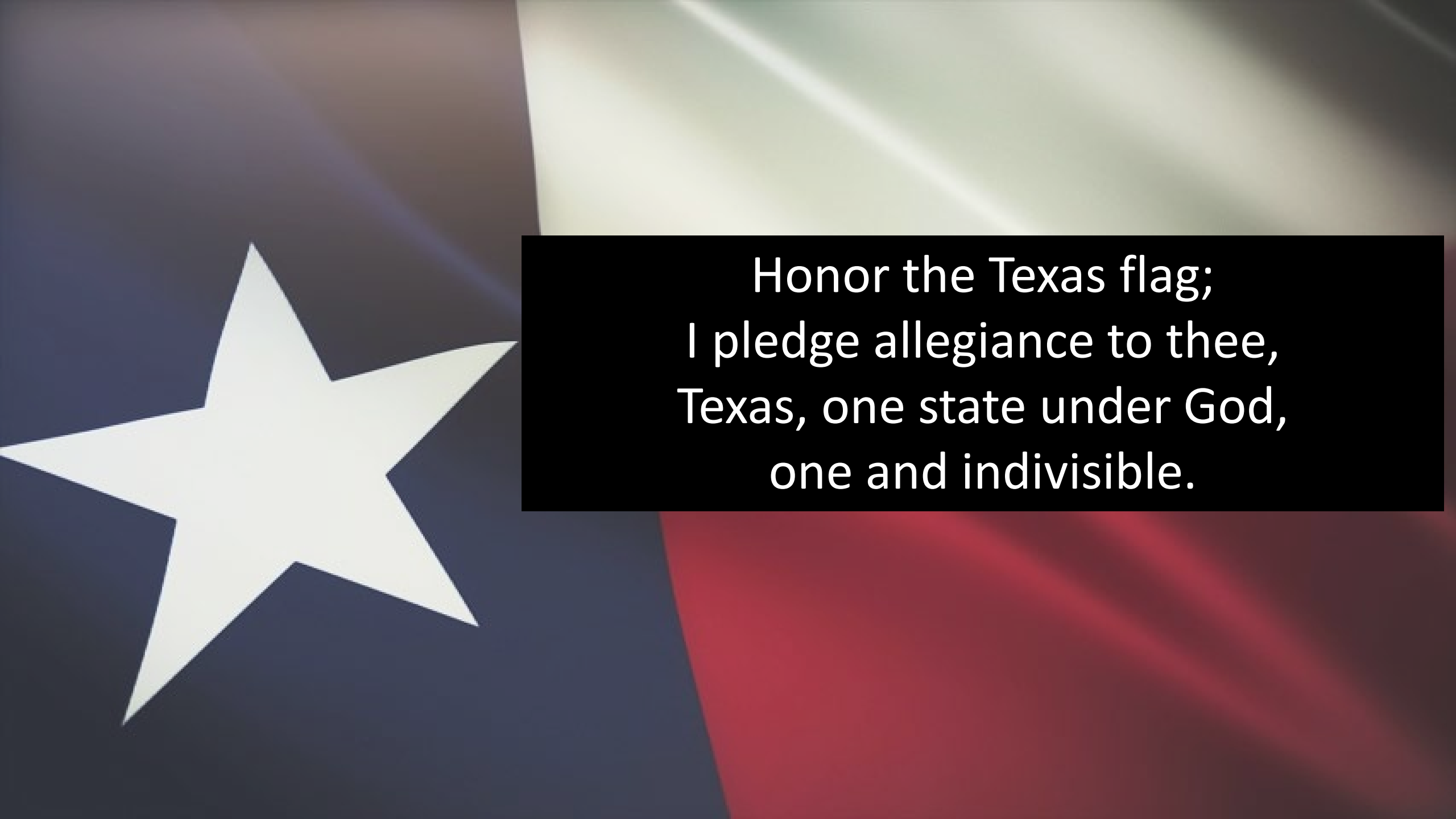
September 16, 2024

Call to Order

- Invocation
- Pledges of Allegiance



I pledge Allegiance to
the flag of the United
States of America and to
the Republic for which
it stands, one nation
under God, indivisible,
with Liberty and Justice
for all.



Honor the Texas flag;
I pledge allegiance to thee,
Texas, one state under God,
one and indivisible.

