

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

January 4, 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 4th day of January, 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
Jim Pulliam	Vice President/Investment Officer
Lenox A. Sigler	Secretary
Kelly P. Fessler	Assistant Secretary
Ron Graham	Treasurer

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. 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., 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. Larry Barfield, P.E., of Binkley & Barfield, Inc., on-call engineers for the Authority; Mr. W. John Seifert, P.E., of LGB-Guyton Associates, on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Brown & Gay Engineers, Inc., 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. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. David Warner, P.E., of Jones & Carter, 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. Dustin O'Neal, P.E., of Costello, Inc., on-call engineers for the Authority; Mr. Tony Sarman, P.E., of AEI Engineering, Inc., on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, on-call engineers for the Authority; Ms. Linn Smyth, member of the Board of the Harris-Galveston Subsidence District; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"); Mr. John Howell of The GMS Group, co-financial advisor to 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.

MESSAGE FROM THE PRESIDENT

Director Rendl first extended a Happy New Year greeting to the Board and attendees.

Director Sigler then entered the meeting at 6:03 p.m.

PUBLIC COMMENTS

Mr. Schindewolf stated 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 a "make-up" Special Briefing meeting has been scheduled on January 19, 2016, at 6:00 p.m., at the offices of the Authority, for anyone who was unable to attend the Special Briefing meetings that were held in November and December. Ms. Payne noted that the invitations for the meeting had been mailed today.

Ms. Payne next reported that a new *Rising Cost of Water* brochure will be available in January for use by utility districts. Ms. Payne stated that an order form for the new brochure will be sent to the utility district operators.

Ms. Payne then reported that this year there will be two (2) Waterlines newsletters published. Ms. Payne added that utility districts are invited to submit their mailing lists for individuals that want to be included on the distribution for the newsletters.

Directors Rendl and Sigler then encouraged directors to attend the January 19th "make-up" Special Briefing meeting.

GENERAL MANAGER'S REPORT

Mr. Schindewolf then called on Mr. Evans to give an update regarding the Authority's participation in the State Water Implementation Fund for Texas ("SWIFT"). Mr. Evans reported that the Authority closed with the Texas Water Development Board (the "TWDB") on the Authority's \$80,435,000 Series 2015 Senior Lien Bonds, at which time the TWDB released \$39,558,405 in SWIFT funds to the Authority. Mr. Evans further reported that work on Round II of the TWDB's SWIFT application timeline has begun and noted that the 2016 SWIFT schedule will mirror the 2015 SWIFT schedule with Abridged Applications for the 2016 SWIFT funding cycle due on February 5, 2016. Mr. Evans reported that the Authority is preparing two (2) Abridged Applications for 2016 that will provide funds for the SH 249 Pump Station and the Second Source Transmission line. Director Rendl inquired if the amounts of the Abridged Applications are known yet. Mr. Evans responded that additional information on the Abridged Applications will be presented at the Authority's February 1st meeting.

Mr. Schindewolf then delivered an overview regarding the status of the Luce Bayou Interbasin Transfer Project, referring to a PowerPoint map of the project. Mr. Schindewolf reported that Dannenbaum Engineering Corporation has completed the engineering design of the Capers Ridge Pump Station to pump water over Capers Ridge in dual 96-inch lines that will then flow by gravity through a canal to Lake Houston. Mr. Schindewolf further reported that the Coastal Water Authority is currently conducting a pre-qualification process for prospective construction contractors after which bids will be taken during the first quarter of 2016. Mr. Schindewolf noted that the project is still on target to be completed July 2019.

Mr. Schindewolf next gave an update on the Northeast Water Purification Plant expansion project. Mr. Schindewolf stated that the Design-Build Agreement was approved by the City of Houston (the "COH") City Council on December 9, 2015. Mr. Schindewolf further explained that the initial 80 million gallons per day ("MGD") module will be completed by August 31, 2021 and that the additional 240 MGD modules are scheduled to be completed in 2024. Mr. Schindewolf went on to report that Mr. Jeffrey L. Benjamin, P.E., of the COH, Public Works and Engineering Department and Project Director for the NEWPP Expansion will issue the Notice to Proceed on the project on January 12, 2016. Director Rendl then asked if there will be some additional water storage capability at the NEWPP, to which Mr. Schindewolf responded that there will be additional storage, but that he did not yet know the amount.

Concerning the Second Water Transmission Line from the NEWPP, Mr. Schindewolf stated that he will present a detailed report on such project at the February 1, 2016 Board meeting.

PROGRAM MANAGER'S REPORT

Mr. Schindewolf next called on Mr. Rolan to present his Program Manager's Report.

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

UPDATE ON THE 2010-2025 WATER DISTRIBUTION AND TRANSMISSION SYSTEM

Mr. Rolan reported that Project 2-5 (Spears Road Regional Pump Station) contractor has been working on final work items.

Mr. Rolan went on to report that the contractor for Project 24B is working on final work items.

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Rolan next reported that the Spears Road Regional Pump Station delivered a daily average of approximately 21.6 MGD of surface water during the reporting period. Mr. Rolan added that the alternative water used in November was approximately 35.9% as compared to 29.7% in October. Mr. Rolan explained that during November, approximately 79.7% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

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; assisted the Authority with a variety of activities involving the COH; continued oversight of engineering and acquisition related efforts; provided construction administration services and project representative services on construction projects, as required; 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, in consort with STES and the respective PWS operator, took appropriate actions to optimize the use of surface water.

Mr. Rolan then announced that Mr. Haude has rejoined AECOM as Construction Manager and that part of his responsibility will be to direct AECOM's Construction Administration of Authority projects.

Next Mr. Rolan reminded those present at the meeting that we are in the traditionally low water usage period and emphasized the importance of the utility districts in the 2010 service area using as much surface water as possible during this time period to assist the Authority in meeting the 30% conversion requirement for the 2015-2016 permit year.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report.

REGULAR AGENDA

APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the special meetings of October 26, 2015, November 23, 2015 and November 30, 2015, the December 7, 2015 public hearing, and the December 7, 2015 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 special meetings of October 26, 2015, November 23, 2015 and November 30, 2015, the December 7, 2015 public hearing, and the December 7, 2015 regular meeting.

FINANCIAL ASSISTANT'S REPORT

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 November 30, 2015, 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

AUTHORIZE PREPARATION AND SUBMISSION OF SWIFT 2016 ABRIDGED APPLICATIONS TO THE TWDB FOR THE AUTHORITY'S PARTICIPATION IN VARIOUS INFRASTRUCTURE PROJECTS

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 authorize the preparation and submission of SWIFT 2016 Abridged Applications to the TWDB.

ELECTION OF OFFICERS

Director Pulliam then nominated the following 2016 slate of officers for the Board's approval:

President	Alan J. Rendl
Vice President	Kelly P. Fessler
Secretary	Lenox A. Sigler
Assistant Secretary	Ron Graham
Treasurer/Investment Officer	Jim Pulliam

Upon motion by Director Pulliam, seconded by Director Fessler, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposed slate of officers for 2016.

PUBLIC COMMENT

Mr. Bob Koperwhats, President of the Board of Directors of Harris County Water Control and Improvement District No. 91, asked about the open carry law now in effect. Ms. Bobbitt then confirmed that it has always been illegal to carry a gun into a public meeting of a governmental entity..

CONFIRM UPCOMING MEETING DATE

Director Rendl then noted that the Board's next regular meeting will be held on February 1, 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 1st day of February, 2016.

Lenny A. Sigel
Secretary, Board of Directors

