

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

April 3, 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 3rd day of April, 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., Michael Baugher, 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. W. John Seifert, P.E., of LBG-Guyton Associates, on-call engineers for the Authority; Messrs. Wendell L. "Buddy" Barnes, P.E., and Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E., of Dannenbaum Engineering Corporation, 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; 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. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; Mr. John Howell of The GMS Group, co-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

Mr. Schindewolf first noted that one (1) public comment card had been submitted from Mr. Marvin Fesler of Reid Road Municipal Utility District No. 1, a copy of which comment card is attached here.

Mr. Fesler asked how Senate Bill 241, currently pending in the 85th Legislature, relating to use of public funds for lobbying activities, might affect the Authority. Mr. Polley explained that Senate Bill 241 proposes to prohibit the use of public funds for the purpose of hiring lobbyists, and if Senate Bill 241 were to pass, the Authority would no longer be able to utilize a lobbyist. Director Rendl stated that he would check with Mr. Steve Bresnen, of Steve Bresnen & Associates, legislative consultants to the Authority, for more information on Senate Bill 241.

Mr. Fesler then asked if the Authority was still making contributions to H2O4Texas regarding the feasibility study on water supply and demand, and if any results were ever received from the study. Mr. Polley explained that Mr. Fesler was referring to former Senator Kip Averitt and the Goldwater Project, and that H2O4Texas was not associated with former Senator Averitt or the Goldwater Project. Director Rendl stated that the Authority never contributed to former Senator Averitt or the Goldwater Project and further explained that H2O4Texas was an organization that promotes water conservation, but has recently been disbanded.

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 a video of the Luce Bayou groundbreaking ceremony held on February 24, 2017 is now available for viewing on the Authority's website.

Ms. Payne next introduced Ms. Amy Duty, Department Chair of the Theatre Arts Department at Klein Independent School District ("Klein ISD"), to the Board. Ms. Payne explained that Klein ISD students participated in screen tests and research projects before starring in a rap video regarding water conservation. Ms. Payne then played the video for the Board and meeting attendees and noted that the video will be on the Authority's website within the next several weeks. Director Rendl reported that he has seen the video and that it is fantastic. Ms. Payne then stated that any utility district is welcome to place a link on their website to the video.

Ms. Payne next reported that the next Waterlines newsletter will be changing format to become a 20-page magazine. Ms. Payne explained that the longer length of the newsletter will provide the opportunity to provide more detailed information on complex issues. Ms. Payne

further stated that the next edition of Waterlines will be available in June and each residence and every utility district director within the Authority will receive a copy. Director Rendl stated that the new format will allow for pictures and diagrams that will help explain issues in more detail, and that the informational billing inserts on various topics will still be available from the Authority.

GENERAL MANAGER'S REPORT

Mr. Schindewolf first reported that Mayor Sylvester Turner had recently appointed Mr. Karun Sreerama as the new Director of the Department of Public Works and Engineering, and that Mr. Sreerama was confirmed by City Council last week.

PROGRAM MANAGER'S REPORT

In the absence of Mr. Rolen, Mr. Berckenhoff then 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 first reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 25.3 million gallons per day of surface water during March. Mr. Berckenhoff added that the alternative water used in February was approximately 37.2%, as compared to 36.9% in January. Mr. Berckenhoff further explained that during February, approximately 84.8% 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 in implementing and performing tasks regarding its aggregate water well permit; 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 operators, took appropriate actions to optimize the use of surface water.

LUCE BAYOU INTERBASIN TRANSFER PROJECT UPDATE

Concerning the Luce Bayou Interbasin Transfer Project, Mr. Berckenhoff reported that: 1) construction of the cofferdam sheet pile wall for the Capers Ridge Pump Station (the "Pump Station") site is ongoing and is scheduled for completion in April; 2) design of the maintenance facility is complete and will be advertised for construction bids in April; 3) construction of the canal segments started in mid-March; 4) the force main (dual 96-inch lines) design was completed in February; and 5) the near surface scraping required by the Memorandum of

Understanding with the Indian Tribes has been completed, and additional archaeological monitoring will be required for the force main construction and lift station excavation.

