

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

July 6, 2020

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, via Microsoft Teams and/or telephone conference call at 877-286-5733, conference ID 856735781#, pursuant to the Texas Governor's suspension of certain Texas Open Meetings Act provisions due to COVID-19, at 6:00 p.m. on Monday, the 6th day of July, 2020; 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. Lisa Sagstetter, Community Relations Coordinator for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Stephen Berckenhoff, P.E., Mike Baugher, P.E., and Doug Haude, P.E., of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. David Huang, P.E., and Ms. Katherine Mears, P.E., of RPS Klotz Associates, on-call engineers for the Authority; Mr. Lance McLeod, P.E., of Kimley-Horn and Associates Inc., on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Ms. Giti Zarinkelk, P.E., and Mr. Mike Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on-call engineers for the Authority; Mr. Chris Campbell, P.E., of Binkley & Barfield, on-call engineers for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services, LLC, on-call engineers for the Authority; Ms. Kate Hallaway, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E., of Dannenbaum Engineering Corporation, 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. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Mr. John Howell of The GMS Group, Inc., financial advisor for the Authority; and Ms. Robin S. Bobbitt, 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 also participated in the conference call meeting. The conference call meeting was recorded and made available to the public in accordance with the provisions of Texas Government Code Sections 551.125 and 551.127.

WHEREUPON, the meeting was called to order by Director Rendl 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 Ms. Sagstetter on her 20th anniversary as an employee of the Authority. Director Rendl stated that he looks forward to many more years working with Ms. Sagstetter.

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 new free poster is available that lists 10 irrigation tips. Ms. Payne then reported that the COVID-19 pandemic has caused an increase in issues at wastewater treatment plants due to sanitary wipes being flushed in toilets, so yard signs have been created with Patty Potty and the "No Wipes in the Pipes" slogan. Ms. Payne stated that anyone interested in the posters or yard signs to please contact her. Ms. Payne further reported that the Authority's water conservation education programs are being digitized for in-home school use.

GENERAL MANAGER'S REPORT

Mr. Chang then called upon Mr. Evans to provide an updated on the status of the Authority's Texas Water Development Board (the "TWDB") State Water Implementation Fund for Texas ("SWIFT") funding for 2020.

UPDATE ON TWDB SWIFT FUNDING

Mr. Evans reported that on June 4, 2020, the TWDB approved the 2020 SWIFT program terms of subsidy and adopted guidance parameters regarding the future management of the SWIFT program. Mr. Evans noted that the TWDB approved program terms that remain unchanged for the 2020 funding cycle. Mr. Evans further reported that the TWDB reduced the subsidy for the 2021 SWIFT funding cycle and the reduced subsidies will remain in place indefinitely. Mr. Evans further reported that the Authority has total SWIFT commitments of \$2.075 billion and has closed in previous years on \$1.36 billion and will close later this year on \$78 million in SWIFT funding. Mr. Howell noted that the reduced subsidies will not have any adverse impact on the Authority's long-term financial planning. In response to a question from Director Rendl, Mr. Howell stated that the subsidy will be decreasing from approximately 20% down to approximately 14%.

PROGRAM MANAGER'S REPORT

Mr. Chang next called upon Mr. Berckenhoff to present the Program Manager's Report to the Board, a copy of which 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 30.4 million gallons per day ("MGD") of surface water during June. Mr. Berckenhoff added that the alternative water used in May was approximately 31.7%, compared to approximately 32.6% in April. Mr. Berckenhoff further explained that during May, approximately 77.6% 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 also reported that the Authority currently has 20 active projects, with five (5) in or near construction, 11 in final design and four (4) in the planning or preliminary engineering stage.

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

Concerning the Luce Bayou Project, Mr. Berckenhoff gave an update on the status of the following items: 1) the contractor is in the process of installing conductors from switchgear buildings to the electrical building and 48-inch diameter pump discharge piping at the Capers Ridge Pump Station; and 2) continued concrete pours at the flow distribution basin and concrete columns for the walkway grating.

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

Mr. Berckenhoff further reported on the status of the NEWPP Expansion Project, noting that the Central Plant structural concrete work is continuing on schedule. Mr. Berckenhoff went on to report that construction of Early Work Package ("EWP") 2 Filter Building and Transfer Pump Station continues to proceed. Mr. Berckenhoff also reported that construction of EWP 4 has continued with ongoing final grading of the access road. Mr. Berckenhoff further added that construction of EWP 6 North Plant continues with ongoing formwork, rebar placement and structural concrete for various structures. Mr. Berckenhoff added that the final deck concrete work has been completed and the installation of precast beams is ongoing for EWP 6. Mr. Berckenhoff further noted that the Houston Waterworks Team continues to progress on the procurement of various balance of plant packages and that the Project Advisor/Technical Consultant continues to provide construction oversight services on behalf of the City of Houston 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 six (6) sections of the 108-inch (108") line. Mr. Berckenhoff added that real estate acquisitions are proceeding on several additional sections of the NETL.

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 June 1, 2020 regular meeting. Upon motion by Director Pulliam, seconded by Director Graham, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of June 1, 2020 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, 2020, a copy of which is attached hereto.

Upon motion by Director Pulliam, 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

AWARD OF CONTRACT FOR CONSTRUCTION OF PROJECT 28B AND AUTHORIZE EXECUTION OF SAME

Mr. Chang recommended award of the contract for construction of Project 28B to the lowest qualified bidder, E.P. Brady LTD ("E.P. Brady"), in the amount of \$12,102,509.65. Director Rendl asked how many utility districts will be able to tie in to the Authority's system with Project 28B. Mr. Berckenhoff responded that Project 28B does not directly tie in to any utility districts, but that the project is needed in conjunction with Projects 28E and 28F. Upon motion by Director Graham, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the award and execution of the contract for construction of Project 28B to E.P. Brady.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

UPDATE ON NOVEMBER 3, 2020 DIRECTORS ELECTION MATTERS

Ms. Bobbitt then explained that the terms of Director Pulliam, Single-Member Voting District No. 3, Director Rendl, Single-Member Voting District No. 4 and Director Fessler, Single-Member Voting District No. 5, are expiring on November 3, 2020. Ms. Bobbitt went on to report that the first day to file for a place on the November 3, 2020 ballot is Saturday, July 18, 2020, and that the last day to file for a place on the ballot is Monday, August 17, 2020, at 5:00 p.m.

Ms. Bobbitt noted 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 is required to post the Notice of Deadline to File Applications for Place on Ballot by Saturday, July 18, 2020, and that RBAP will post such Notice on the Authority's behalf.

Upon motion by Director Graham, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the following items: 1) designate RBAP as the Authority's designated agent for the November 3, 2020 Directors Election; and 2) authorize the designated agent to post the Notice of Deadline to File Applications for Place on Ballot.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, August 3, 2020, at 6:00 p.m. Director Rendl noted that information on how the meeting will be conducted will be sent out via e-blast and also posted on the Authority's website.

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

PASSED, APPROVED AND ADOPTED this 3rd day of August, 2020.



/s/ Lenox A. Sigler
Secretary, Board of Directors