

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

August 7, 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 7th day of August, 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., Dan Edwards, 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; Mr. Tony Sarman, P.E., of AEI Engineering, Inc, on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Messrs. Tobin Synatschk, P.E., and David Warner, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E., of Dannenbaum 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. Dustin O'Neal, P.E., of Costello, Inc., on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, Inc., on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews & Newnam, Inc.; Mr. Lance McLeod, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; Mr. John Howell of The GMS Group, L.L.C., financial advisor to the Authority; and Mr. Jonathan D. Polley, 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.

PUBLIC COMMENTS

Director Rendl noted 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 Director Rendl will be giving presentations at the Gulf Coast-Texas Environmental Health Association on Wednesday, September 13th and at an upcoming AARP meeting on Tuesday, September 19th. Ms. Payne then reported that the Authority will be holding an Educator Workshop for Tomball Independent School District on Wednesday, August 16th. Ms. Payne also reported that the second (2nd) and fourth (4th) grade Science and Social Studies assemblies are being held again this year.

GENERAL MANAGER'S REPORT

Mr. Schindewolf stated that Mr. Evans' update on the status of the Authority's State Water Implementation Revenue Fund for Texas ("SWIRFT") Financial Assistance Applications will be moved to G.1 of tonight's agenda.

PROGRAM MANAGER'S REPORT

In the absence of Mr. Rolen, Mr. Berckenhoff first 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. Berckenhoff then reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 31 million gallons per day of surface water during July. Mr. Berckenhoff added that the alternative water used in June was approximately 31.9%, as compared to 32.6% in May. Mr. Berckenhoff further explained that during June, approximately 73.2% 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 ("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, took appropriate actions to optimize the use of surface water.

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

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the following items: 1) the Coastal Water Authority ("CWA") received three (3) bids for construction of the dual 96-inch transmission lines, and will recommend awarding the contract to the lowest bidder, Thalle Construction, in the approximate amount of \$43 million, at the CWA Board meeting on August 9, 2017; 2) on July 12, 2017, the CWA Board accepted a bid from Teal Construction, in the amount of approximately \$5.4 million, for the Luce Bayou Project Maintenance Facility and approved execution of the contract, with a Notice to Proceed scheduled to be issued by August 21, 2017; 3) excavation at the Capers Ridge Pump Station has been completed to elevation -11 feet, and installation of 65 foot H-piles is ongoing, with 70 of 216 H-piles scheduled to be installed by the end of July; 4) construction of all five (5) canal segments is ongoing, including installation of the 96-inch inverted siphons, sedimentation basin boat ramp, box culvert bridges and dredge dewatering basin; 5) Sam Houston Electric Coop ("SHEC") has initiated construction of the electrical substation at the pump station site; and 6) SHEC anticipates both the substation and transmission lines to be completed no later than January 2018.

Director Graham then asked for clarification on the purpose of the sedimentation basin boat ramp. Mr. Berckenhoff explained that the force mains dump into the sedimentation basin, and the boat ramp will allow the dredging of the basins.

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

Mr. Berckenhoff next reported that interviews for the Project Director position for the NEWPP Expansion Project have been completed and that the current Acting Project Director, Mr. Ravi Kaleyatodi, was unanimously recommended by the interview panel, which consisted of two (2) City representatives and one (1) representative from each of the four (4) regional water authorities. Mr. Berckenhoff then reported that the City continues to work with the United States Army Corps of Engineers (the "USACE") and the Texas Commission on Environmental Quality on the pending record of decision regarding the 404 permit for the NEWPP Expansion Project. Mr. Berckenhoff also reported that the USACE has made a determination on the amount of environmental mitigation credits needed to satisfy the permit requirement for the NEWPP Expansion project. Mr. Berckenhoff went on to report that the City has issued Cash Calls for Early Work Package ("EWP") 1 and the additional environmental mitigation credits based on the USACE determination. Mr. Berckenhoff then reported that the City and its outside counsels are working with the Houston Waterworks Team on the bonding requirement. Mr. Berckenhoff also reported that the City intends to issue Cash Calls for EWP 4 and EWP 2 soon, and construction of EWP 4 and EWP 2 is anticipated to start in December 2017 and February 2018, respectively.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reported that the advertise/bid phases are pending for two (2) 108-inch (108") sections of the NETL and the 54-inch (54") interconnect line. 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 is progressing on six (6) additional sections of the NETL, including one (1) 120-inch (120") section, and five (5) 108-inch (108") sections of the line. Mr. Berckenhoff also reported that design of the final three (3) 108-inch (108") sections and a 66-inch (66") interconnect line of the NETL is pending City Council's approval of the contract amendment for such project. Mr. Berckenhoff then reported that the 60% walk-through was conducted for one (1) segment of the NETL.

