

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

March 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 7th day of March, 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, except Directors Rendl and Graham, thus constituting a quorum. Also attending the meeting were: 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 Rolan, 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. Mike Reedy, P.E., of Freese and Nichols, on-call engineers for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., and Ms. Emily Anderson, 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. Tony Sarman, P.E., of AEI Engineering, Inc., on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; and Mr. Jonathan D. Polley, 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 VICE PRESIDENT

Director Fessler reported that Director Rendl was out of town and would not be in attendance at tonight's meeting.

PUBLIC COMMENTS

Director Fessler recognized Mr. Marvin Fesler, Vice President of Reid Road Municipal Utility District No. 1, who stated that at the February meeting, he had asked why the Authority's financial reports do not include the check registers for all three (3) of the Authority's depository accounts and asked for a response to his question. Ms. Plunkett explained that the check registers for two (2) depository accounts are provided. The third account is used for office and administrative expenses under \$10,000. Ms. Plunkett also stated that all of the office and administrative expenses are included in the Financial Reports provided to the Board and the public.

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 reported that Mr. Evans of the Authority, Mr. Mike Turco of Harris-Galveston Subsidence District (the "HGSD"), Mr. Jun Chang, P.E., of the City of Houston (the "COH"), and Ms. Alia Vinson, general counsel for the West Harris County Regional Water Authority recently participated in a collaborative presentation, on March 3, 2016 at the Texas Water Conservation Association conference, to educate people about securing the water future for the Greater Houston Region.

Ms. Payne next reported that the Irrigation Workshop sponsored by the Authority, on February 23, 2016, was very well received by the 75 people who attended such Workshop.

Ms. Payne next reported that she and Ms. Lisa Sagstetter are busy working on the mailing of the Waterlines newsletter and orders for the new *Rising Cost of Water Q&A* brochures. Director Sigler then stated that the *Rising Cost of Water Q&A* brochure is an excellent publication. Ms. Payne noted that the publication is a great tool for area realtors to hand out to prospective home buyers.

GENERAL MANAGER'S REPORT

Mr. Rolen stated that Mr. Schindewolf had asked him to give the General Manager's Report tonight and called on Mr. Evans to give an update regarding the Authority's participation in the 2016 State Water Implementation Fund for Texas ("SWIFT"). Mr. Evans reported that two (2) Abridged Applications for the Authority had been submitted to the Texas Water Development Board (the "TWDB") on February 5, 2016. Mr. Evans reminded the Board that one (1) SWIFT Abridged Application, in the amount of \$107,820,000, is to fund the proposed State Highway 249 ("SH 249") Regional Pump Station that will be located west of SH 249 and north of Beltway 8, and that the second SWIFT Abridged Application, in the amount of \$117,855,000, is to provide additional funding for the Second Source Transmission Line, Phase 1 project.

Mr. Evans further reported that the financial applications should be requested by the TWDB later in the Spring, with funding awarded in late summer, and then closing of the loan in November or December of 2016.

Mr. Rolan then delivered an update on the status of the Luce Bayou Interbasin Transfer Project. Mr. Rolan reported that five (5) prospective construction contractors have been pre-qualified by the Coastal Water Authority ("CWA") for construction of the Capers Ridge Pump Station, and will submit bids for such project in June 2016. He also advised that the design of the open channel is 60% complete. Mr. Rolan also noted that CWA has selected Brown & Gay Engineers to design the dual 96-inch pipelines, CDM SMITH INC. to provide construction management for the pump station and the dual 96-inch pipelines and Parsons to provide construction management for the 23 miles of open channel.

Mr. Rolan next gave an update on the Northeast Water NEWPP expansion project. Mr. Rolan reported that Notice to Proceed for such project had been given on January 11, 2016, to the design builder. Mr. Rolan stated that Mr. Hamlet Hovsepian, P.E., has been engaged to serve as the Authority's Chief Engineer at the NEWPP Collaboration Center. Mr. Rolan noted that the first meeting of the Collaboration Team had been held on February 1, 2016, at the NEWPP Collaboration Center.

Concerning the Second Source Transmission Line from the NEWPP, Mr. Rolan reported that it is now referred to as the Northeast Transmission Water Line ("NETWL") and will consist of approximately 1,650 feet of 120-inch water line and approximately 86,100 feet of 108-inch water line. Mr. Rolan further explained that the Authority will own 35.31% of the capacity in the 120-inch water line and 54.96% capacity in the 108-inch water line. Mr. Rolan added that the Authority's share of the construction cost is \$241.6 million of the overall project cost of \$445.2 million. Mr. Rolan noted that the NETWL consists of 12 construction projects that are targeted for completion by August 31, 2021. Mr. Rolan further noted that construction of three (3) of the 12 projects will begin this calendar year.

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 the contractor for Project 24B is working on finalizing 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 24.9 million gallons per day of surface water during the reporting period. Mr. Rolan added that the alternative water used in January was approximately 37.7%, as compared to 37.0% in December. Mr. Rolan explained that during December, approximately 85.8% 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 with the primary focus on developing the Authority's 2015 Annual Report for submission to the HGSD; assisted the Authority in various 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 next 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. Mr. Rolan suggested that the utility district directors ask their operators if their district is using the maximum of surface water it can.

ATTORNEY'S REPORT

Mr. Polley stated that he had no report for tonight.

REGULAR AGENDA

APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the February 1, 2016 regular meeting. 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 minutes of the February 1, 2016 regular meeting.

FINANCIAL ASSISTANT'S REPORT

APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF PUMPAGE FEES

Director Fessler 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 January 31, 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

Director Fessler reported that there were no General Manager's action items.

CONFIRM UPCOMING MEETING DATE

Director Fessler then noted that the Board's next regular meeting will be held on April 4, 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 4th day of April, 2016.


Secretary, Board of Directors

