

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

January 9, 2017

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. on Monday, the 9th day of January, 2017, 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:

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

All members of the Board were present, except Director Fessler, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., General Manager for the Authority; Mr. Jun Chang, P.E., D.WRE, Deputy General Manager for the Authority; Mr. Mark Evans, Director of Planning and Governmental Affairs for the Authority; Ms. Cynthia Plunkett, Financial Assistant for the Authority; Ms. Krystal Boggs, Administrative Assistant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Tom Rolen, P.E., Stephen Berckenhoff, P.E., Dan Edwards, P.E. and Doug Haude, P.E., of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Ms. Giti Zarinkelk, P.E., and Mr. Michael Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on call engineers for the Authority; Mr. W. John Seifert, P.E., of LGB-Guyton Associates, on-call engineers for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. David Warner, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; Mr. Ryan Lanclos, Geographic Information System ("GIS") services consultant; and Ms. Robin S. Bobbitt, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley 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.

PRESIDENT'S MESSAGE

Director Rendl first extended a Happy New Year greeting to the Board and meeting attendees.

BOARD MEMBER COMMENTS

Director Sigler then noted that 2017 marks the end of the Authority's 17th year in operation.

PUBLIC COMMENTS

Mr. Schindewolf stated that there were no public comment cards.

REPORTS

STATUS OF ACTIVITIES BY COMMUNICATIONS / PUBLIC INFORMATION COORDINATOR

A copy of Ms. Payne's PowerPoint presentation is attached as an exhibit to these minutes.

Ms. Payne first reported that the Authority's Winter Directors Workshop (the "Workshop") is scheduled for January 19, 2017, featuring Mr. John Sutton, Team Leader of the Texas Water Development Board's (the "TWDB") Municipal and ICI Water Conservation Programs, and Mr. Scott Galaway, Outreach Specialist of the TWDB's Houston Field Office. Ms. Payne explained that registration for the Workshop is available on the Authority's website or by calling the Authority's office.

Ms. Payne next reported that the Authority is partnering with Klein Independent School District and Clegg Intermediate School to produce WATR News, which will be a student news program that promotes understanding about the importance of water and the need for more efficient use of water. Ms. Payne stated that the first video will be posted on social media next month.

GENERAL MANAGER'S REPORT

Mr. Schindewolf next called on Mr. Rolen to present his Program Manager's Report.

PROGRAM MANAGER'S REPORT

Mr. Rolen then reviewed the Program Manager's Report with the Board, a copy of which is included behind Tab 3 of the meeting packet and is attached hereto.

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Rolen first reported that the Spears Road Regional Pump Station delivered a daily average of approximately 22.6 million gallons per day of surface water during December. Mr. Rolen added that the alternative water used in November was approximately 37.0%, as compared to 31.4% in October. Mr. Rolen further explained that during November, approximately 82.0% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

Mr. Rolen then reminded everyone that we are still in the lower water usage period, and it is very important that each district maximize their use of surface water as much as possible.

MAJOR ACTIVITIES

Concerning other activities, Mr. Rolen reported that during the prior month, AECOM had assisted the Authority in implementing and performing tasks regarding its aggregate water well permit; assisted the Authority in a variety of activities involving the City of Houston (the "City"); continued oversight of engineering and acquisition related efforts; provided oversight of STES's activities and its contract to operate the Authority's system; and monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's aggregate water well permit and, where necessary and practical, in consort with STES and the respective PWS operators, took appropriate actions to optimize the use of surface water.

LUCE BAYOU INTERBASIN TRANSFER PROJECT UPDATE

Concerning the Luce Bayou Interbasin Transfer Project, Mr. Rolen reported that: 1) The Capers Ridge Pump Station (the "Pump Station") site has been fully cleared and construction of the cofferdam is ongoing with completion scheduled for April; 2) the permanent access road is complete; 3) the canal right-of-way clearing from the Pump Station site through Highway 321 will be complete by the end of January; 4) design of the maintenance facility is complete and will be advertised for construction bids in March; 5) bids for the four (4) segments of canals were received in December 2016 by the Coastal Water Authority, with the total of such bids being approximately \$7 million less than the budgeted amount; and 6) the force main (dual 96-inch lines) 90% design drawings have been received and are under review, with design scheduled to be complete in February and bids to be received in March or April.