Public Comments

Messages from the President and
Board Members

Approve minutes from the July 1, 2024, and
August 5, 2024, regular meeting

General Manager's Report

- Status of surface water supply and conversion

A faint, light-colored map of Harris County, Texas, serves as the background for the slide. It shows the county's outline and internal district boundaries.

Operations Status Report

Report from Director of Planning and Governmental Affairs

Supplemental Notice of Public Meeting

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY SUPPLEMENTAL NOTICE OF PUBLIC MEETING

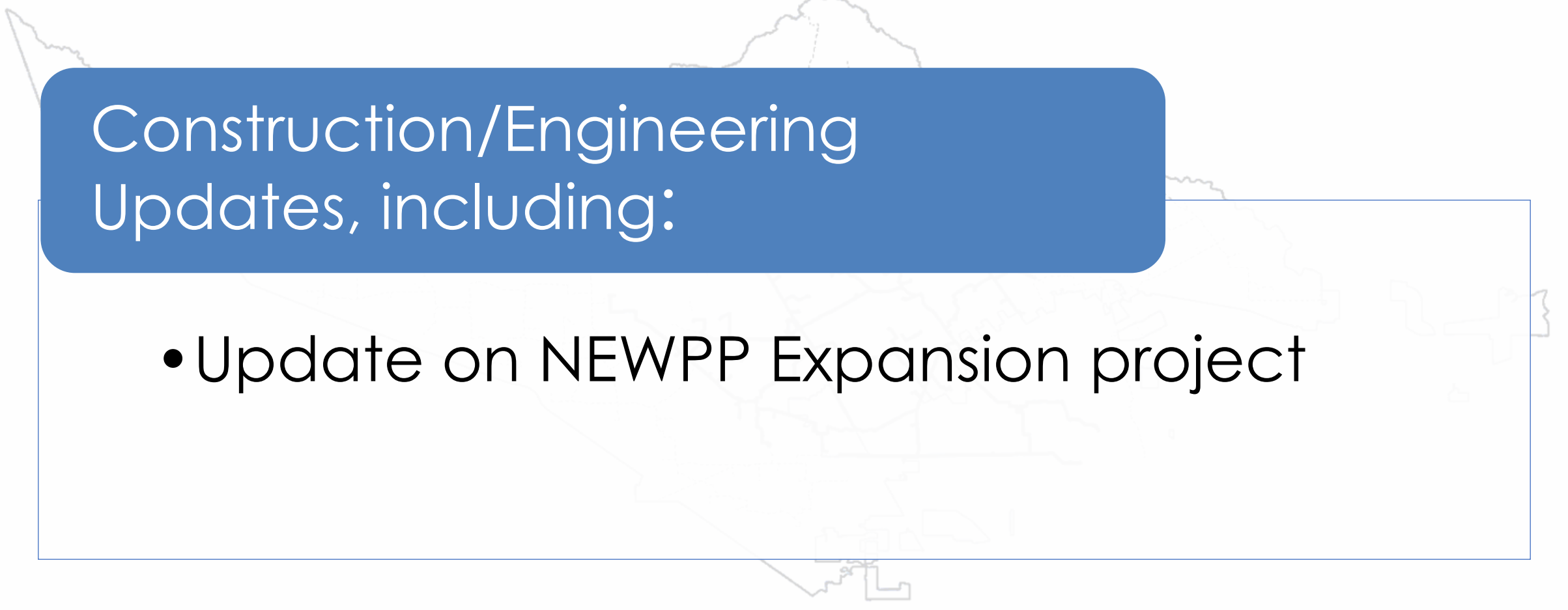
Notice is hereby given to all interested members of the public pursuant to Chapter 551 of the Texas Government Code that the Board of Directors of North Harris County Regional Water Authority will meet in special session, open to the public at the Authority's Office, 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068. The meeting will be held at **6:00 P.M.** on **MONDAY, SEPTEMBER 16, 2024.** The purpose of the meeting will be to consider and act up on the following:

ELECTION AGENDA:

1. Update on November 5, 2024 Directors Election matters, and take any necessary actions on same;

The Authority will broadcast this meeting on Zoom. People must register to view and/or listen to the meeting on Zoom at <https://tinyurl.com/3n45zd9b>. Upon registration, a telephone number to listen to the meeting, a link to watch the meeting, and a password will be provided. **People viewing/listening to the meeting on Zoom will NOT be able to address the Board during the meeting. The Authority makes no assurances that all or any business conducted during this meeting will be visible or audible to people monitoring the meeting on Zoom. The Zoom broadcast will be recorded.**

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A faint, light blue outline map of Harris County, Texas, serves as a background for the slide. A dark blue rounded rectangle is overlaid on the map, containing the main text.

