

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

November 6, 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 6<sup>th</sup> day of November, 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, 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. Stephen Berckenhoff, P.E., Michael Baugher, P.E.; and Doug Haude, 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; Messrs. Wendell L. "Buddy" Barnes, P.E., and Chuck Wolf, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Fred Bauhof, P.E., of Brown & Gay Engineers, Inc., 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. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. Dustin O'Neal, P.E., of Costello, Inc., on-call engineers for the Authority; Mr. Tony Sarman, P.E., of AEI Engineering, Inc, on-call engineers for the Authority; Mr. David Warner, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews & Newnam, Inc.; Mr. Marcel Khouw, P.E., of IDS Engineering Group, on-call engineers for the Authority; Mr. W. John Seifert, P.E., of LBG-Guyton Associates, on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; 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 expressed his congratulations to the Astros on their winning of the World Series.

PUBLIC COMMENTS

Director Rendl then noted that a public comment card was received from Mr. Jerry Homan, General Manager of Harris County Fresh Water Supply District No. 61 regarding the open and concealed gun carry laws, a copy of which is attached hereto. Director Rendl stated that there would be a discussion item regarding the open and concealed gun carry laws applicable to meetings of governmental entities on the December regular agenda. Mr. Homan stated that at the bare minimum, the Authority should have security officers at the monthly meetings.

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 Tomball Independent School District has been added to the assembly program. Ms. Payne thanked all of the generous sponsors and noted that donations are still being accepted for the assembly program.

Ms. Payne then stated that there are copies of the Waterlines publication on the handout table in the back of the meeting room if anyone would like a copy. Ms. Payne also reported that an outreach program is being put together to target local area realtors to inform them and educate about the Authority and the cost of water.

Ms. Payne then reminded the meeting attendees that the Authority now has 5 new sets of informational billing inserts available on a variety of topics, which are available at no cost to utility districts for use with utility district residents. Ms. Payne further stated that if any utility districts are interested in ordering the billing inserts, they can contact her or the Authority office.

GENERAL MANAGER'S REPORT

Mr. Schindewolf then called on Mr. Evans to give an update regarding the Authority's participation in the 2017 State Water Implementation Fund for Texas ("SWIFT"). Mr. Evans reminded the Board that the Texas Water Development Board (the "TWDB") had approved the Authority's application for Financial Assistance for Phase II of the Authority's 2025 distribution system on July 20, 2017. Mr. Evans further reported that the closing on the \$391,715,000 Series 2017 Senior Lien Revenue Bonds is scheduled to occur on Wednesday, November 15, 2017.

## PROGRAM MANAGER'S REPORT

Mr. Schindewolf next asked Mr. Berckenhoff to present the Program Manager's Report to 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. Berckenhoff then reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 29.8 million gallons per day ("MGD") of surface water during October. Mr. Berckenhoff added that the alternative water used in September was approximately 29.4%, as compared to 28.8% in August.

Mr. Berckenhoff further explained that during September, approximately 65.5% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was Alternative Water.

## MAJOR ACTIVITIES

Concerning other activities, Mr. Berckenhoff reported that during the prior month, AECOM had assisted the Authority with the following items: 1) implementing and performing tasks regarding its aggregate water well permit (the "Permit"); 2) assisted the Authority in a variety of activities involving the City of Houston (the "City"); 3) continued oversight of engineering and acquisition related efforts; 4) provided oversight of STES's activities and its contract to operate the Authority's system; and 5) monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's Permit and, where necessary and practical, in consort with STES and the respective PWS operators and took appropriate actions to optimize the use of surface water.

## LUCE BAYOU INTERBASIN TRANSFER PROJECT (THE "LUCE BAYOU PROJECT") UPDATE

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the following items: 1) construction of the Luce Bayou Project Maintenance Facility is progressing, including building pad soils placement, and that compaction and lime stabilization of the access drive from SH321 to the maintenance facility is underway; 2) Capers Ridge Pump Station cofferdam dewatering continues and construction of the dual 96-inch steel pipes are underway; 3) construction of all five (5) canal segments is ongoing, including installation of the 96-inch inverted siphons, box culvert bridges, siphon headwall at County Road 2326 and baffled outfall and rip rap at the Lake Houston/Luce Bayou outfall; and 4) Sam Houston Electric Coop ("SHEC") continues construction of the electrical substation at the pump station site and transmission pole foundations, with completion of both the substation and the transmission lines scheduled to be completed by no later than January 2018.

