

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

October 3, 2016

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 3rd day of October, 2016, 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, 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; Mr. Jun Chang, Deputy General Manager for the Authority, effective October 10, 2016; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Tom Rolen, 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. Charles Shumate, P.E., of Lockwood Andrews & Newnam, Inc.; Mr. David Warner, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Mr. Tom Matkin, P.E., of AEI Engineering, Inc, on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., of Jacobs Engineering Group Inc., on-call engineers for the Authority; Mr. Marcel Khouw, P.E., of IDS Engineering Group, 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. Ravi Yanamandala, P.E., of Geotest Engineering, Inc., materials engineering laboratory services provider for the Authority; Mr. Shou Ting Hu, P.E., of Aviles Engineering Corporation, materials engineering laboratory services provider for the Authority; Mr. John Lacy, P.E., of Costello, Inc., on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US 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., co-financial advisor to the Authority; Messrs. Robert Collie and Jerry Kyle of Andrews Kurth Kenyon, LLP, co-bond counsel for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, 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 recognized Mr. Schindewolf, at which time Mr. Schindewolf acknowledged the presence of Mr. Chang at tonight's meeting and announced that Mr. Chang has accepted the position of Deputy General Manager for the Authority. Mr. Schindewolf stated that Mr. Chang had previously worked for the City of Houston (the "City") as the Deputy Director of the Public Utilities Division of the Department of Public Works and Engineering. Mr. Schindewolf informed the Board that Mr. Chang would begin work with the Authority on Monday, October 10, 2016.

PUBLIC COMMENTS

Director Rendl then called on Mr. Jerry Homan, General Manager of Harris County Fresh Water Supply District ("FWSD") No. 61. Mr. Homan stated that the next meeting of the Water Users Coalition is scheduled for Tuesday, October 11, 2016, at 7:00 p.m., at the Harris County FWSD No. 61 Administration Building, located at 13205 Cypress N. Houston Road, Cypress, Texas. Mr. Homan noted that Mr. Michael Parks, President, of the Association of Water Board Directors – Texas (the "AWBD") and Ms. Merry Leonard, Executive Director of the AWBD, will be the guest speakers and encouraged directors to attend the meeting.

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 stated that the most recent edition of Waterlines newsletter will be mailed out later this month and reminded the meeting attendees that the Authority's new monthly customer billing inserts are available at no cost to utility districts.

Ms. Payne thanked Mr. Buddy Barnes for the generous repeat sponsorship by Jacobs Engineering Group Inc. for the 2016-2017 school year.

Ms. Payne next reported that Klein Independent School District ("ISD") and Tomball ISD have scheduled second (2nd) grade assembly programs, as follows: Creekview Elementary on October 4th, in Tomball ISD; Metzler Elementary on October 6th, in Klein ISD; Klein Therapeutic Education Program at the Klein ISD Annex, on October 7th; and Kohrville Elementary on October 20th, in Klein ISD.

Ms. Payne further reported that Director Rendl will make a presentation to Northampton Elementary School on October 20th and a presentation to a group at Lone Star College on November 21st.

Director Rendl added that he will participate in the Authority's upcoming orientation/briefing session to be held for the newly elected local legislators that will be representing residents that live within the boundaries of the Authority.

Ms. Payne further reported that the Authority will be scheduling a Fall Directors Workshop in mid-November. Ms. Payne stated that the details of the workshop will soon be posted on the Authority's website. Director Rendl noted that the Authority welcomes ideas on topics for future Directors Workshops.

GENERAL MANAGER'S REPORT

Mr. Schindewolf next called on Mr. Evans, who reported on the status of the Authority's participation in the State Water Implementation Revenue Fund for Texas ("SWIRFT"). Mr. Evans reported that the Authority had hosted a joint meeting on September 13, 2016, with the TWDB team and representatives of the Authority and Central Harris County Regional Water Authority to discuss the Authorities' 2016 SWIRFT funding that is scheduled to close November 15th.

Director Rendl then commented that Mr. Evans has spent a great deal of time here and in Austin guiding the Authority's applications through the TWDB, and added that the TWDB regards the Authority's applications to be of the highest quality.

PROGRAM MANAGER'S REPORT

Mr. Rolan then reviewed the Program Manager's Report with the Board, a copy of which is included behind Tab 3 and is attached hereto.

UPDATE ON THE 2010/2025 WATER DISTRIBUTION AND TRANSMISSION SYSTEM

Mr. Rolan reported that the contractor for Project 24B is continuing to work on finalizing work items on such project.

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Rolan next reported that the Spears Road Regional Pump Station delivered a daily average of approximately 30.5 million gallons per day of surface water during September. Mr. Rolan added that the alternative water used in August was approximately 31.5%, as compared to 26.4% in July. Mr. Rolan further explained that during August, approximately 70.2% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

Mr. Rolan added that the Authority's 2010 surface water conversion rate through August (the end of Permit Year 2015-2016) was approximately 33.2%.

MAJOR ACTIVITIES

Concerning other activities, Mr. Rolan reported that during the prior month, AECOM had assisted the Authority in implementing and performing tasks regarding its aggregate water well

permit (the "Permit"); assisted the Authority in a variety of activities involving the City; continued oversight of engineering and acquisition related efforts; provided oversight of STES's activities and its contract to operate the Authority's system; and monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's aggregate water well permit and, where necessary and practical, in consort with STES and the respective PWS operator, took appropriate actions to optimize the use of surface water.

LUCE BAYOU PROJECT UPDATE

Concerning the Luce Bayou Project, Mr. Rolan reported that: 1) the contractor for the construction of the Capers Ridge Pump Station (the "Pump Station") is mobilizing and clearing the pump station site; 2) the permanent access road will be complete in early October; 3) the canal right-of-way clearing from the Pump Station site through Highway 321 is approximately 50% complete; 4) design of the maintenance facility is complete and the bid advertising date is being determined; 5) receipt of bids for canal construction projects is currently planned for December 2016; and 6) the force main (dual 96-inch lines) design is about 30% complete.

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

Mr. Rolan next reported that the Design Builder for the project had published the Draft Basis of Design Report ("BODR"), which outlines what type of facility will be built, estimated timeframe to complete the effort and the estimated cost. Mr. Rolan added that the evaluation and refinement of the BODR is ongoing.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Rolan then reported that design is proceeding forward on the two (2) 108-inch (108") sections of the NETL and a 54-inch (54") interconnect line. Mr. Rolan further informed the Board that acquisition of the necessary easements has proceeded forward on several segments of the line and that the City staff will go to City Council on October 19th to award funds for design of five (5) additional sections of the NETL, including one (1) 120-inch (120") section, and four (4) 108-inch (108") sections.

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 September 12, 2016 regular meeting. 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 approve the minutes of the September 12, 2016 regular meeting, as written.

FINANCIAL ASSISTANT'S REPORT, INCLUDING APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF 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 August 31, 2016, a copy of which 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.

GENERAL MANAGER'S ACTION ITEMS

CONSIDER APPROVAL OF AN EIGHTH SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF THE AUTHORITY'S SENIOR LIEN REVENUE BONDS, SERIES 2016A ("THE RESOLUTION")

Mr. Schindewolf then called on Mr. Kyle, who briefly reviewed the Resolution for the issuance of the Series 2016A Bonds. 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 adopt the Resolution, a copy of which is included behind Tab 6 of the meeting packet and attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Rendl then stated that the Authority's next regular meeting date will be held on Monday, November 7, 2016, 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 7th day of November, 2016.



Secretary, Board of Directors

