

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

October 5, 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 at <https://tinyurl.com/NHCRWA-October-5-2020> and/or telephone conference call at 877-286-5733, conference ID 452410808#, 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 5th day of October, 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, except Director Fessler, 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., and Ms. Katherine Mears, P.E.; of RPS Klotz Associates, on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Ms. Melinda Silva, P.E., of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Mike Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on-call engineers for the Authority; Mr. Dennis Sander, P.E., of Sander Engineering Corporation, 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. Jerry Kyle of Orrick, Herrington & Sutcliffe, LLP, co-bond counsel for the Authority; Mr. John Howell of The GMS Group, co-financial advisor 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 that he hopes everyone is staying well during the COVID-19 pandemic and that he hopes to see everyone in person in the future.

PUBLIC COMMENT

Mr. Jerry Homan of Harris County Freshwater Supply District No. 61 then addressed the Board and stated that the Water Users Coalition is working with the Community Impact Newspaper to ask questions of the candidates in the upcoming Authority election for Single-Member Voting District No. 4. Mr. Homan requested that questions for the candidates be submitted to the Water Users Coalition as soon as possible.

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 water education materials available to teachers and homeschoolers and to contact her for more information. Ms. Payne then reported that the "Patty Potty" character is available for classes about water pollution over Zoom. Ms. Payne also reported that a Canadian water company and 13 states have signed up to have "Patty Potty" as their spokesperson.

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 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 29.1 million gallons per day ("MGD") of surface water during September. Mr. Berckenhoff added that the alternative water used in August was approximately 28.1%, compared to approximately 25.9% in July. Mr. Berckenhoff further explained that during August, approximately 66.9% 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 25 active projects, with four (4) in or near construction, eight (8) in final design, 11 beginning final design and right-of-way acquisition, one (1) routing study and one (1) project on hold. Mr. Berckenhoff explained that Project 6B-3R is currently on hold due to a request from Harris County Precinct 4 ("Precinct 4"). Mr. Berckenhoff stated that the Authority is content to leave Project 6B-3R on hold until Precinct 4 is ready to move forward because the project is not affecting the Authority's ability to provide water. Director Rendl then urged the operators and utility districts to use as much surface water as possible before the end of the year.

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 rebar and forms for the discharge slab, continued installation of electrical conductors, installed flushing piping, installed drywall in the control building and energized transmission lines to the substation at the Capers Ridge Pump Station; and 2) the contractor completed the pressure test of the pig retrieval facility and concrete finishing work in the flow distribution system.

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 the Central Plant continues with concrete work for the filter modules and deck concrete work for the Transfer Pump Station. Mr. Berckenhoff also reported that construction of the North Plant continues with ongoing formwork, rebar placement and structural concrete for various structures. Mr. Berckenhoff added that installation of a 108-inch (108") raw water pipeline and valves and the finished water pipeline and valves is ongoing. Mr. Berckenhoff then reported that installation of conduit and the final grading for the administration building has been completed. Mr. Berckenhoff also reported that construction of the South Plant is continuing with discharge piping at the high service pump station, completion of the load transfer platform at the ground storage tanks and ongoing installation of the structural shell and floors at the dewatering facility. 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

No Attorney's Report was given.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the September 14, 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 September 14, 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 August 31, 2020, a copy of which is included behind Tab 5 of the meeting packet and 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

CONSIDER APPROVAL OF A TWELFTH SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY SENIOR LIEN REVENUE BONDS, SERIES 2020 (THE "TWELFTH SUPPLEMENTAL RESOLUTION")

Mr. Chang next called on Mr. Jerry Kyle, Authority Co-Bond Counsel, to discuss the Twelfth Supplemental Resolution. Mr. Kyle then briefly reviewed with the Board the Twelfth Supplemental Resolution regarding the issuance of the Series 2020 Senior Lien Revenue Bonds, a copy of which is included behind Tab 6 of the meeting packet and attached hereto. Mr. Kyle explained that the Twelfth Supplemental Resolution pertains to the Authority bonds to be sold to the Texas Water Development Board through the State Water Implementation Fund for Texas program. Mr. Kyle further explained that the true interest cost for the Series 2020 Senior Lien Revenue Bonds is 2.268%. In response to a question from Director Rendl, Mr. Howell reported that the interest rate was 2.58% for 2019 and 3.25% for 2018. Mr. Howell then noted that the Authority has saved approximately \$12.3 million by issuing bonds through the SWIFT program.