Director Rendl then asked if Mr. Berckenhoff could provide an update for other current projects within the Authority. Mr. Berckenhoff stated that Harris County (the "County") has executed the Interlocal by and between the County and the Authority regarding easement acquisition for the Authority's waterline project (Project 28c) and right-of-way acquisition for the County's Mills Road widening and improvement project, and that right-of-way acquisition for such projects should begin shortly.

ATTORNEY'S REPORT

Mr. Polley stated that he had nothing to report at this time.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the July 3, 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 July 3, 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 June 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 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.

GENERAL MANAGER'S ACTION ITEMS

APPROVE AND AUTHORIZE EXECUTION OF FINANCING AGREEMENT WITH TEXAS WATER DEVELOPMENT BOARD ("TWDB") IN CONNECTION WITH 2017 SWIRFT, SUBJECT TO FINAL REVIEW BY AUTHORITY'S GENERAL MANAGER AND GENERAL COUNSEL

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. Mr. Evans reported that the TWDB had approved the Authority's full application for Financial Assistance for Phase II of the Authority's 2025 Distribution System on July 20, 2017. Mr. Evans further reported that closing on the Series 2017 Senior Lien Revenue Bonds is scheduled to occur on November 15, 2017. Mr. Evans then stated that the next step is to approve the Financing Agreement for the sale of the Authority's Series 2017 Senior Lien Revenue Bonds to the TWDB for the TWDB's financial assistance from the SWIRFT, a copy of which is included behind Tab 6 of the meeting packet and attached hereto. Mr. Polley then stated that the Financing Agreement with the TWDB is similar to the agreements that have been executed over the last few years for SWIRFT funding. Mr. Polley explained that the Financing Agreement states that the Authority will issue bonds and that the TWDB will buy the bonds that the Authority has issued.

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 and authorize execution of the Financing Agreement, subject to final review by the Authority's General Manager and General Counsel.

Mr. Evans then reported that the "Find My Provider" feature that was discussed at the last Board meeting in connection with the Authority's updated Geographic Information System is now live on the Authority's website. Mr. Evans stated that should anyone have any questions regarding use of "Find My Provider", to please contact Ms. Krystal Boggs or Ms. Lisa Sagstetter. Director Rendl encouraged everyone to use "Find My Provider" and let the Authority staff know about any ideas that could improve the feature. Mr. Evans noted that a user can now click on an address and see if that address is receiving surface or ground water.

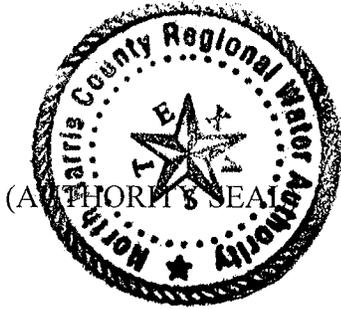
CONFIRM UPCOMING MEETING DATE

Director Rendl then reminded the meeting attendees that due to the Labor Day Holiday, the Authority's next regular meeting will be held on Monday, September 11, 2017, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENTS

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

PASSED, APPROVED AND ADOPTED this 11th day of September, 2017.



Louisa A. Sigler
Secretary, Board of Directors