

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

January 7, 2019

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 7th day of January, 2019, 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. 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., Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Wendell L. "Buddy" Barnes, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services, LLC, on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. David Warner, P.E., of Jones|Carter, Inc., on-call engineers for the Authority; Mr. Fred Bauhof, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Dustin O'Neal, P.E., of Costello, 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. Carlton McDevitt of Inframark, LLC (formerly, Severn Trent Environmental Services) ("Inframark"), 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 wished the meeting attendees a Happy New Year. Director Rendl then reported that there is a bad traffic issue on FM 1960 that has caused a delay in Director Sigler and Ms. Payne getting to this evening meeting.

PUBLIC COMMENTS

Director Rendl next stated that no public comment cards had been received.

REPORTS

GENERAL MANAGER'S REPORT

Mr. Schindewolf noted that the Communications/Public Information Report will be deferred until Ms. Payne's arrival.

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 first reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 19.1 million gallons per day ("MGD") of surface water during December. Mr. Berckenhoff added that the alternative water used in November was approximately 34.0%, as compared to approximately 32.5% in October. Mr. Berckenhoff further explained that during November, approximately 78.8% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water. Mr. Berckenhoff then reported that the Annual Reconciliation Report (the "Reconciliation Report") had been submitted to the Harris-Galveston Subsidence District (the "HGSD") for Permit Year September 1, 2017 to August 31, 2018. Mr. Berckenhoff added that the Reconciliation Report reflects that the Authority achieved a 31.6% conversion percentage for the 2017-2018 Permit Year and earned 512,200,000 gallons of over-conversion credits.

MAJOR ACTIVITIES

Mr. Berckenhoff went on to report that during the prior month, AECOM had performed other activities for the Authority as follows: 1) implemented and performed tasks regarding the Authority's 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 Inframark's activities and its contract to operate the Authority's system; 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 Inframark and the respective PWS operators, took appropriate actions to optimize the use of

surface water; and 6) submitted the Authority's Reconciliation Report for Permit Year 2017-2018 to the HGSD.

Mr. Berckenhoff further reported on the Authority's current construction-related activities as follows: 1) Project 28A is under construction and working towards substantial completion; 2) Project 28B is at 100% final design and coordinating of submittal to the Texas Water Development Board is in process, with approximately 14 parcels currently in the acquisition process; 3) Project 28C is in final design and 95% of the plans are in review, with approximately 29 parcels currently in the acquisition process; 4) Project 28D is in final design at 95% completion with approximately 24 parcels to be acquired; 5) Project 28E is in final design at 95% completion with approximately 30 parcels to be acquired; and 6) Project 28F is in final design at 95% completion with plans in review, with approximately 24 parcels to be acquired. Mr. Berckenhoff noted that Project 28B design is scheduled for completion in the first quarter of 2019 and Projects 28 C, D, E and F are scheduled to be completed during the second and third quarters of 2019. Mr. Berckenhoff then reported that Project 25 consists of approximately 7.5 miles of a 84-inch (84") water transmission line that will require approximately 13 underlying easements to be acquired. Director Rendl asked if there would be any issues related to the acquisition of the underlying easements. Mr. Berckenhoff responded that the underlying easement acquisitions should not be difficult.

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

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the following items: 1) completed construction of epoxy floor coatings and installation of fuel pumps at Luce Bayou Canal Maintenance Facility, and final activities including landscaping and fence installation are in process; 2) the Capers Ridge Pump Station site remained flooded through December preventing work on the concrete structure, but construction continued on duct bank installation and foundation work at the electrical building and maintenance building; 3) construction continued on the south 96-inch diameter pipeline from pump station to the sedimentation basin, with approximately 25,080 linear feet of pipeline installed to date; 4) completed construction of Canal Segment No. 1 and continued construction of the headwall at Wolf Road siphon; 5) completed all canal construction, continued headwall construction at Entergy Crossing siphon and continued construction of canal access road for Canal Segment No. 2; 6) completed all canal construction and completed installation of water level gate 4 structure for Canal Segment No. 3; 7) completed canal excavation, continued construction of water level gate 5 structure and continued headwall construction at Siphons B, C and D for Canal Segment No. 4; and 8) completed canal excavation and continued construction of canal access road for Canal Segment No. 5.