Construction/Engineering Updates, including:

- Update on NEWPP Expansion project

Amendment to the Authority Rules of Procedure to increase the maximum fees of office

Amendment to the Authority Rules of Procedure to remove 4.04.C regarding acceptance of campaign contributions

Approve DBK, Inc.'s proposal to work with the board for financial assessment and consulting

Report on Conflict-of-Interest Policy compliance and any resulting issues

RFQ on Internal Process and Controls Review/Audit

Amendment to the Authority Pricing Policy to lower water and pumpage rates

Resolution to not consider any contracts in excess of \$100,000 from 9-16-2024 through 2-1-2025

Resolution to declare a moratorium on acceptance of campaign contributions from anyone doing business with the Authority or Staff from 9-16-2024 through 2-1-2025, inclusive

Resolution to voluntarily not accept campaign contributions from any individual working for a company doing business with or seeking to do business with the Authority

Organization of the Board and Election of Officers

Review Personnel Matter, including Employee
Performance Reviews


Letter to Harris-Galveston Subsidence District

A faint, light gray map of the North Harris County region serves as the background for the slide. It shows the county's irregular boundary and internal district or sub-county lines.

Board discussion of potential future agenda items

The background of the slide is a light blue gradient. On the left side, there is a vertical splash of water with bubbles. In the center, there is a faint, light-colored map outline of Harris County, Texas, showing its various districts and boundaries.

Next regular meeting
Monday, October 7, 2024,

The background of the slide is a light blue gradient with a faint, white outline map of Harris County, Texas. On the left side, there is a vertical splash of water with bubbles, extending from the top to the bottom of the page.

Public Comment,
limited to one (1) minute per person for a maximum
of ten (10) minutes

A faint, light blue outline map of Harris County, Texas, is centered in the background. The map shows the county's irregular shape and internal district boundaries. The word "ADJOURN" is superimposed over the center of the map.

ADJOURN

**NORTH HARRIS COUNTY
REGIONAL WATER AUTHORITY**

MEETING PACKET

September 16, 2024

**AMENDED AND RESTATED AGENDA
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

Notice is hereby given that pursuant to Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, both as amended, the Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") will meet in special session, open to the public, on **Monday, September 16, 2024, at 6:00 p.m.**, at the **Authority's Office, 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068** to consider and act on the matters listed below: (all estimated times are approximate)

1. Call to Order:
 - a. Invocation;
 - b. Pledges of Allegiance;
2. Public Comments (*Members of the public who have signed a blue card and wish to speak to the Board will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the comment is on the agenda, the staff and Board Members are prevented from discussing the subject and may respond only with statements of factual information or existing policy. Comments are limited to three (3) minutes per person for a maximum of 30 minutes.*); [approx. 30 min]
3. Messages from the President and Board Members; [approx. 10 min]
4. Approve minutes from the July 1, 2024 and August 5, 2024 regular board meetings; [approx. 2 min]
5. General Manager's Report: [approx. 15 min]
 - a. Status of surface water supply and conversion;
6. Operations status report; [approx. 5 min]
7. Report from Director of Planning and Governmental Affairs; [approx. 5 min]
8. Supplemental Notice of Public Meeting; [approx. 5 min]
9. Construction/Engineering Updates, including: [approx. 10 min]
 - a. Update on NEWPP Expansion project;
10. Amendment to the Authority Rules of Procedure to increase the maximum fees of office; [approx. 5 min]
11. Amendment to the Authority Rules of Procedure to remove 4.04.C regarding acceptance of campaign contributions; [approx. 5 min]
12. Approve DBK, Inc.'s proposal to work with the board and GM for financial assessment and consulting; [approx. 5 min]
13. Report on Conflict-of-Interest Policy compliance and any resulting issues; [approx. 5 min]
14. RFQ on Internal Process and Controls Review/Audit; [approx. 5 min]
15. Amendment to the Authority Pricing Policy to lower water and pumpage rates; [approx. 5 min]

