

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

May 6, 2019

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 6th day of May, 2019, 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; Mr. Hamlet Hovsepian, P.E., Chief Engineer for the Authority; Ms. Lisa Randecker, Executive Assistant for the Authority; Ms. Lisa Sagstetter, Community Relations Coordinator for the Authority; Ms. Krystal Boggs, Administrative Assistant for the Authority; Mr. Travis Jones, Accountant 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., Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services, LLC, on-call engineers for the Authority; Mr. Dustin O'Neal, P.E., of Costello, 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. Marcel Khouw, P.E., of IDS Engineering Group, on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. Fred Bauhof, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Katherine Ostroff, P.E., of RPS Group Plc., on-call engineers for the Authority; Mr. Wayne Ahrens, P.E., and Ms. Melinda Silva, P.E., of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews and Newnam, Inc.; Mr. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Ms. Colette Garcia of McGrath & Co., PLLC ("McGrath & Co."), auditors for the Authority; Mr. William Callegari, P.E., member of the Board of Trustees of the Texas Engineering Foundation; Mr. Harold Cobb, P.E., Chair of the Board of Trustees of the Texas Engineering Foundation; Ms. Trish Smith, Executive Director of the Texas Society of Professional Engineers; and Ms. Robin S. Bobbitt, attorney, and Mr. Jonathan D. Polley, attorney, 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.

PRESIDENT'S MESSAGE, INCLUDING PRESENTATION BY THE TEXAS ENGINEERING FOUNDATION

Mr. Cobb first gave a presentation and recognized Mr. Schindewolf as a Fellow of the Texas Engineering Foundation. Mr. Cobb then gave an overview of Mr. Schindewolf's career. Director Pulliam commended and congratulated Mr. Schindewolf, noting that he has done a great job for the Authority. Director Graham then stated that he is glad that Mr. Schindewolf had accepted the Authority's offer to serve as the Authority's General Manager. Director Rendl also congratulated and commended Mr. Schindewolf. Mr. Schindewolf stated that he has spent more time working at the Authority than he has spent working anywhere else.

PUBLIC COMMENTS

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

Mr. Jerry Homan, General Manager of Harris County Freshwater Supply District No. 61, then addressed the Board and stated that Mr. Schindewolf is appreciated and that the Authority has done a great job. Mr. Homan then stated that there will be a seminar at the Association of Water Board Directors ("AWBD") Annual Conference in June about utility district infrastructure that will be a prelude to an AWBD workshop later this summer. Mr. Homan encouraged utility district directors to attend these two (2) events.

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 the new mobile teaching lab is now available for booking. Ms. Payne explained that the new mobile teaching lab now has a docent and that the newly remodeled lab places an emphasis on stormwater quality education. Ms. Payne stated that the new mobile teaching lab can be booked through the Authority's website or by calling the Authority's office.

Ms. Payne next reviewed the upcoming elementary school assemblies. Ms. Payne then thanked all of the sponsors of the elementary school assemblies.

GENERAL MANAGER'S REPORT

Mr. Schindewolf then called upon 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 attached hereto.

PROGRAM MANAGER'S REPORT

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 24.0 million gallons per day of surface water during April. Mr. Berckenhoff added that the alternative water used in March was approximately 32.6%, as compared to approximately 34.6% in February. Mr. Berckenhoff further explained that during March, approximately 77.0% 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 went on to report 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 on the Authority's current construction-related activities as follows: 1) Project 28A is complete and awaiting a true-up and contract close-out with Harris County (the "County"); 2) Project 28B is at 100% final design, with approximately 14 parcels currently in the acquisition process; 3) Project 28C is in final design and 95% plans are in review, with approximately 29 parcels currently in the acquisition process; 4) Project 28D is in final design at 95% completion with approximately 24 parcels to be acquired; 5) Project 28E is in final design at 95% completion with approximately 30 parcels to be acquired; 6) Project 28F is in final design at 95% completion with plans in review, with approximately 24 parcels to be acquired; 7) Project 25 will begin final design soon with approximately 13 parcels to be acquired; 8) Project 28G will begin engineering soon; and 9) Project 24 will begin the engineering phase soon.

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

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the status of the following items: 1) the contractor is currently addressing the punch list items and final cleanup of the Luce Bayou Canal Maintenance Facility; 2) completed the Capers Ridge Pump Station concrete pours for the walkway across Pump Bays 5-8 and installation of forms/rebar for walls from elevation

35 to 45; however, flooding of the Trinity River during late April has resulted in delayed pump station concrete pours; 3) continued construction of the air relief valve vaults and manholes on the south 96-inch diameter pipeline, and also completion of welding on the north and south 96-inch diameter pipeline; 4) completed construction of Canal Segment No. 1 and continued siphon construction at Scott Road; 5) completed all canal construction and siphon headwalls at CR 6243, and continued construction at water level gate 2 for Canal Segment No. 2; 6) completed all canal construction and continued fence installation and final seeding for Canal Segment No. 3; 7) completed canal excavation, continued construction of water level gate 6 structure and Siphons A, B, C and D for Canal Segment No. 4; and 8) completed canal excavation and continued construction of headwalls at the FM 1008 siphon for Canal Segment No. 5.

