

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

November 7, 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 7<sup>th</sup> day of November, 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, 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. 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. Tobin Synatschk, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Messrs. Wendell L. "Buddy" Barnes, P.E., and Mr. Harrison Steed, P.E., of ARCADIS US, 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. Jeff Davis, P.E, of LGB-Guyton Associates, on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, 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; Mr. Robert Collie, Jr., of Andrews Kurth Kenyon, LLP, co-bond counsel for the Authority; and Mr. Jonathan D. Polley, attorney, and Ms. Brooke T. Dold and Ms. Alison Miller, paralegals, 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 noted that he had enjoyed watching the Chicago Cubs win the World Series and stated that he had been in first grade the last time the team played in the World Series.

## 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 has been mailed and reminded the meeting attendees that the Authority's new monthly customer billing inserts are available at no cost to utility districts.

Ms. Payne then thanked RBAP, Dannenbaum Engineering, McGrath & Co., PLLC and Allen Boone Humphries Robinson LLP for their generous sponsorship renewals for the 2016-2017 school year of the water conservation education program, "Learning from Our Past to Influence Our Future."

Ms. Payne next reported that additional Second Grade Frontier Assemblies have been scheduled as follows: 1) Spring Independent School District ("ISD") on November 3, 2016, and Klein ISD on November 17, 2016.

Ms. Payne went on to report that Director Rendl made presentations in October, as follows: 1) October 17<sup>th</sup> at the Authority's orientation sessions for Dr. Tom Oliverson, State Representative Candidate for District 130 and Mr. Kevin Roberts, State Representative Candidate for District 126; 2) October 20<sup>th</sup> to the Northampton Maintenance Association; and 3) October 26<sup>th</sup> to the Lakewood Oaks Estate Homeowners Association. Ms. Payne further reported that Director Rendl will make a presentation to the Klein 50+ group on November 15<sup>th</sup> and to Lone Star College group on November 21<sup>st</sup>.

Ms. Payne next reported that the San Jacinto River Authority will host the H2O4Texas Coalition's presentation regarding maintaining a sustainable water supply on Wednesday, November 16<sup>th</sup>. Ms. Payne noted that Messrs. Chang and Evans will be speakers at the event.

Ms. Payne further reported that the Authority will be scheduling a Winter Directors Workshop in mid-January, 2017, featuring Mr. John Sutton, Team Leader of the Texas Water Development Board's (the "TWDB") Municipal and ICI Water Conservation Programs and Mr. Scott Galaway, Outreach Specialist of the TWDB's Houston Field Office. Ms. Payne stated that registration for the Winter Workshop will begin on January 1, 2017.

Director Rendl reminded the meeting attendees that he is available to make presentations to homeowners associations and utility district meetings.

## 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 required documents for closing the Authority's Series 2016A Bonds have been submitted to the TWDB for the 2016 SWIRFT funding that is scheduled to close on November 15<sup>th</sup>. The total amount of TWDB SWIRFT funding scheduled to be approved at closing will be \$195,050,000.

## 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 construction on Project 24B is complete and acceptance of such project is on this evening's agenda.

## UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Rolan next reported that the Spears Road Regional Pump Station delivered a daily average of approximately 31 million gallons per day of surface water during October. Mr. Rolan added that the alternative water used in September was approximately 33.9%, as compared to 31.6% in August. Mr. Rolan further explained that during September, approximately 74.7% 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. Rolan reported that during the prior month, AECOM had assisted the Authority in preparing and submitting information to the TWDB needed for the closing of its 2016 SWIRFT funding (\$195,050,000 Series 2016A Bonds); assisted with the implementing and performing tasks regarding its aggregate water well permit (the "Permit") with special emphasis on the preparation of the Permit Year 2015-2016 Reconciliation Report; assisted the Authority in a variety of activities involving the City of Houston (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") has mobilized and the construction of the cofferdam is proceeding; 2) the permanent access road is complete; 3) the canal right-of-way clearing from the Pump Station site through Highway 321 is approximately

80% 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 in December 2016; and 6) the force main (dual 96-inch lines) 30% design drawings have been submitted, reviewed and comments returned to the engineer and the 60% design drawings are due by the end of the year.

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

Mr. Rolan next reported that the participants in the NEWPP recently completed the scope for the facility and the City is in the process of negotiating the fee with the Design Builder for Component 2, which is primarily the engineering fee to design the facility for the project.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Rolan next 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 right-of-way easements is proceeding forward on several segments of the line and that the City staff plans to go to City Council this month 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

Mr. Polley stated that he had nothing to report.

**REGULAR AGENDA**

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the October 3, 2016 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 October 3, 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 September 30, 2016, a copy of which 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.

GENERAL MANAGER'S ACTION ITEMS

ACCEPTANCE OF PROJECT 24B

Mr. Schindewolf then noted that Tab 6 of the meeting packet includes letters from AECOM and his recommendation letter for acceptance of Project 24B for the work performed by Affordable Land Services LLC, in connection with the clearing and fencing construction in connection with the State Highway 249 Regional Pump Station, copies of which letters are 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 Pay Estimate No. 24 and Final and authorize final acceptance of Project 24B in the final amount of \$143,097.52 (the original contract amount was \$258,975.64).

ADOPT RESOLUTION EVIDENCING INTENT TO REIMBURSE EXPENDITURES WITH BOND PROCEEDS IN CONNECTION WITH NEWPP EXPANSION PROJECT AND NETL PROJECT (THE "RESOLUTION")

Mr. Polley first noted that the Resolution is included behind Tab 7 of the meeting packet and explained to the Board that the Resolution allows the Authority to utilize available funds from the Authority's Improvement Fund for the enumerated capital improvement projects prior to the sale/funding of bonds and to reimburse itself with the proceeds from bonds to be issued subsequent to the payment for such capital improvements. Mr. Polley added that the Resolution covers any future advances for capital improvements issued from current TWDB commitments. Mr. Polley noted that if the amounts of the TWDB commitments increase, another resolution would be necessary. Upon motion by Director Graham, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution, a copy of which is attached hereto.

CONFIRM UPCOMING MEETING DATES

Director Rendl then informed the meeting attendees that the Authority's Budget and Capital Improvement Plan Workshop meeting will be held on Monday, November 28, 2016, at 6:00 p.m.; that the Authority will hold a Public Hearing on rate increases on Monday, December 5, 2016, at 6:00 p.m.; and that the Authority's next regular meeting will be held on Monday, December 5, 2016, 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 5<sup>th</sup> day of December, 2016.

  
Secretary, Board of Directors