16. Resolution to not consider any contracts in excess of \$100,000 from 9-16-2024 through 2-1-25; [approx. 5 min]
17. Resolution to declare a moratorium on acceptance of campaign contributions from anyone doing business with the Authority or Staff from 9-16-24 through 2-1-25, inclusive; [approx. 5 min]
18. Resolution to voluntarily not accept campaign contributions from any individual working for a company doing business with or seeking to do business with the Authority; [approx. 5 min]
19. Organization of the Board and Election of Officers; [approx. 5 min]
20. Review Personnel Matters, including Employee Performance Reviews; [approx. 5 min]
21. Letter to Harris-Galveston Subsidence District; [approx. 10 min]
22. Board discussion of potential future agenda items; [approx. 5 min]
23. Next regular meeting will be Monday, October 7, 2024;
24. Public Comment, limited to one (1) minute per person for a maximum of ten (10) minutes;
25. Adjourn.

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by the Texas Open Meetings Act or other applicable law, including, but not limited to Section 551.071, for the purpose of a private consultation with the Board's attorney on any and all subjects or matters authorized by law.

The Authority will broadcast this meeting on Zoom. People must register to view and/or listen to the meeting on Zoom at <https://tinyurl.com/3n45zd9b>. Upon registration, a telephone number to listen to the meeting, a link to watch the meeting, and a password will be provided. **People viewing/listening to the meeting on Zoom will NOT be able to address the Board during the meeting. The Authority makes no assurances that all or any business conducted during this meeting will be visible or audible to people monitoring the meeting on Zoom. The Zoom broadcast will be recorded.**

EXECUTED the 13th day of September 2024.



NORTH HARRIS COUNTY REGIONAL
WATER AUTHORITY

By: 

Andrew P. Johnson, III
Johnson Petroy LLP
Attorneys for the Authority

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Notice is hereby given to all interested members of the public pursuant to Chapter 551 of the Texas Government Code that the Board of Directors of North Harris County Regional Water Authority will meet in special session, open to the public at the Authority's Office, 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068. The meeting will be held at **6:00 P.M.** on **MONDAY, SEPTEMBER 16, 2024.** The purpose of the meeting will be to consider and act up on the following:

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AUTORIDAD REGIONAL DEL AGUA DEL CONDADO DE HARRIS DEL NORTE

AVISO COMPLEMENTARIO DE REUNIÓN PÚBLICA

Por la presente se notifica a todos los miembros interesados del público de conformidad con el Capítulo 551 del Código de Gobierno de Texas que la Junta Directiva de la Autoridad Regional del Agua del Norte del Condado de Harris se reunirá en sesión especial, abierta al público en la Oficina de la Autoridad, 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068. La reunión se llevará a cabo a **LAS 6:00 P.M.** el **LUNES 16 DE SEPTIEMBRE DE 2024.** El propósito de la reunión será considerar y actuar sobre lo siguiente:

ORDEN DEL DÍA DE LAS ELECCIONES:

1. Actualización sobre los asuntos relacionados con la elección de directores del 5 de noviembre de 2024 y tomar las medidas necesarias al respecto;

La Autoridad transmitirá esta reunión por Zoom. Las personas deben registrarse para ver y/o escuchar la reunión en Zoom a <https://tinyurl.com/3n45zd9b>. Al registrarse, se proporcionará un número de teléfono para escuchar la reunión, un enlace para ver la reunión y una contraseña. **Las personas que vean/escuchen la reunión en Zoom NO podrán dirigirse a la Junta Directiva durante la reunión. La Autoridad no garantiza que todos o algunos de los asuntos realizados durante esta reunión sean visibles o audibles para las personas que supervisan la reunión en Zoom. La transmisión de Zoom será grabada.**

* * * * *

CƠ QUAN QUẢN LÝ NƯỚC KHU VỰC QUẬN BẮC HARRIS
THÔNG BÁO BỔ SUNG VỀ CUỘC HỌP CÔNG KHAI

Thông báo được gửi đến tất cả các thành viên quan tâm của công chúng theo Chương 551 của Bộ luật Chính phủ Texas rằng Hội đồng quản trị của Cơ quan Nước Khu vực Quận Bắc Harris sẽ họp trong phiên họp đặc biệt, mở cửa cho công chúng tại Văn phòng Cơ quan, 3648 Cypress Creek Pkwy., Suite 110, Houston, Quận Harris, Texas 77068. Cuộc họp sẽ được tổ chức vào lúc **6:00 CHIỀU**, vào **THỨ HAI, NGÀY 16 THÁNG 9 NĂM 2024**. Mục đích của cuộc họp sẽ là xem xét và hành động như sau:

CHƯƠNG TRÌNH BẦU CỬ:

1. Cập nhật vào ngày 5 tháng 11 năm 2024 Các vấn đề bầu cử giám đốc và thực hiện bất kỳ hành động cần thiết nào về vấn đề này;

Cơ quan sẽ phát sóng cuộc họp này trên Zoom. Mọi người phải đăng ký để xem và/hoặc nghe cuộc họp trên Zoom tại <https://tinyurl.com/3n45zd9b>. Sau khi đăng ký, một số điện thoại để nghe cuộc họp, một liên kết để xem cuộc họp và mật khẩu sẽ được cung cấp. **Những người xem/nghe cuộc họp trên Zoom sẽ KHÔNG thể phát biểu trước Hội đồng quản trị trong cuộc họp. Cơ quan không đảm bảo rằng tất cả hoặc bất kỳ hoạt động kinh doanh nào được tiến hành trong cuộc họp này sẽ hiển thị hoặc nghe thấy đối với những người theo dõi cuộc họp trên Zoom. Chương trình phát sóng Zoom sẽ được ghi lại.**

* * * * *

北哈裡斯縣地區水務局
公開會議補充通知

根據德克薩斯州政府法典第 551 章，特此通知所有感興趣的公眾，北哈裡斯縣地區水務局董事會將召開特別會議，向公眾開放，地點為管理局辦公室，位址為 3648 Cypress Creek Pkwy., Suite 110, Houston, Harris County, Texas 77068。會議將於 下午 6 : 00 舉行。於 2024 年 9 月 16 日星期一。會議的目的是考慮並採取行動：

選舉議程：

1. 2024 年 11 月 5 日更新董事選舉事宜，並採取任何必要行動；

管理局將在 Zoom 上直播這次會議。人們必須在 <https://tinyurl.com/3n45zd9b> 上註冊才能在 Zoom 上查看和/或收聽會議。註冊后，將提供用於收聽會議的電話號碼、用於觀看會議的連結和密碼。在 Zoom 上查看/收聽會議的人員將無法在會議期間向董事會發表講話。管理局不保證在本次會議期間進行的所有或任何業務對於在 Zoom 上監控會議的人都是可見或可聽見的。將錄製 Zoom 廣播。

* * * * *

EXECUTED the 13th day of September 2024.



NORTH HARRIS COUNTY REGIONAL
WATER AUTHORITY

By: _____

Andrew P. Johnson, III
Andrew P. Johnson, III
Johnson Petroy LLP
Attorneys for the Authority

THIS NOTICE OF PUBLIC MEETING IS INTENDED TO BE A SUPPLEMENTAL NOTICE FOR THE PURPOSE OF ADDING ADDITIONAL SUBJECTS TO THE AGENDA FOR SUCH MEETING WHICH HAS PREVIOUSLY POSTED IN ACCORDANCE WITH THE OPEN MEETINGS LAW.

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

July 1, 2024

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") gathered for the scheduled regular 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 only Director Rowell, President, and Fessler, Vice-President, were present, thereby lacking of quorum of the Board. Directors Graham, Barker and Ramsey were not present. At 6:15 p.m., after waiting a reasonable amount of time and still lacking a quorum, the Board President announced that a special meeting would likely be scheduled to obtain a quorum and conduct Authority business for the month of July, and adjourned the July 1, 2024 Board of Directors meeting.

PASSED, APPROVED AND ADOPTED on the ____ day of _____, 2024.

Secretary, Board of Directors



MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

August 5, 2024

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular 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; Ms. Kassandra Medina, Administrative Assistant for the Authority; Mr. Paul Walker, P.E., of Carollo Engineers, Inc., Program Manager for the Authority; Mr. Carlton McDevitt of Inframark, LLC, Operator for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services; and Mr. Andrew P. Johnson, III, and Zachary Petrov, Attorneys, and 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. The invocation was delivered by Mr. Russell Rush, representing Harris County Municipal Utility District No. 341.

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, a representative of Harris County Fresh Water Supply District No. 61, commented on the lack of a quorum at the Authority's July 1, 2024 Board meeting. He also shared his thoughts on the agenda items scheduled for discussion, specifically the proposed amendment to the pricing policy and letter to the Harris-Galveston Subsidence District.

Next, Mr. Jack Abercia, a representative of Harris County Municipal Utility District No. 82, discussed electricity billing issues during power outages.