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

Mr. Berckenhoff next reported that the City had received the affirmative Consensus Votes from the Authorities, and would be seeking approval from City Council of the funding and amendment to the Design-Build Agreement for Component 2B-Preliminary Services, as well as the funding of anticipated cost recovery expenses, Technical Advisor's project management costs, and legal fees in support of Component 2-Preliminary Services.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reported that two (2) 108-inch (108") sections of the NETL and a 54-inch (54") interconnect line are in the bid advertisement phase. 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. Mr. Berckenhoff also reported that negotiations are underway for the design of the final four (4) 108-inch (108") sections of the NETL.

ATTORNEY'S REPORT

Mr. Polley stated that he had nothing further to report.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the March 6, 2017 regular meeting. Upon motion by Director Fessler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the March 6, 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 February 28, 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 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

ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD (THE "TWDB") FOR FINANCIAL ASSISTANCE RELATED TO THE NHCRWA DISTRIBUTION EXPANSION (THE "RESOLUTION") AND DESIGNATING AUTHORIZED REPRESENTATIVES IN CONNECTION THEREWITH AND AUTHORIZE EXECUTION OF APPLICATION AFFIDAVITS

Mr. Schindewolf next recognized Mr. Evans, who provided an update on the Authority's participation in the 2017 State Water Implementation Fund for Texas ("SWIFT"). Mr. Evans reminded the Board that the Authority's Abridged Application was submitted to the TWDB on February 1st. Mr. Evans further reported that the TWDB had recently approved the SWIFT project prioritization list and the funds available for applications by category, and authorized the Executive Administrator to proceed with the issuance of invitations to applicants to submit applications for financial assistance. Mr. Evans went on to report that the Authority had received an invitation from the TWDB on March 29, 2017 to submit a full application for financial assistance. Mr. Evans further noted that the Authority's SWIFT Abridged Application was ranked first on the TWDB priority list. Mr. Evans then requested Board adoption of the Resolution and authorize execution of the Application Affidavits in order for the Authority to submit the full application for financial assistance to the TWDB. 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 adopt the Resolution and authorize execution of the Application Affidavits.

APPROVE AND AUTHORIZE EXECUTION OF MUTUAL SETTLEMENT AGREEMENT (THE "SETTLEMENT AGREEMENT") AND RELEASE OF ALL CLAIMS WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Mr. Schindewolf then explained that a proposed Settlement Agreement had recently been negotiated between Harris County Municipal Utility District No. 249 ("HCMUD No. 249") and the Authority, regarding a disagreement relating to HCMUD No. 249's request for payment of a chloramination credit for the chloramination facilities they had installed. Director Rendl further explained that the Settlement Agreement has to do with HCMUD No. 249 installing chloramination facilities and requesting reimbursement for the cost of facilities before they are scheduled to receive surface water from the Authority. 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 authorize execution of the Settlement Agreement with HCMUD No. 249.

CONFIRM UPCOMING MEETING DATE

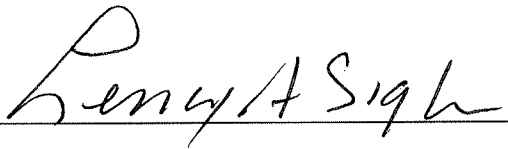
Director Rendl then reminded the meeting attendees that the Authority's next regular meeting will be held on Monday, May 1, 2017, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENTS

Mr. Jerry Homan, General Manager of Harris County Fresh Water Supply District No. 61, asked what the new format of the Waterlines newsletter is estimated to cost and if publication of the Waterlines newsletter would be subject to the public bidding process. Ms. Payne stated that the cost for the Waterlines newsletter is already included in the Authority's approved budget.

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

PASSED, APPROVED AND ADOPTED this 1st day of May, 2017.



Secretary, Board of Directors

