

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

July 2, 2018

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 2nd day of July, 2018, 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. 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; Mr. Stephen Berckenhoff, 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. Buddy Barnes, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, Inc., on-call engineers for the Authority; Mr. David Warner, 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; Mr. Charles Shumate, P.E., of Lockwood Andrews and Newnam, 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. Alexander Kuzovkov, P.E., of RPS Group Plc., on-call engineers for the Authority; Mr. Carlton McDevitt of Inframark, LLC (formerly, Severn Trent Environmental Services) ("Inframark"), operator for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Alison Miller, paralegal, 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 first congratulated Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District No. 61, on Mr. Homan's recent election to the Board of Trustees of the Association of Water Board Directors - Texas ("AWBD").

PUBLIC COMMENTS

Director Rendl next reported that one (1) public comment card was received at tonight's meeting, copy of which is attached hereto.

Mr. Homan then addressed the Board and thanked everyone for their support in the AWBD election. Mr. Homan pledged to do his best and pay attention to the issues happening in Harris County (the "County").

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 water conservation/informational brochures and billing inserts can be ordered from the Authority's website or by calling the Authority's office. Ms. Payne next reported that a 15-second commercial entitled "Use Less, Save More" is on the Authority's website, and can be linked to any utility district website. Ms. Payne further reported that a new "Rising Cost of Water" video will be available next month.

Director Rendl next reported that he had given a presentation at Springwood United Methodist Church last week, and that Senator Jon Lindsay was in attendance at such presentation. Director Rendl then reiterated that water conservation is very important during this time of year, and urged the meeting attendees to contact the Authority's office for conservation brochures to use in their districts.

GENERAL MANAGER'S REPORT

Mr. Chang then called on Mr. Berckenhoff to present the Program Manager's Report to the Board, a copy of which is included behind Tab 3 of the meeting packet and is attached hereto.

PROGRAM MANAGER'S REPORT

UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Berckenhoff reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 31 million gallons per day ("MGD") of surface water during June. Mr. Berckenhoff added that the alternative water used in May was approximately 31.7%, as compared to 35.2% in April. Mr. Berckenhoff further explained that during May, approximately

73.8% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

MAJOR ACTIVITIES

Mr. Berckenhoff further reported that during the prior month, AECOM had performed other activities for the Authority as follows: 1) implemented and performed tasks regarding the Authority's aggregate water well permit (the "Permit"); 2) assisted the Authority in a variety of activities involving the City of Houston (the "City"); 3) continued oversight of engineering and acquisition related efforts; 4) provided oversight of Inframark's activities and its contract to operate the Authority's system; and 5) monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's Permit and where necessary and practical, in consort with Inframark and the respective PWS operators, took appropriate actions to optimize the use of surface water.

Mr. Berckenhoff further reported as follows: 1) Project 28A is under construction, with 3,907 linear feet of 54-inch (54") water line installed; 2) Project 28B is in final design with approximately 14 parcels currently in the acquisition process; 3) Project 28C is in final design with approximately 29 parcels currently in the acquisition process; 4) Project 28D is in final design at 90% completion with approximately 22 parcels to be acquired; 5) Project 28E is in final design at 75% completion with approximately 30 parcels to be acquired; and 6) Project 28F is in final design at 75% complete with approximately 25 parcels to be acquired.

LUCE BAYOU INTERBASIN TRANSFER PROJECT (THE "LUCE BAYOU PROJECT") UPDATE

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the following items: 1) construction of the Luce Bayou Project Maintenance Facility is progressing, including installation of drywall, mechanical and electrical components within the building, backup generator and fire pump building and piping; 2) continued installation of Capers Ridge Pump Station wall forms and steel with a wall pour scheduled for late June, and continued duct bank installation and began structural backfill of mat foundation; 3) installed approximately 2,800 feet of the northern 96-inch (96") diameter pipeline; 4) construction of all five (5) canal segments is ongoing, including installation of the 96-inch inverted siphons, box culvert bridges, siphon headwall at County Road 2326, baffled outfall and rip rap at the Lake Houston/Luce Bayou outfall, maintenance road, hydromulch seeding and Parshall Flume; and 5) Sam Houston Electric Coop is nearing completion of construction of the electrical substation at the pump station site and construction/installation of the transmission lines.