Mr. Ron Champman of Harris County Municipal Utility District No. 222 asked the Board members about their reasons for running for the Authority's Board of Directors and what they hoped to achieve through their service on the Board.

Ms. Marcie Thomas of Harris County Water Control and Improvement District No. 132 opined regarding the Board members absences at scheduled meetings.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Barker provided an explanation for his absence from the previous Board meeting.

On behalf of the Authority, Director Fessler offered condolences to Mr. Nick Fava following the recent loss of his wife.

Director Rowell expressed gratitude to all attendees. She then requested that Directors notify the President, General Manager, or Attorney in advance if they anticipate being unable to attend a Board meeting.

Additionally, Director Rowell shared updates on her recent activities, which included:

1. Attending the Association of Water Board Directors Summer Conference;
2. Participating in Board meetings of the Cypress Creek Drainage Improvement District; and
3. Attending the Harris County Precinct 3 Townhall Meeting held on July 31, 2024

MINUTES OF JUNE 3, 2024 AND JULY 11, 2024, BOARD MEETINGS

Director Fessler moved to approve the minutes of the June 3, 2024 and July 11, 2024, Board meetings, 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 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 June 2024 was over 30 percent. He noted that the amount of surface water delivered has decreased due to a wet summer.

- B. Authorize General Manager to Award Contract for Construction of Project 31B ("Project 31B"). Mr. Singh presented a recommendation letter to the Board regarding Project 31B, which involves the construction of 30-inch and 12-inch waterlines along Windfern Road and Fallbrook Drive, extending from Project 31A to water receiving facilities. He recommended awarding the contract to MC2 Civil, LLC for \$27,696,852.25. A copy of the Recommendation Letter is attached hereto as Exhibit "B".

Discussion ensued after which Director Graham moved to award the Project 31B Contract to MC2 Civil, LLC, in the amount of \$27,696,852.25, and with Directors Rowell, Fessler, and Graham voting in favor, and with Directors Barker and Ramsey voting against, the Board awarded the Project 31B Contract to MC2 Civil, LLC, in the amount of \$27,696,852.25, as recommended.

- C. Authorize General Manager to Award Contract for Construction of Project 35A ("Project 35A"). Mr. Singh presented a recommendation letter to the Board regarding Project 35A, which involves the construction of 30-inch and 12-inch waterlines from Reid Road No. 2 Water Plant to West Road North Harris County Regional Water. He recommended awarding the contract to Principal Services, LTD for \$16,194,662.20. A copy of the Recommendation Letter is attached hereto as Exhibit "B-1".

Discussion ensued after which Director Fessler moved to award the Project 35A Contract to Principal Services, LTD, in the amount of \$16,194,662.20, and with Directors Rowell, Fessler, and Graham voting in favor, and with Directors Barker and Ramsey voting against, the Board awarded the Project 35A Contract to Principal Services, LTD for \$16,194,662.20, as recommended.

- D. Authorize General Manager to Award Contract for Construction of Project 35C ("Project 35C"). Mr. Singh presented a recommendation letter to the Board regarding Project 35C, which involves the construction of 24-inch and 12-inch waterlines from Jones Road to Cypress Creek Parkway. He recommended awarding the contract to E.P. Brady, LTD for \$23,073,880.50. A copy of the Recommendation Letter is attached hereto as Exhibit "B-2".

Discussion ensued after which Director Fessler moved to award the Project 35C Contract to E.P. Brady, LTD for \$23,073,880.50, and with Directors Rowell, Fessler, and Graham voting in favor, and with Directors Barker and Ramsey voting against, the Board awarded the Project 35C Contract to E.P. Brady, LTD for \$23,073,880.50, as recommended.

- E. Approve and authorize execution of Financing Agreement(s) with Texas Water Development Board ("TWDB") in connection with 2024 State Water Implementation Revenue Fund for Texas ("SWIFT"). Mr. Chang explained that the TWDB Financing Agreement is part of the \$730 million SWIFT Fund approved by the Board in August, 2023. Approving the Agreement is the final step to secure the funding. Responding to questions from the Board, Mr. Chang stated that \$171 million is allocated to pay for construction projects, including the three (3) contracts approved earlier in the meeting.

Extensive discussion ensued after which Director Graham moved to approve the TWDB Financing Agreement in connection with the 2024 SWIFT.