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

Mr. Berckenhoff next reported that the Houston Waterworks Team (the "HWT") and the Project Advisor/Technical Consultant (the "PATC") are currently negotiating the terms, conditions and price of the Balance of Plant ("BOP") Guaranteed Maximum Price ("GMP") proposal. Mr. Berckenhoff noted that further refinement of the supporting documentation, including the GMP schedule, must be completed. Mr. Berckenhoff went on to report that the HWT submitted the draft BOP 90% Design Documents to the PATC for review. Mr. Berckenhoff also reported that construction of Early Work Package ("EWP") 1 Site Development continues and includes grading, yard piping and other site work. Mr. Berckenhoff further reported that construction of EWP 2 Filter Building and Transfer Pump Station structures has continued with concrete foundation pours for transfer pump station and filter building foundation. Mr. Berckenhoff next reported that construction of EWP 4 Raw Water Pipeline work continues, including tunnel excavation under West Lake Houston Parkway, along with raw water pipeline installation. Mr. Berckenhoff further reported that construction of EWP 6 North Plant foundation and Intake Pump Station bridge and platform piling began. Mr. Berckenhoff went on to report that the HWT continues to progress on procurement of various BOP packages. Mr. Berckenhoff added that the PATC continues to provide construction oversight services on behalf of the City and the authorities.

NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Berckenhoff next reported that in connection with the NETL project, the contractors have continued with construction on two (2) sections of the 108-inch (108") line and the 54-inch (54") interconnect line. Mr. Berckenhoff also noted a contract was awarded to Main Lane Industries, Ltd. on April 17th for the 120-inch (120") section of the NETL. Mr. Berckenhoff went on to report that a contract was awarded to Harper Brothers Construction on April 17th for another 108-inch (108") section of the NETL. Mr. Berckenhoff further reported that a contract was awarded to Harper Brothers Construction on April 3rd for another 108-inch (108") section of the NETL. Mr. Berckenhoff added that four (4) proposals were received for another 108-inch (108") section of the NETL and a Notice of Intent to Award had been issued to Main Lane Industries, Ltd. on January 28th for such project. Mr. Berckenhoff added that real estate acquisitions are proceeding on several sections of the NETL, and that design is progressing on the remaining six (6) sections of the NETL, including five (5) 108-inch (108") sections and a 66-inch (66") interconnect line.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the April 1, 2019 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 April 1, 2019 regular meeting, as written.

REVIEW AND APPROVE AUDIT REPORT FOR FISCAL YEAR END ("FYE")
DECEMBER 31, 2018, AND AUTHORIZE FILING OF SAME

Ms. Garcia next reviewed with the Board the draft of the Authority's audit report for FYE December 31, 2018, a copy of which is included behind Tab 5 of the meeting packet and attached hereto. Ms. Garcia first reported that review of the Authority's books and records had resulted in an excellent report for the Authority and the issuance of an unqualified opinion from McGrath & Co. Ms. Garcia then briefly reviewed the McGrath & Co. Management Letter, a copy of which is attached hereto. Ms. Garcia then commended Ms. Plunkett and the Authority staff on another excellent job preparing and maintaining the Authority's financial statements. Ms. Garcia then explained that McCall Gibson Swedlund Barfoot, PLLC will be preparing a post-audit Agreed-Upon Procedures Report ("AUP"), which will review the Authority's financial statements from a technical perspective. Ms. Garcia added that this AUP has allowed McGrath & Co. to eliminate the material weakness letter that has been issued in the past since the Authority does not have a Certified Public Accountant on staff.

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 audit report for the FYE December 31, 2018, and to authorize the filing of same with the appropriate governmental authorities.

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 March 31, 2019, a copy of which is included behind Tab 6 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.

AUTHORIZE FINANCIAL ASSISTANT TO UPDATE CONTINUING DISCLOSURE INFORMATION

Ms. Plunkett then requested authorization to prepare and file the Authority's continuing disclosure materials with the Nationally Recognized Municipal Securities Information Repositories and any applicable State Information Depository, pursuant to Securities and Exchange Commission Rule 15c2-12. 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 authorize the Financial Assistant to prepare and file the Authority's continuing disclosure materials with the appropriate entities.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, June 3, 2019, 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 3rd day of June, 2019.




Secretary, Board of Directors