

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

August 3, 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 3rd day of August, 2020; whereupon, the roll was called of the duly constituted officers and members of the Board, to-wit:

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| 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. 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., 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; Ms. Aimee Edwards, P.E., of Binkley & Barfield, 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; 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; 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; Mr. Jerry Kyle of Orrick, Herrington & Sutcliffe, LLP, co-bond counsel 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 stated that the virtual meetings will continue for the foreseeable future. Director Rendl then stated that the Authority and utility districts need to continue to focus on water conservation since it cuts down on water usage and creates lower water bills.

PUBLIC COMMENT

Mr. Jerry Homan of Harris County Freshwater Supply District No. 61 addressed the Board and reminded everyone that the Association of Water Board Directors-Texas ("AWBD") Annual Conference will be held virtually this year due to COVID-19. Mr. Homan also reported that voting for the AWBD Trustee election will be held electronically using Simply Voting and that registered voting representatives should be receiving their Simply Voting login information. Mr. Homan added that more information can be found on the AWBD website and that AWBD members can call the AWBD office with any questions. Director Rendl stated that it is important for AWBD members to take the time to review the Trustee candidates because it is vital that someone from the North Harris County area represent the Authority's constituents.

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 there are many good Authority billing inserts and publications regarding water conservation that are free to utility districts. Ms. Payne further reported that the "Water is Life" mobile teaching trailer is being updated and to contact her for booking the mobile teaching trailer.

GENERAL MANAGER'S REPORT

Mr. Chang then called upon Mr. Berckenhoff to present the Program Manager's Report to the Board, a copy of which is 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 29.3 million gallons per day ("MGD") of surface water during July. Mr. Berckenhoff added that the alternative water used in June was approximately 31.1%, compared to approximately 31.7% in May. Mr. Berckenhoff further explained that during June, approximately 72.9% 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, 14 in final design and one (1) 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 testing conductors from the switchgear buildings to the electrical building and installing 48-inch diameter pump discharge piping at the Capers Ridge Pump Station; and 2) completed concrete pours at the flow distribution basin, installed walkway grating and staircases and began installation of a pre-engineered metal building.

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 installation of the 108-inch (108") raw water pipeline at EWP 6 has been initiated. Mr. Berckenhoff then reported that structural work for the foundation base, grade beams and footings for the administration building is ongoing. 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 July 6, 2020 regular meeting. 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 minutes of July 6, 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 June 30, 2020, a copy of which is attached hereto.

Upon motion by Director Pulliam, seconded by Director Sigler, 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

APPROVE AND AUTHORIZE EXECUTION OF FINANCING AGREEMENT(S) WITH TEXAS WATER DEVELOPMENT BOARD IN CONNECTION WITH 2020 STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS ("SWIRFT"), SUBJECT TO FINAL REVIEW BY AUTHORITY'S GENERAL MANAGER AND GENERAL COUNSEL

Mr. Evans then explained that the Authority did not file any new SWIRFT Applications for Financial Assistance this year, but that the Authority will close on \$78,670,000 in previously committed SWIRFT funding in November.

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 and authorize execution of the SWIRFT Financing Agreement(s), subject to final review by the Authority's General Manager and General Counsel.

APPROVE AND AUTHORIZE EXECUTION OF RESOLUTION ADOPTING RULES FOR ACCEPTANCE OF ELECTRONIC BIDS FOR CONSTRUCTION CONTRACTS (THE "RESOLUTION")

Mr. Berckenhoff then explained that the Resolution will allow the Authority to advertise for and accept bids for its construction projects electronically. Ms. Bobbitt stated that she and

Mr. Jon Polley had worked with the Authority and AECOM to prepare the Resolution, and that she recommends approval of same. Upon motion by Director Pulliam, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Resolution, a copy of which is attached hereto.

APPROVE AND AUTHORIZE EXECUTION OF ALTERNATIVE WATER USE INCENTIVE AGREEMENT (THE "INCENTIVE AGREEMENT") WITH PRESTONWOOD FOREST UTILITY DISTRICT ("PFUD")

Mr. Chang then recognized Mr. Evans, who reviewed the Incentive Agreement with the Board. Mr. Evans reported that PFUD owns and operates a 0.6 MGD wastewater treatment plant that currently uses potable water for certain facility operations for which non-potable water could be used. Mr. Evans explained that the project would allow for the use of non-potable water at the Wastewater Treatment Plant site, which may include plant landscaping, disinfection and plant wash down. Mr. Evans stated that the total capital cost of the project will be approximately \$100,500. Director Rendl stated that reuse projects are something that other utility districts can do to help conserve water and provide alternative water credits to the Authority. 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 and authorize execution of the Incentive Agreement with PFUD, a copy of which is attached hereto.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

UPDATE ON NOVEMBER 3, 2020 DIRECTORS ELECTION MATTERS

Ms. Bobbitt then reminded the Board 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 was 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 further reported that one (1) Application for Place on Ballot has been received from a non-incumbent candidate for Single-Member Voting District No. 4.

ADOPT ORDER CALLING DIRECTORS ELECTION SCHEDULED FOR TUESDAY, NOVEMBER 3, 2020 (THE "ORDER")

Ms. Bobbitt next presented a draft of the Order and explained that the Election will be conducted by Harris County pursuant to a Joint Election Agreement to be entered into by the Authority and the County. Ms. Bobbitt explained that the Joint Election Agreement with the County has not yet been received, but requested approval and authorization of execution of same upon receipt and review by RBAP. Ms. Bobbitt also requested authorization for payment of the deposit amount to the County for the joint election costs. Ms. Bobbitt noted that early voting polling places and Election day polling places will be designated by the County.

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) adopt the Order; 2) authorize execution of the Joint Election Agreement with the

County; and 3) authorize payment of the deposit to the County pursuant to the Joint Election Agreement.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, September 14, 2020, at 6:00 p.m. due to the Labor Day holiday occurring on Monday, September 7, 2020. 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 14th day of September, 2020.



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