

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

November 5, 2018

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 5th day of November, 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; 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. 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., 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. 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. Tobin Synatschk, P.E., of Jones|Carter, Inc., on-call engineers for the Authority; Mr. Bill Kotlan, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. 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; Ms. Giti Zarinkelk, P.E. and Mr. Michael Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews and Newnam, 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 ("RBAP"), 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 reported that the new audio/visual equipment has been installed in the meeting room and noted the new screen locations in the room. Director Rendl then encouraged the meeting attendees to vote tomorrow.

BOARD MEMBER COMMENTS

Director Pulliam then stated that he enjoyed the Association of Water Board Directors-Texas (the "AWBD") Fall Seminar in October. Director Pulliam next stated that he thought the speakers, Mr. Howard Cohen and Ms. Bobbitt, had a good presentation on the Texas Legislature and the AWBD Legislative Committee.

PUBLIC COMMENTS

Director Rendl first noted that one (1) public comment card was received at tonight's meeting, copy of which is attached hereto.

Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District No. 61, then addressed the Board and recommended that everyone read the Rice Kinder report that was recently published regarding Houston area development. Mr. Homan stated that the report has good information regarding local government working together and the pros/cons of ways to solve problems. Mr. Homan noted, however, that the report failed to mention any of the regional water authorities. Mr. Homan added that he had sent the report to all of the members of the Water Users Coalition and that the report is also available on the Water Users Coalition website.

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 Rising Cost of Water video is now available on the Authority's website, Facebook and Twitter. Ms. Payne noted that the video can be linked to utility district websites.

Ms. Payne next thanked the sponsors of the elementary school education program. Ms. Payne stated that over 20 assemblies have already been held this school year. Ms. Payne next reviewed the schedule for the Authority's 2nd, 4th and 5th grade assembly programs.

Ms. Payne went on to report that the Wunderlich Farms Old Fashion Christmas Market will be held on Saturday, December 1, 2018 from 10:00 a.m. until 4:00 p.m.

GENERAL MANAGER'S REPORT

Mr. Chang then called on 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.

PROGRAM MANAGER'S REPORT

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 21.5 million gallons per day ("MGD") of surface water during October. Mr. Berckenhoff added that the alternative water used in September was approximately 33.3%, as compared to approximately 28.5% in August. Mr. Berckenhoff further explained that during September, approximately 79.6% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

MAJOR ACTIVITIES

Mr. Berckenhoff further reported 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; 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 Inframark and the respective PWS operators, took appropriate actions to optimize the use of surface water.

Mr. Berckenhoff further reported as follows: 1) Project 28A is under construction, with 100% of the total project length of 6,147 linear feet of 54-inch (54") water line installed; 2) Project 28B is at 100% final design with approximately 14 parcels currently in the acquisition process; 3) Project 28C is in final design 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 75% completion with approximately 30 parcels to be acquired; and 6) Project 28F is working towards final design at 95% completion with approximately 24 parcels to be acquired.

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 expected to be substantially complete in November, with the building structure, interior walls, HVAC, installation of shop equipment, access driveway, parking lots, fuel tanks, air compressor and hose reel systems already completed; 2) construction of Capers Ridge Pump Station has been significantly affected by major flooding upstream and downstream of Lake Livingston, resulting in the contractor purposefully flooding the structure to protect the cofferdam on October 16th; 3) completed construction of the north 96-inch diameter pipeline and continued construction of the south 96-inch diameter pipeline from pump station working west towards the sedimentation basin; 4) completed construction of Canal Segment No. 1 and continued construction of the siphons at pipeline crossing and Scott Road and nearing completion of Bridge No. 1; 5) completed all canal construction, completed headwall construction at CR 3243 siphon and continued installation of Bridge No. 3 for Canal Segment No. 2; 6) completed all canal construction and continued

construction of Bridge No. 5 for Canal Segment No. 3; 7) completed canal excavation and completed siphons and headwalls at SH 321 and CR 2326 for Canal Segment No. 4; and 8) completed canal excavation and continued installation 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") met to review the 60% Design Documents for Phase 1. Mr. Berckenhoff then reported that the HWT submitted the 60% Design Documents for Phase 2 to the PATC for review. Mr. Berckenhoff went on to report that construction of the Early Work Package ("EWP") 1 Site Development is proceeding, including roadway construction, fencing and site preparation work. Mr. Berckenhoff also reported that construction of EWP 2 Filter Building and Transfer Pump Station structures continued with concrete foundation pours for pump cans and filter building foundation. Mr. Berckenhoff next reported that construction of EWP 4 Raw Water Pipeline work continues, including shaft excavation for a tunnel to be constructed under West Lake Houston Parkway and raw water pipeline excavation. Mr. Berckenhoff then reported that the HWT and the PATC continue to negotiate the HWT's proposed EWP 6 scope and fee. Mr. Berckenhoff went on to report that the HWT issued several Requests for Proposals addenda for various Balance of Plant packages, including instrumentation and controls/SCADA, administration/maintenance building and large valves. Mr. Berckenhoff also reported 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 one (1) section of the 108-inch (108") line and the 54-inch (54") interconnect line. Mr. Berckenhoff further reported that the Houston City Council awarded the bid for one (1) section of the 108-inch (108") line on August 29th and a Notice to Proceed for the project was issued on November 5th. Mr. Berckenhoff also noted that a pre-proposal meeting for the 120-inch (120") line was held on September 4th and seven (7) proposals were received on October 4th for such project, which are currently being evaluated. Mr. Berckenhoff went on to report that a pre-proposal meeting was held for another 108-inch (108") section of the line on September 10th and that six (6) proposals were received for such project on October 25th, which are currently being evaluated. Mr. Berckenhoff next reported that a pre-proposal meeting for another 108-inch (108") section of the line was held on September 26th and proposals for such project are due on November 8th. Mr. Berckenhoff added that real estate acquisitions are proceeding on several sections of the NETL, and that design is progressing on the remaining seven (7) sections of the NETL, including six (6) 108-inch (108") sections and the 66-inch (66") interconnect line.

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 October 1, 2018 regular meeting. Upon motion by Director Pulliam, 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 1, 2018 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, 2018, 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 Pulliam, 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.

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 19, 2018, 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 3, 2018, at 6:00 p.m. and that the Authority's regular meeting will follow the Public Hearing at 6:30 p.m., with all such meetings to be held at the Authority's office.

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

PASSED, APPROVED AND ADOPTED this 3rd day of December, 2018.




Secretary, Board of Directors