Director Ramsey then moved to table the decision on the TWDB Financing Agreement until a special meeting, and with Directors Barker and Ramsey voting in favor, and Directors Rowell, Fessler, and Graham voting against, the motion to table the TWDB Financing Agreement until a special meeting failed.

The Board then voted on Director Graham's motion to approve the TWDB Financing Agreement, and with Directors Rowell, Fessler, and Graham voting in favor, and Directors Barker and Ramsey voting against, the Board approved and authorized execution of the TWDB Financing Agreement in connection with 2024 SWIFT, a copy of which is attached hereto as Exhibit "C".

- F. Recommendation from General Manager on Professional Service Procurement Waiver. Mr. Chang reminded the Board that it had adopted a policy to require the Authority to go through a Request for Proposals ("RFQ") process for certain professional service procurement; however, the General Manager could request a one-time waiver. Mr. Chang recommended waiving the RFQ process for continuing to engage Orrick, Herrington & Sutcliffe LLP ("Orrick") as the Authority's Bond Counsel. Orrick has been serving as the Authority's bond counsel for twenty (20) years.

Discussion ensued after which Director Fessler moved to approve this recommendation, and with Directors Rowell, Fessler, and Graham voting in favor, and Directors Barker and Ramsey voting against, the Board approved the General Manager's recommendation to waive the RFQ process for Orrick's continued engagement as Bond Counsel.

Mr. Chang then recommended waiving the RFQ process for continuing to engage Steve Bresnen as the Authority's governmental affairs specialist. Mr. Bresnen has been the Authority's governmental affairs specialist for 20 years as well.

Next, Director Fessler moved to waive the RFQ process for the continued engagement of Steve Bresnen, and with Directors Rowell, Fessler, and Graham voting in favor, and Directors Barker and Ramsey voting against, the Board approved the General Manager's recommendation to waive the RFQ process for the continued engagement of Steve Bresnen as the Authority's governmental affairs specialist.

- G. Alternative Water Use Incentive Agreement with Charterwood Municipal Utility District ("Alternative Water Use Agreement with Charterwood MUD"). Director Ramsey moved to approve the Alternative Water Use Agreement with Charterwood MUD, and with all Directors present voting in favor, the Alternative Water Use Agreement with Charterwood MUD was approved. A copy of the Alternative Water Use Agreement with Charterwood MUD is attached hereto as Exhibit "D".

OPERATIONS STATUS REPORT

Mr. McDevitt presented the Operations Report, a copy attached hereto as Exhibit "D". He reported that on July 8, 2024, the City of Houston (the "City") reported a communication loss affecting the new NEWPP's operations and requested a temporary reduction in water intake by the Authority. The Authority complied for several hours until the City resumed normal production. On a subsequent Saturday, the City requested a complete cessation of water intake for 2-3 days. The Authority

negotiated an alternative solution, implementing a significant intake reduction instead of a complete stoppage. The surface water supply to 19 cooperative districts was temporarily curtailed to compensate for the reduced supply

Mr. McDevitt further reported that recent operations have been running at approximately 19 MGD (million gallons per day). The City recently requested another intake reduction (while their plant operators conducted a necessary maintenance procedure), to which the Authority responded by reducing intake by several MGD. This resulted in a temporary reduction in ground storage tank levels, but the situation lasted only about four (4) hours and there were no service interruptions to customers.

Mr. Chang clarified that the Authority paid the majority for the new plant construction, and the Authority's Contract with the City includes a provision that requires cutbacks to be done proportional to stakeholders' participation share of the capacity. Mr. Chang stated that he addressed this issue with the City, receiving an apology and assurance against future requests that do not comply with the contract terms. The Authority's operator has been instructed to refuse future cutback requests that do not comport with the contract. It was noted that the Authority owns 63.8 percent of the Phase I capacity.

Mr. McDevitt also reported that the Authority experienced a power loss in July, due to Hurricane Beryl. The exact impact of this event is undetermined due to lower demand during the hurricane.

REPORT FROM DIRECTOR OF PLANNING AND GOVERNMENTAL AFFAIRS

Mr. Evans reported that the Harris-Galveston Subsidence District ("Subsidence District") intends to conduct their regulatory plan review workshop in September 2024.

