

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

August 1, 2011

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 7:00 p.m. on Monday, the 1<sup>st</sup> day of August, 2011, at the Authority's office located at 3648 FM 1960 West, 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:

Alan J. Rendl	President
Lenox A. Sigler	Vice President
Ron Graham	Secretary
James D. Pulliam	Treasurer/Investment Officer
Kelly P. Fessler	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., General Manager for the Authority; Mr. Showri Nandagiri, P.E., Engineering Coordinator for the Authority; Ms. Cynthia Plunkett, Financial Assistant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Tom Rolen, P.E., and Douglas Schmidt, P.E. of AECOM Technical Services, Inc. ("AECOM"), Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Larry Barfield, P.E. of Binkley & Barfield, Inc., on-call engineers for the Authority; Mr. Ralph Cox, P.E. of Klotz Associates, Inc., on-call engineers for the Authority; Mr. Wayne Ahrens, P.E. of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Vernon Webb, P.E. of Jacobs Engineering Group, Inc., on-call engineers for the Authority; Messrs. Gary Montgomery, P.E. and David Warner, P.E. of Montgomery & Barnes, Inc., on-call engineers for the Authority; Mr. Tom Matkin, P.E. of AEI Engineering, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E. of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. V. N. Vijayvergiya, P.E. of Geotest Engineering, Inc., material engineering laboratory services consultant for the Authority; Mr. Trent Slovak, P.E. of Malcolm Pirnie, Inc., special water quality consultant for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E. of W. L. Barnes Consulting, Inc.; Ms. Mary Bonetati and Ms. Lynn Smyth of SaveWaterTexas; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, general counsel and co-bond counsel for the Authority. Numerous members of the public and other consultants to the Authority were also present at the meeting. Copies of the sign-in sheets for those in attendance at the meeting 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. The posted notices of the meeting are attached hereto.

## MESSAGE FROM THE PRESIDENT

Director Rendl commented on the very hot and dry weather in Texas and encouraged people to cut back on irrigation usage.

## PUBLIC COMMENT

Director Rendl then noted that one (1) public comment card had been received from Mr. Ron Chapman, a resident of Harris County Municipal Utility District No. 222, a copy of which is attached hereto. Mr. Schindewolf then read Mr. Chapman's comment card, as follows: "Is there a contingency plan in place for catastrophic events (i.e., hurricanes, etc.) and what if, due to catastrophic events (extreme drought and hurricanes, etc.), the City cuts water supply extremely and there is not enough water for districts without wells?"

Mr. Schindewolf responded that the water level in Lake Houston is currently down by around six (6) feet, three (3) inches, and that it is his understanding that when the water level is down seven (7) feet, the City of Houston (the "City") will open the Lake Conroe gates to release water into Lake Houston. Mr. Schindewolf further noted that the Northeast Water Purification Plant (the "NEWPP"), is able to receive power from two (2) different sources for redundancy purposes during emergencies, such as hurricanes. Mr. Schindewolf further noted that the City is in the process of installing auxiliary generators at the NEWPP. Mr. Schindewolf also reported that the Authority has an auxiliary generator at the Spears Road Regional Pump Station (the "SRRPS").

## REPORTS

### STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

A copy of Ms. Payne's PowerPoint presentation for the meeting is attached hereto.

Ms. Payne first reported that the Harris County Department of Education will hold a seventh (7<sup>th</sup>) grade Science Workshop on August 8, 2011, and Spring Independent School District will hold a seventh (7<sup>th</sup>) grade Science Workshop and an Educator Workshop on August 19, 2011.

Ms. Payne then stated that she will provide a list of the schools that have signed up for the Authority's water conservation materials for the 2011-2012 school year for the Board's September 2011 meeting.