THE NORTHEAST WATER PURIFICATION PLANT (THE "NEWPP") EXPANSION PROJECT UPDATE

Mr. Rolen next reported that the City has completed negotiation with the Design Builder on the fee for Component 2, which is primarily the engineering fee to design the NEWPP Expansion. Mr. Rolen further reported that the City is in the process of negotiating the fee for its technical advisor for 2017.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Rolen next reported that design is nearing completion on the two (2) 108-inch (108") sections of the NETL and a 54-inch (54") interconnect line. Mr. Rolen further informed the Board that acquisition of the necessary right-of-way easements is proceeding forward on several segments of the line and that contract negotiations for the design of five (5) additional sections of the NETL, including one (1) 120-inch (120") section, and four (4) 108-inch (108") sections are underway.

ATTORNEY'S REPORT

Ms. Bobbitt then introduced Ms. Miller to the Board, and noted that she would be attending the Board meetings going forward.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the November 28, 2016 special meeting, the December 5, 2016 public hearing, and the December 5, 2016 regular meeting. Upon motion by Director Graham, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the November 28, 2016 special meeting, the December 5, 2016 public hearing, and the December 5, 2016 regular meeting, as written.

FINANCIAL ASSISTANT'S REPORT, INCLUDING APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF PUMPAGE FEES

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 month ended November 30, 2016, a copy of which is attached hereto. Upon motion by Director Sigler, seconded by Director Graham, 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.

GENERAL MANAGER'S ACTION ITEMS

APPROVE AND AUTHORIZE EXECUTION OF ALTERNATIVE WATER USE INCENTIVE AGREEMENT WITH HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110 ("HCWCID NO. 110")

Mr. Schindewolf reported that the Authority was still working to obtain all the necessary information from HCWCID NO. 110, and, therefore, approval of the Alternative Water Use Incentive Agreement with HCWCID NO. 110 would be deferred.

AUTHORIZE PREPARATION AND SUBMISSION OF STATE WATER IMPLEMENTATION FUND FOR TEXAS ("SWIFT") 2017 ABRIDGED APPLICATION(S) TO THE TWDB FOR AUTHORITY'S PARTICIPATION IN VARIOUS INFRASTRUCTURE PROJECTS

Mr. Evans then explained that the SWIFT 2017 Abridged Application(s) for funding of Phase II of the Authority's 2025 Distribution System would consist of eight (8) projects that would enable 13 additional water plants to receive surface water from the Authority, at an estimated cost of approximately \$71 million. Mr. Evans went on to state that the SWIFT 2017 Abridged Application(s) were due on February 3, 2017. Upon motion by Director Graham, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the preparation and submission of the Authority's SWIFT 2017 Abridged Application(s) to the TWDB.

AUTHORIZE GENERAL MANAGER TO NEGOTIATE AND FINALIZE AGREEMENT FOR PROFESSIONAL GIS SERVICES WITH RYAN P. LANCLOS

Mr. Evans next requested authorization to finalize the Agreement for Professional GIS Services with Mr. Lanclos. Mr. Evans explained that Mr. Lanclos is an expert in GIS Services and would be able to update and modernize the Authority's GIS to a state of the art system, which would be more user friendly and provide easier access. Upon motion by Director Sigler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the General Manager to negotiate and finalize the Agreement for Professional GIS Services with Ryan P. Lanclos.

ELECTION OF OFFICERS

Director Pulliam then nominated the following 2017 slate of officers for the Board's approval:

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

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 proposed slate of officers for 2017, as outlined herein.

CONFIRM UPCOMING MEETING DATES

Director Rendl then reminded the meeting attendees that the Authority's Winter Directors Workshop is scheduled for Thursday, January 19, 2017, and the Authority's next regular meeting will be held on Monday, February 6, 2017, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENTS

Mr. Schindewolf stated that there were no public comment cards.

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

PASSED, APPROVED AND ADOPTED this 6th day of February, 2017.




Secretary, Board of Directors