

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

September 14, 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 404452526#, 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 14th day of September, 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. 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. Steve Bresnen and Ms. Amy Bresnen, of BresnenAssociates, legislative consultants to 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 the he hopes everyone has had a good summer.

PUBLIC COMMENT

Mr. Nick Fava of Bammel Utility District addressed the Board and stated that he recently found out that Mr. Fred Blanton would be a candidate in the election for Single-Member Voting District No. 4 against Director Rendl. Mr. Fava further stated that he recently reached out to Mr. Blanton to find out more information about Mr. Blanton's election platform. Mr. Fava was then inadvertently disconnected from the conference call and did not reconnect to the meeting conference call.

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 elementary school assembly programs have been taped for virtual learning use. 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 32.0 million gallons per day ("MGD") of surface water during August. Mr. Berckenhoff added that the alternative water used in July was approximately 25.9%, compared to approximately 31.1% in June. Mr. Berckenhoff further explained that during July, approximately 61.7% 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 25 active projects, with six (6) in or near construction, 10 in final design and nine (9) beginning final design and right-of-way acquisition. Director Rendl then urged utility districts within the Authority to use as much surface water as possible over the next few months.

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 installed four (4) vertical turbine pumps and continued installation of electrical conductors at the Capers Ridge Pump Station; and 2) completed installation of the pig retrieval facility.

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

Mr. Berckenhoff further reported on the status of the NEWPP Expansion Project, noting 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 6 North Plant continues with ongoing formwork, rebar placement and structural concrete for various structures. Mr. Berckenhoff added that a 108-inch (108") knife gate valve and 78-inch (78") and 66-inch (66") butterfly valves have been installed on the raw water pipeline. Mr. Berckenhoff then reported that installation of conduit 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 eight (8) 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 August 3, 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 August 3, 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 July 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

ADOPT RESOLUTIONS DECLARING THE EXISTENCE OF A PUBLIC NECESSITY FOR THE CONSTRUCTION OF FACILITIES FOR THE TRANSPORTATION, DISTRIBUTION, AND DELIVERY OF WATER, INCLUDING REASONABLE AND NECESSARY APPURTENANCES THERETO, AND AUTHORIZING THE ACQUISITION, BY DONATION, PURCHASE, OR EXERCISE OF THE POWER OF EMINENT DOMAN, OF PROPERTY AND PROPERTY INTERESTS NECESSARY FOR SUCH FACILITIES, IN CONNECTION WITH PROJECTS 31A-F AND PROJECT 25E (COLLECTIVELY, THE "RESOLUTIONS")

Mr. Chang next recognized Mr. Berckenhoff, who presented for the Board's approval and adoption the Resolutions, copies of which are attached hereto. Mr. Berckenhoff then briefly reviewed the Resolutions with the Board, explaining that the Resolutions pertain to Projects 31A-F and Project 25E as a part of the Authority's 2025 water distribution transmission system.

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 Resolutions.

APPROVE UTILITY CONSTRUCTION SERVICES AGREEMENT BY AND BETWEEN THE AUTHORITY AND CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC ("CENTERPOINT")

Mr. Berckenhoff next explained that the Authority previously purchased an easement from CenterPoint between two (2) CenterPoint transmission towers. Mr. Berckenhoff further explained that the Authority's transmission line will run between the transmission towers and CenterPoint has reserved the right to make improvements to their transmission tower foundations. Mr. Berckenhoff then stated that the Utility Construction Services Agreement reimburses CenterPoint for temporary bracing on the transmission towers while the Authority is tunneling underneath the towers for the transmission line construction. 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 Utility Construction Services Agreement by and between the Authority and CenterPoint, a copy of which is attached hereto.

APPROVE AND AUTHORIZE EXECUTION OF CONTRACT FOR PROFESSIONAL SERVICES WITH BRESNENASSOCIATES, INC. ("THE CONTRACT")

Mr. Bresnen next explained that the proposed Contract is for the two (2) year period beginning January 1, 2021 and ending December 31, 2022, a copy of which is included behind Tab 7 of the meeting packet and attached hereto. Mr. Bresnen extended his appreciation to the Authority for his long-term representation of the Authority. Mr. Bresnen then summarized some of what he expects to occur in the upcoming 87th Legislative Session. Mr. Bresnen then thanked the Board and stated that he looks forward to his continued work with the Authority.

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 Contract with BresnenAssociates, Inc.

ENGAGEMENT OF MCGRATH & CO., PLLC, ("MCGRATH & CO.") FOR PREPARATION OF THE AUDIT REPORT FOR THE FISCAL YEAR ENDING (THE "FYE") DECEMBER 31, 2020

Ms. Plunkett then noted that Tab 10 of the meeting packet includes the proposed engagement letter from McGrath & Co. for the preparation of the Authority's audit report for the FYE December 31, 2020, and recommended that the Board engage McGrath & Co. to prepare such audit report.

ENGAGEMENT OF MCCALL GIBSON SWEDLUND BARFOOT, PLLC ("MCCALL GIBSON") FOR PREPARATION OF THE POST-AUDIT AGREED-UPON PROCEDURES REPORT ("AUP") FOR THE FYE DECEMBER 31, 2020

Ms. Plunkett next stated that Tab 11 of the meeting packet includes the proposed engagement letter from McCall Gibson for the preparation of the Authority's AUP for the FYE December 31, 2020, and recommended that the Board engage McCall Gibson to prepare such AUP. Ms. Plunkett further explained that McCall Gibson reviews the work of the Authority's auditors for preparation of the AUP.

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: 1) engage McGrath & Co. to prepare the Authority's audit report for the FYE December 31, 2020, and to authorize the execution of the McGrath & Co. engagement letter; and 2) approve and authorize engagement of McCall Gibson for the preparation of the AUP for the FYE December 31, 2020, and to authorize execution of the McCall Gibson engagement letter. Copies of both engagement letters are 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 as of the deadline to file for place on the ballot, Single-Member Voting District Nos. 3 and 5 are uncontested and Single-Member Voting District No. 4 will have a contested election.

Ms. Bobbitt next stated that Harris County is requesting that all entities holding contested elections schedule their canvassing meetings on Tuesday, November 17th to allow ample time for the canvassing returns to be prepared. Ms. Bobbitt recommended that the Authority schedule its canvassing meeting for Tuesday, November 17th, at 6:00 p.m. 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 Tuesday, November 17th at 6:00 p.m. as the canvassing date for the November 3, 2020 election.

Ms. Bobbitt further noted that pursuant to Section 2.053 of the Texas Election Code, as amended, the Board has the authority to declare the unopposed candidates for the office of Director of Single-Member District Nos. 3 and 5 elected to office and cancel the November 3, 2020 Directors Election for Single-Member District Nos. 3 and 5. 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 adopt the Order Declaring Unopposed Candidates Elected to Office and Canceling Election for of Single-Member District Nos. 3 and 5, a copy of which is attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, October 5, 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 5th day of October, 2020.

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