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

Mr. Berckenhoff next reported that the Houston Waterworks Team (the "HWT") and the Project Advisor/Technical Consultant (the "PATC") conducted a series of review meetings to discuss the submitted Balance of Plant ("BOP") Guaranteed Maximum Price ("GMP") proposal. Mr. Berckenhoff went on to report that the PATC and the HWT have resolved comments on the 60% BOP Design Documents – Phase 2. Mr. Berckenhoff further reported that construction of

the Early Work Package ("EWP") 1 Site Development is proceeding, including roadway construction, grading, yard piping and other site work. Mr. Berckenhoff also reported that construction of EWP 2 Filter Building and Transfer Pump Station structures has continued with concrete foundation pours for transfer pump station and filter building foundation. Mr. Berckenhoff next reported that construction of EWP 4 Raw Water Pipeline work continues, including tunnel excavation under West Lake Houston Parkway and raw water pipeline installation. Mr. Berckenhoff further reported that the HWT and the PATC have completed negotiations for the EWP 6 scope and fee. Mr. Berckenhoff also reported that the HWT began 90% BOP Design Document development. Mr. Berckenhoff went on to report that the HWT issued several Requests for Proposals addenda for various BOP packages, including filter underdrain equipment, centrifuge equipment, dewatering equipment and instrumentation and controls/SCADA. Mr. Berckenhoff added that the PATC continues to provide construction oversight services on behalf of the City and the Authorities.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff further reported that in connection with the NETL project, the contractors have continued construction on two (2) sections of the 108-inch (108") line and the 54-inch (54") interconnect line. Mr. Berckenhoff also noted that seven (7) bids were received on October 4th for the 120-inch (120") section of the line and a Notice of Intent to Award was issued to the lowest responsible bidder, Main Lane Industries, Ltd., on November 30th. Mr. Berckenhoff went on to report that six (6) bids were received for another 108-inch (108") section of the line on October 25th, and a Notice of Intent to Award was issued to the lowest responsible bidder, Harper Brothers Construction, on December 18th. Mr. Berckenhoff next reported that a pre-proposal meeting for another 108-inch (108") section of the line was held on September 26th and bids were received on November 8th, which are currently being evaluated. Mr. Berckenhoff then reported that a pre-proposal meeting was held for another 108-inch (108") section of the line on November 5th and four (4) bids were received on December 6th, which are also being evaluated. Mr. Berckenhoff added that real estate acquisitions are proceeding on several sections of the NETL, and that design is progressing on the remaining six (6) sections of the NETL, including five (5) 108-inch (108") sections and a 66-inch (66") interconnect line.

Ms. Payne entered the meeting at this time.

Mr. Schindewolf then stated that starting with the Authority's February meeting, Mr. Berckenhoff will be spending more time in the meeting reviewing the Authority projects that are currently in process. Mr. Schindewolf noted that Mr. Berckenhoff will be going into greater detail as the various Authority projects start moving forward.

Mr. Schindewolf next reported that Mr. Anthony Crisci, a former Authority staff member, passed away on December 23rd. Mr. Schindewolf further stated that Mr. Crisci worked for the Authority for a number of years and was a very knowledgeable and fine man.

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 Director Rendl will be giving a presentation on January 18th at the Willowbrook Rotary Club. Ms. Payne further reported that Director Rendl will also be giving a briefing for State Representative Sam Harless on February 8th.

Ms. Payne went on to report that the Authority's Waterlines publication has been published. Ms. Payne noted that there are extra copies of the Waterlines publication available for any utility district that would like additional copies.

Ms. Payne also reviewed the upcoming elementary school assemblies that have been scheduled.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the December 3, 2018 public hearing and the December 3, 2018 regular meeting. Director Fessler noted that the December 3, 2018 regular meeting minutes incorrectly show Director Pulliam making a motion to approve the November minutes, but Director Pulliam was not present at the December 3, 2018 meeting. Ms. Bobbitt stated that she would make the necessary revision to the December 3, 2018 regular meeting minutes. 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 December 3, 2018 public hearing and the December 3, 2018 regular meeting, as corrected.

Director Sigler entered the meeting at this time.

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 November 30, 2018, a copy of which is included behind Tab 5 of the meeting packet and is attached hereto. Upon motion by Director Pulliam, seconded by Director Fessler, 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.

ADMINISTRATION OF OATHS OF OFFICE

Ms. Bobbitt then explained that Directors Graham and Sigler were unopposed in the November 6, 2018 director election and, therefore, will serve another four (4) year term of office, with such term expiring in November 2022. Ms. Bobbitt then asked Directors Graham

and Sigler to rise and raise their right hands, while she administered their oaths of office. Ms. Bobbitt noted that the oaths of office will be filed with the Secretary of State, as required by law.

Director Rendl then executed the Certificates of Election for Directors Graham and Sigler.

ELECTION OF OFFICERS

Director Fessler then nominated the following 2019 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 Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposed slate of officers for 2019, as outlined above.

CONFIRM UPCOMING MEETING DATE

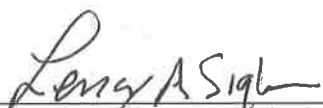
Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, February 4, 2019, at 6:00 p.m. at the Authority's office.

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

PASSED, APPROVED AND ADOPTED this 4th day of February, 2019.



(AUTHORITY SEAL)


Secretary, Board of Directors