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

Mr. Berckenhoff next reported that the Houston Waterworks Team (the "HWT") is continuing to progress on the various Engineering Studies as defined in its Component 2 Scope of Services, including Computational Fluid Dynamics Modeling and Hydraulic Surge Analysis. Mr. Berckenhoff went on to report that the Project Advisor/Technical Consultant ("PATC") and that the HWT completed negotiations on the Guaranteed Maximum Price for Early Work Package ("EWP") 1 Site Development. Mr. Berckenhoff also reported that the HWT is also working on the following items: 1) continues procurement activities for EWP 2; 2) submitted EWP 4 draft Issue for Construction documents; and 3) completed its initial baseline analysis for the site acoustical background study. Mr. Berckenhoff next reported that the Project Team held a public open house on October 25, 2017 to share information regarding the NEWPP Expansion Project with neighboring residents, businesses and others. Mr. Berckenhoff then reported that the PATC continued working on the permit documentation and agency coordination for obtaining the 404 permit from the United States Army Corps of Engineers for the NEWPP Expansion Project. Mr. Berckenhoff also reported that multiple workshops and technical meetings were conducted during the month relating to ozone disinfection system and variable frequency drives.

## NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reported that the 54-inch (54") interconnect line and two (2) 108-inch (108") sections of the NETL Project are in the advertising/bid stage. Mr. Berckenhoff further informed the Board that acquisition of the necessary right-of-way easements is proceeding forward on several segments of the NETL and that design work is progressing on ten (10) additional sections of the NETL, including one (1) 120-inch (120") section, eight (8) 108-inch (108") sections and one (1) 66-inch (66") interconnect of such line.

Mr. Schindewolf then commended Mr. Berckenhoff and the AECOM staff for carrying on the Program Manager's work in Mr. Rolen's absence. Mr. Schindewolf also acknowledged Mr. Chang and Mr. Hamlet Hovsepien for all of their work with the ongoing projects with the City.

## ATTORNEY'S REPORT

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

## REGULAR AGENDA

### APPROVAL OF MINUTES

The Board next considered approval of the minutes of the October 5, 2017 regular meeting. Upon motion by Director Fessler, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the October 5, 2017 regular meeting, as written.

FINANCIAL ASSISTANT'S REPORT, INCLUDING APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF PAYMENTS OF QUARTERLY 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 September 30, 2017, a copy of which is included behind Tab 5 of the meeting packet and 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.

REVIEW AND ADOPT AMENDED AND RESTATED ORDER DESIGNATING INVESTMENT OFFICER AND ESTABLISHING RULES, POLICIES, AND CODE OF ETHICS FOR THE INVESTMENT OF DISTRICT FUNDS AND REVIEW OF INVESTMENTS (THE "AMENDED INVESTMENT POLICY")

Ms. Bobbitt then explained that pursuant to amendments made to the Public Funds Investment Act during the recent 85th Legislative Session, the Board will need to adopt the Amended Investment Policy to incorporate the necessary revisions. Ms. Bobbitt noted that the Amended Investment Policy was previously provided to Mr. Schindewolf, Ms. Plunkett and Mr. Chris DeBow of Public Trust Advisors, investment advisor to the Authority, for review. Ms. Bobbitt then briefly reviewed the revisions made to the Authority's Amended Investment Policy. Upon motion by Director Fessler, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Amended Investment Policy, a copy of which is attached hereto.

CONFIRM UPCOMING MEETING DATE

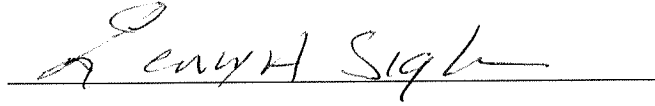
Director Rendl then informed the meeting attendees that the Authority's Budget and Capital Improvement Plan Workshop meeting will be held on Monday, November 20, 2017, at 6:00 p.m. Director Rendl added that the Authority will then hold a Public Hearing on the proposed rate increases on Monday, December 4, 2017, at 6:00 p.m. and that the Authority's regular meeting will follow the Public Hearing at 6:15 p.m., with all such meetings to be held at the Authority's office.

PUBLIC COMMENTS

A member of the audience then expressed concern regarding the cost of the Waterlines publication, and asked how many copies were printed during the first printing of such publication and how many would be printed during a second printing. Director Rendl stated that there would be no second printing, and that the printed copies of the Waterlines publication were distributed to utility districts through the attorneys and are being used for his presentations and also being provided to educators and local realtors. Ms. Payne further stated that 10,000 copies were printed and that a set of ten (10) copies were sent to the attorney on file for each utility district within the Authority.

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

PASSED, APPROVED AND ADOPTED this 4<sup>th</sup> day of December, 2017.



Secretary, Board of Directors