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

Mr. Berckenhoff next reported that the Houston Waterworks Team (the "HWT") is continuing to progress on the various engineering designs as defined in the Component 2 Design Development Scope of Services. Mr. Berckenhoff went on to report that construction of the Early Work Package ("EWP") 1 Site Development is proceeding, including setup of field office trailers, Intake Pump Station electrical service connection, clearing, fence installation and

drainage work. Mr. Berckenhoff further reported that contractor mobilization is underway for construction of EWP 2 West Filter Building and Transfer Pump Station structures. Mr. Berckenhoff next reported that Final Design and Construction of EWP 4 Raw Water Pipeline work is underway and initial construction includes dewatering and shaft excavation for a tunnel to be constructed under West Lake Houston Parkway. Mr. Berckenhoff further reported that the HWT has completed the 60% Balance of Plant Design documents and is working on the 60% cost model. Mr. Berckenhoff also noted that the HWT issued several Requests for Proposals addenda for various balance of plant packages, including the High Service Pump Station, Central Plant, Site Electrical Installation, Yard Piping, Dewatering Building and Vertical Turbine Pumps. Mr. Berckenhoff added that the Project Advisor/Technical Consultant ("PATC") continues to provide construction oversight services on behalf of the City and the Authorities. Mr. Berckenhoff then reported that the HWT and PATC continue to negotiate the proposed EWP 6 scope and fee.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reminded the Board that on June 18th the City issued Notices to Proceed to the contractors for one (1) section of the 108-inch (108") line and the 54-inch (54") interconnect line. Mr. Berckenhoff went on to report that the City re-advertised for one (1) section of the 108-inch (108") line and the City issued a Notice of Intent to Award on May 17th. Mr. Berckenhoff further reported that real estate acquisitions are proceeding forward on several sections of the transmission line, and that design is progressing on ten (10) sections of the NETL, including one (1) 120-inch (120") section, eight (8) 108-inch (108") sections and a 66-inch (66") interconnect line.

Director Rendl then stated that he recently attended a seminar at the AWBD Annual Conference regarding nitrification in water lines, and asked if this is an issue that utility districts will need to look out for. Mr. Berckenhoff responded that there can be nitrification issues in water systems that use chloramines as a disinfectant. Nitrification usually only becomes an issue if there is an imbalance or upset of the ratios of ammonia and chlorine. The NHCRWA's operator conducts frequent sampling and has analyzers on water coming into and leaving our pumping station. Mr. Berckenhoff went on to explain that chemical dosing of chlorine and ammonia are adjusted continuously to keep the balance and avoid nitrification issues.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report at this time.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the June 4, 2018 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 June 4, 2018 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 May 31, 2018, 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 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 ITEM

AUTHORIZE GENERAL MANAGER AND CONSULTANTS TO NEGOTIATE AND ENTER INTO AN INTERLOCAL PARTICIPATION AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE LOCAL GOVERNMENT PURCHASING COOPERATIVE (THE "COOPERATIVE") FOR THE ACQUISITION OF EQUIPMENT, MATERIALS AND SUPPLIES, AS MAY BE NEEDED FROM TIME TO TIME AND TAKE ANY OTHER NECESSARY ACTIONS RELATED TO SAME

Mr. Chang then explained that the Authority last upgraded its server in 2010, and it is currently reaching its useful life and maximum capacity. Mr. Chang then recommended using the Cooperative that is sanctioned by the State of Texas to purchase the new server, which will satisfy the public bidding requirements. Mr. Chang further explained that the Authority will need to apply to be a member of the Cooperative at no cost, and the Authority will then be able to submit a purchase request to the Cooperative which will then be posted for the Cooperative's member vendors to bid on. 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 authorize the General Manager and consultants to negotiate and enter into an Interlocal Participation Agreement by and between the Authority and the Cooperative for the acquisition of equipment, materials and supplies, as may be needed from time to time.

ELECTION AGENDA

UPDATE ON NOVEMBER 6, 2018 DIRECTORS ELECTION MATTERS

Ms. Bobbitt then explained that the terms of Director Graham, Single-Member Voting District No. 1 and Director Sigler, Single-Member Voting District No. 2, are expiring on November 6, 2018. Ms. Bobbitt further explained that the first day to file for a place on the November 6, 2018 ballot is Saturday, July 21, 2018, and that the last day to file for a place on the ballot is Monday, August 20, 2018, at 5:00 p.m.

Ms. Bobbitt further explained that her office typically serves as the designated agent for the Authority's election and requested Board action on such appointment.

Ms. Bobbitt then stated that the Authority was required to post the Notice of Deadline to File Applications for Place on Ballot by Thursday, June 21, 2018, and that such Notice has been posted on the Authority's behalf.

Ms. Bobbitt went on to explain that the November 6, 2018 Directors Election would be held as a joint election with the County. Ms. Bobbitt recommended that the Board authorize Mr. Schindewolf to execute the Joint Election Agreement with the County upon receipt of same from the County.

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: 1) designate RBAP as the Authority's designated agent for the November 6, 2018 Directors Election; 2) authorize the designated agent to post the Notice of Deadline to File Applications for Place on Ballot; and 3) authorize the General Manager to execute the Joint Election Agreement with the County upon receipt of same from the County and subject to review and approval of same by Ms. Bobbitt.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, August 6, 2018, 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 6th day of August, 2018.


Secretary, Board of Directors