## GENERAL MANAGER'S REPORT

Mr. Schindewolf then further clarified that the Authority's surface water comes from Lake Houston via the NEWPP and noted that the City owns two thirds (2/3) of the water in Lake Conroe. Mr. Schindewolf stated that the water level in Lake Conroe is currently down by around three (3) feet, six (6) inches. Mr. Schindewolf added that the water level in Lake Livingston, which provides water to the City's East Water Purification Plant and the Southeast Water Purification Plant, is currently down less than two (2) feet.

UPDATE ON THE 2010 WATER DISTRIBUTION AND TRANSMISSION SYSTEM (THE "SYSTEM")

Mr. Schindewolf next called on Mr. Rolan to review the status of the various construction projects.

PROGRAM MANAGER'S REPORT

Mr. Rolan then reviewed the Program Manager's Report, a copy of which is attached hereto.

Mr. Rolan first reported that the contractors for Project 2, Construction Package Nos. 1 and 2 (the SRRPS) continue to work on the final punch list items for such projects.

Mr. Rolan next reported that the contractor for Project 2-3 is working on submittals.

Mr. Rolan went on to report that the contractor for Project 5D (the Louetta Regional Water Plant) is working through startup issues concerning the facility's control system and two (2) of the booster pumps.

Mr. Rolan then reported that project finalization is ongoing for Projects 6B-3, 7C-4, Contract I and 10B.

Concerning the status of the 2010 Surface Water Conversion Program, Mr. Rolan reported that the SRRPS had delivered an average in excess of 31 million gallons per day of surface water during the reporting period. Mr. Rolan went on to report that the alternative water (i.e., surface water) used in June was approximately 26% as compared to 31.9% in May. Mr. Rolan added that the alternate water usage for the period September 2010 through June 2011 was approximately 31.3%. Mr. Rolan noted that, given the fact that July and August are traditionally high usage months, the alternative water used during those months is expected to be less than 30%.

Mr. Rolan next noted that the Authority's special water quality consultant, Malcolm Pirnie, Inc., continues to work on assignments concerning water quality issues with two (2) utility districts.

Concerning other activities, Mr. Rolan reported that during the prior month, AECOM had continued oversight of engineering efforts; provided construction administration services and project representation on the remaining construction projects, as required; provided oversight of STES's operation of the Authority's system; monitored, tabulated and analyzed amounts of water used by public water systems ("PWS") covered by the Authority's aggregate water well permit and, where necessary, in consort with STES and the respective PWS operators, took appropriate actions; assisted the Authority in implementing and performing related tasks regarding its aggregate water well permit; and evaluated PWS submittals requesting Chloramination Credits.

Director Sigler then asked what the special water quality consultant is doing for the two (2) districts they are working with. Mr. Rolan responded that it is working with districts which have requested help to correct water quality issues. They are completing a study and will be

reporting to the district shortly on their findings and are starting work on evaluating problems being experienced in another district.

Mr. Schindewolf then offered some statistics to help people grasp the severity of the drought conditions. Mr. Schindewolf stated that during the years 2006 through 2010 within the Authority, the average total water usage was 77 million gallons per day, and that the average usage from September 2010 through June 2011 was 93.7 million gallons per day.

#### ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report at this time.

#### REGULAR AGENDA

##### APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the regular meeting of July 11, 2011, previously distributed to the Board. Upon motion by Director Pulliam, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of July 11, 2011, as written. Approval of the minutes of the executive session of May 2, 2011 was deferred.

##### FINANCIAL ASSISTANT'S REPORT

Director Rendl then recognized Ms. Plunkett, who reviewed the Authority's Financial Report with the Board, including the monthly investment report, the checks being presented for payment, and the budget comparison for the six (6) months ended June 30, 2011, a copy of which is attached hereto. Upon motion by Director Sigler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Financial Report, the monthly investment report, and the checks being presented for payment.

##### CONFIRM UPCOMING MEETING DATE

Director Rendl then noted that the Board's next regular meeting will be on Monday, September 12, 2011, due to the Labor Day holiday, at 7:00 p.m.

There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 12<sup>th</sup> day of September, 2011.

*Ron Embury*

Secretary, Board of Directors

(AUTHORITY SEAL)