ELECTION AGENDA

- A. Update on November 5, 2024 Directors Election Matters. Mr. Petrov stated that the terms for Directors representing the Authority's Voting District Nos. 4 and 5 are set to conclude in November 2024. He noted that individuals interested in running for these positions must submit their applications for ballot placement no later than 5:00 PM. on August 19, 2024.
- B. Order Calling November 5, 2024 Directors Election for the Authority's Voting District Nos. 4 and 5 (the "Order"). Director Ramsey moved to approve the Order, and with all Directors voting in favor, the Order was approved.
- C. Joint Election Agreement with Harris County and Authorize Execution by General Manager ("Joint Election Agreement"). Director Fessler moved to approve the Joint Election Agreement and authorize the General Manager to sign the Joint Election Agreement on behalf of the Authority, and with all Directors voting in favor, the motion passed.

CONSTRUCTION/ENGINEERING UPDATE

- A. Update on NEWPP Expansion project. Mr. Walker provided an update regarding the NEWPP. He reported that the new plant is still operating using temporary facilities, which have not yet been deemed substantially complete. There are ongoing production issues being addressed.

The existing plant, which has been down since May 2024 due to electrical issues, is expected to return to service by the end of the week. This will add another 60 MGD of production potential. With the expansion of the new plant, the system's total capacity will exceed current needs.

Mr. Walker noted that the new plant produces a higher water quality than the existing plant, which should lead to an overall improvement in the taste and smell of the water.

AMENDMENT TO PROCEDURAL RULES

The Board discussed amending Section 2.05 of the Procedural Rules regarding the deadline for Directors to add items to the meeting agenda. The current seven-day deadline falls on a Monday, leaving little time for communication about new agenda items. Director Barker proposed amending the deadline to six (6) days before the meeting, or Tuesday. This change would allow more time for Directors to discuss potential agenda items before the meeting.

Director Ramsey first moved to suspend the rules requiring advance notice for changes to Procedural Rules, and with all Directors voting in favor, the motion passed.

Next, Director Barker moved to amend Section 2.05 of the Procedural Rules, changing the deadline for directors to add agenda items from seven (7) days to six (6) days before the meeting (Tuesday), and with all Directors voting in favor, the motion passed.

The President called a recess at 7:49 PM. The Board reconvened at 8:00 PM.

AMEND AUTHORITY PRICING POLICY TO REDUCE WATER RATES AND PUMPAGE FEES

The Board engaged in an extensive discussion regarding potential rate adjustments and the status of the Authority's improvement fund. Director Barker proposed a rate reduction of \$1.00 per 1,000 gallons of water. Mr. Howell answered questions from the Board regarding the financial impact of such a reduction.

After extensive discussion, Director Fessler moved to table the rate adjustment discussion to the October 7, 2024 meeting.

An amendment was proposed by Director Ramsey to consider the matter at the September 9, 2024 meeting instead, and with Directors Barker and Ramsey voting in favor, and Directors Rowell, Fessler, and Graham voting against, the amendment to the motion to discuss the matter at the September 9, 2024 meeting failed.

The Board then voted on Director Fessler's motion, and with Directors Rowell, Fessler, Graham, and Barker voting in favor, and Director Ramsey voting against, the Board voted to table the rate adjustment discussion and bring it back to the Board at the October 7, 2024 meeting.

GROUND REDUCTION PLAN ("GRP") COMMITTEE UPDATE

Mr. Chang provided an update on the GRP Committee's meetings and recommendations.

Further discussion ensued, after which the Board by general consensus agreed to postpone this matter.

ORGANIZATION OF THE BOARD AND ELECTION OF OFFICERS

Director Fessler moved to table this matter, and with Directors Rowell, Fessler, and Graham voting in favor, and Directors Barker and Ramsey voting against, the motion passed.

LETTER TO HARRIS-GALVESTON SUBSIDENCE DISTRICT ("HGSD LETTER")

Mr. Johnson stated that he had previously distributed a draft HGSD Letter requesting a delay of the 2035 conversion by 10 years. No action was taken.

BOARD DISCUSSION OF POTENTIAL FUTURE AGENDA ITEMS

There were no items presented.

NEXT REGULAR MEETING WILL BE MONDAY, SEPTEMBER 9, 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 water rates, pumpage fees, and business practices.

Mr. Ron Champman of Harris County Municipal Utility District No. 222 opined about the Board members absences at scheduled meetings.

ADJOURNMENT.

With no additional matters to discuss, the meeting was adjourned at 9:17 p.m.

PASSED, APPROVED AND ADOPTED on the _____ day of _____, 2024.

Secretary, Board of Directors

