

MINUTES OF SPECIAL WORKSHOP MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

February 1, 2018

The North Harris County Regional Water Authority (the "Authority") held a special Capital Improvement Plan Workshop (the "Workshop") for utility district directors within the Authority at 6:00 p.m. on Thursday, the 1st day of February, 2018, 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.

Director Rendl was present at the Workshop. Also attending the meeting were: Mr. Jun Chang, P. E., D.WRE, Deputy General Manager 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. and Michael Baugher, P.E., of AECOM Technical Services, Inc. ("AECOM"), Program Manager for the Authority. Numerous members of the public and other consultants to the Authority were also present at the Workshop. Copies of the sign-in sheets for those in attendance at the Workshop are attached hereto.

Copies of the posted notices for such Workshop are attached hereto.

A copy of the PowerPoint presentation for the Workshop is attached as an exhibit to these minutes.

Director Rendl first welcomed everyone to the Workshop and explained that the information to be presented this evening about the Authority's Capital Improvement Plan over the next few years is virtually the same information that was presented at the Authority's Budget Workshop meeting held on November 20, 2017. Director Rendl further noted that no action would be taken by the Board at tonight's meeting.

CAPITAL IMPROVEMENT PLAN ("CIP") WORKSHOP

Mr. Rendl first called on Mr. Berckenhoff to review the Authority's CIP as outlined in the attached PowerPoint presentation.

Mr. Berckenhoff then explained that the Harris-Galveston Subsidence District (the "HGSD") 2013 Regulatory Plan calls for a 60% conversion to alternative water by 2025 and an 80% conversion to alternative water by 2035. Mr. Berckenhoff noted that the HGSD's 2018 disincentive fee is \$8.75 per 1,000 gallons of groundwater used. Mr. Berckenhoff went on to explain that the Authority's primary purpose and goal is to develop and implement a strategy for complying with the HGSD 2013 Regulatory Plan that requires an ultimate reduction in groundwater usage to no more than 20% of the Authority's total water demand by 2035. Mr. Berckenhoff further explained that the Authority has several tools available to help meet the HGSD mandates, including the use of over-conversion credits, water education/conversion credits and water reuse. The Authority is committed to using all of these tools as necessary to help keep water rates as low as possible for as long as possible, while working to meet the HGSD's conversion requirements. Mr. Berckenhoff added that the Authority is participating in several large scale regional projects and the phased expansion of existing Authority

infrastructure in order to accomplish the HGSD's surface water conversion requirements, including: 1) the Luce Bayou Interbasin Transfer Project; 2) the Northeast Transmission Line project; and 3) the Northeast Water Purification Plant Expansion project. Mr. Berckenhoff then reviewed in greater detail the regional projects as well as the Authority's various CIP projects that are needed in order to timely meet the conversion requirements. Mr. Berckenhoff also reviewed the various cost estimates associated with the Authorities CIP projects.

After receiving and responding to various questions from the audience, the Workshop meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 5th day of March, 2018.


Secretary, Board of Directors

