

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

October 7, 2024

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; Ms. Cassandra 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; and Mr. Andrew P. Johnson, III, and Zachary Petrov, Attorneys, 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 asked that we pray for the safe return of our American hostages and for those in Florida, the Carolinas and other states suffering from the destruction and loss of loves ones caused by Hurricane Helene, and led the attendees in the Pledges of Allegiance to the United States and Texas flags.

PUBLIC COMMENT

Mr. Jerry Homan, a representative of the Water Users Coalition, shared his thoughts on the rate decrease and recommended attendance at the Water Users Coalition Candidate Town Hall meeting on October 15, 2024.

Mr. Al Rendl seconded Mr. Homan's recommendation to attend the Water Users Coalition meeting.

Mr. Al Gozen, a Director of Harris County MUD No. 282, thanked the Board for the rate reduction, and inquired about the sixty percent groundwater reduction and the Authority's ability to meet the same by 2025.

Mr. Ron Chapman, a director of Harris County Municipal Utility District No. 222, commented on board responsibilities.

MESSAGE FROM PRESIDENT AND BOARD MEMBERS

Director Rowell first responded to the comments made by the members of the public and responded to the misinformation mentioned in the Water Users Coalition email that was sent out in response to the Board's rate reduction. Director Rowell stated that the directors who approved the rate decrease believe this decision was carefully considered and fiscally responsible and are optimistic it will remain sustainable for several years. Director Rowell said the Board remains fully committed to its responsibilities and has not delayed or halted any construction projects. Then Director Rowell presented a suggestion made by a Municipal Utility District director, which was to have a FAQ section added to the Authority's website.

Director Rowell shared that the Board wants to continue to provide abundant and high-quality surface water that compliments the even more abundant and high-quality ground water beneath our feet.

MINUTES OF SEPTEMBER 9, 2024 AND SEPTEMBER 16, 2024, BOARD MEETINGS

Director Graham moved to approve the minutes of the September 9, 2024 and September 16, 2024, Board meetings with recommended amendments, and with all Directors present voting in favor, the minutes were approved, as amended.

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.

Director Ramsey moved to approve the Financial Report, including the checks being presented for payment, and with all Directors present voting in favor, the motion passed.

OUTSTANDING AND PROJECTED DEBT OBLIGATIONS

Director Rowell requested that Mr. Chang prepare a visual graph of the Authority's outstanding and projected debt obligations.

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 and presented charts illustrating the conversion over time.

- B. Contract for Professional Services with Bresnen Associates, Inc. Mr. Chang discussed the renewal of the Contract for Professional Services with Bresnen Associates, Inc. Mr. Bresnen then stated his accomplishments over the years while serving the Authority and responded to Director Rowell's inquiries regarding certain Legislative Bills.

Discussion ensued after which Director Fessler moved to approve the contract with Bresnen Associates, Inc. as presented.

Director Ramsey then moved to postpone consideration of the contract indefinitely, and with Directors Ramsey, Rowell and Barker voting in favor, and Directors Fessler and Graham voting against, the motion to postpone consideration of the Bresnen Associates, Inc. contract indefinitely, passed.

- C. RFQ on Internal Process and Controls Review/Audit. Mr. Chang informed the Board that he has issued an RFQ for the Internal Process and Controls Review/Audit and discussed the procurement process for selecting a qualified auditing firm.

Discussion ensued after which Director Barker moved to amend the scope of work to include Melissa's edits, after the SOQs come in, and stay on the current timeline that is in the RFQ. Directors Rowell, Barker and Ramsey voting in favor, and with Director Fessler abstaining, and with Director Graham recusing, the Board approved said amendments.

- D. Litigation Matters. Mr. Chang provided an update that the litigation regarding the NEWPP is on-going.
- E. Report on Meetings Attended. Director Fessler moved to postpone the report on meetings indefinitely.

Following discussion, Director Graham and Director Fessler voted in favor of Director Fessler's motion to postpone, with Director Rowell voting against, and Directors Barker and Ramsey abstaining. The motion to postpone the report on meetings indefinitely failed, as it required approval of three directors to pass pursuant to the Texas Water Code and Board Procedural Rules.

Mr. Chang listed every meeting he attended with the parties outside of the Authority during the month of September.

OPERATIONS STATUS REPORT

Mr. McDevitt advised the Board that he had nothing new to report on at this time.

REPORT FROM DIRECTOR OF PLANNING AND GOVERNMENTAL AFFAIRS

Mr. Evans advised the Board that he had nothing new to report on at this time.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Mr. Johnson advised the Board that the Agreement between Harris County and the Authority Relating to General Directors Election is nearing completion, and that candidates' Campaign Finance Reports were due to be posted on the Authority's website.

CONSTRUCTION/ENGINEERING UPDATE

- A. Update on NEWPP Expansion Project. Mr. Walker provided an update regarding the NEWPP.
- B. Status of Ongoing Construction Projects. Mr. Walker provided an update regarding the ongoing construction projects.
- C. Status of Surface Water Conversion and Planned Future Conversions. Mr. Walker provided an update regarding the status of the surface water conversion and planned future conversions.
- D. Chart Showing Timeline for Cost of Conversion and Debt Incurred from 2000 to 2024 and Expected for Future HGSD Regulatory Plan Compliance. Mr. Walker advised the Board that he did not have a chart to present, given the short notice. Director Rowell requested a chart.

GROUND REDUCTION PLAN ("GRP") COMMITTEE UPDATE

Mr. Chang provided an update on the GRP Committee's meetings and recommendations by the Committee. The General Counsel will draft the amendment to the Rate Order based on the recommendations to present to the Board for approval.

GENERAL MANAGER'S PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT

Mr. Chang commented that his Employment Agreement had a term ending on December 31, 2024, and that the performance review portion of the agenda item was requested by a director. Mr. Johnson advised the Board that pursuant to the Texas Open Meetings Act, Mr. Chang's performance review needed to be conducted in public session rather than executive session if Mr. Chang requests that such review be conducted in Public Session; however, if the Board has legal questions regarding Mr. Chang's Employment Agreement, those questions can be addressed in executive session as Attorney Client Privilege.

Following discussion, Director Ramsey moved to postpone the General Manager's Performance Review and Employment Agreement and the next agenda item, Letter to Harris-Galveston Subsidence District. Mr. Chang stated the previous Authority Boards had formed a committee to negotiate the General Manager's Employment Agreement.

Director Fessler requested a friendly amendment to the motion to add appoint of a committee to review and negotiate the General Manager's Employment Agreement consisting of Directors Fessler and Barker. Director Ramsey accepted the amendment. Following discussion and with Directors Ramsey, Barker, Fessler, and Graham voting in favor, and with Director Rowell abstaining, the motion to appoint Director Fessler and Director Barker as members of the committee to review and negotiate Mr. Chang's Employment Agreement and postpone the General Manager's Performance Review and Employment Agreement and Letter to the Harris-Galveston Subsidence District agenda items passed.

LETTER TO HARRIS-GALVESTON SUBSIDENCE DISTRICT

This item was postponed.

FUTURE AGENDA ITEMS

No items were requested by the Board for future agendas.

PUBLIC COMMENT

Mr. Nicholas Fava, Mr. Joseph Olson, Mr. Jerry Homan, Ms. Toni Glover, and Mr. Ron Chapman provided a comment.

ADJOURNMENT

With no objection, Director Rowell adjourned the meeting at 8:59 p.m.

[EXECUTION PAGE FOLLOWS]

PASSED, APPROVED AND ADOPTED on the 2nd day of December, 2024.

Ron Gubler
Secretary, Board of Directors