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 Twelfth Supplemental Resolution.

AUTHORIZE GENERAL MANAGER TO ENGAGE LEGAL COUNSEL TO FILE AN AMICUS CURIAE BRIEF IN SAN JACINTO RIVER AUTHORITY ("SJRA") V. CITY OF CONROE, TEXAS AND CITY OF MAGNOLIA, TEXAS (CAUSE NO. 09-20-00180-CV) CURRENTLY PENDING IN THE COURT OF APPEALS FOR THE NINTH DISTRICT OF TEXAS (THE "NINTH COA") AND TO REPRESENT THE AUTHORITY IN MATTERS AFFECTING REGIONAL GROUNDWATER REGULATIONS

Mr. Chang then reviewed a summary memorandum prepared by RBAP with the Board regarding the proposed amicus curiae brief, a copy of which is included behind Tab 7 of the meeting packet and attached hereto. Mr. Chang explained that the SJRA is involved in litigation against the City of Conroe and the City of Magnolia regarding alleged breaches of their groundwater reduction plan contracts. Mr. Chang stated that it is RBAP's recommendation that the Authority retain outside appellate counsel to prepare and submit an amicus brief to the Ninth COA regarding the legal issues surrounding the litigation.

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 the General Manager to engage legal counsel to file an amicus curiae brief in SJRA v. City of Conroe, Texas and City of Magnolia, Texas currently pending in the Ninth COA and to represent the Authority in matters affecting regional groundwater regulations.

CONSIDER APPOINTMENT OF BOARD SUB-COMMITTEE TO ADDRESS THE EXPIRATION OF GENERAL MANAGER'S EMPLOYMENT AGREEMENT ON DECEMBER 31, 2020

Director Rendl then reviewed a letter received from Mr. Jimmie Schindewolf, General Manager for the Authority. Director Rendl reported that Mr. Schindewolf has requested that the Board appoint a sub-committee to address the upcoming expiration of his Employment Agreement with the Authority at the end of December. Director Pulliam recommended that Directors Rendl and Fessler serve on the sub-committee. Director Pulliam also stated that Mr. Schindewolf has done an outstanding job in his capacity as General Manager for the Authority. Director Rendl then expressed his appreciation to Mr. Schindewolf for everything that he has done for the Authority. Director Rendl also stated that Mr. Schindewolf's expertise is necessary for the continued success of the Authority.

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 appoint Directors Rendl and Fessler to a sub-committee to address the expiration of Mr. Schindewolf's Employment Agreement.

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 DOMAIN, OF PROPERTY AND PROPERTY INTERESTS NECESSARY FOR SUCH FACILITIES, IN CONNECTION WITH PROJECTS 6C-1, 6C-2 and 7D-1 (THE "RESOLUTION")

Mr. Chang next recognized Mr. Berckenhoff, who presented for the Board's approval and adoption the Resolution, a copy of which is included behind Tab 6 of the meeting packet and attached hereto. Mr. Berckenhoff then briefly reviewed the Resolution with the Board, explaining that the Resolution pertains to Projects 6C-1, 6C-2 and 7D-1 as a part of the Authority's 2025 water distribution transmission system.

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 Resolution.

Ms. Bobbitt joined the meeting at this time.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

UPDATE ON NOVEMBER 3, 2020 DIRECTORS ELECTION MATTERS

Ms. Bobbitt then reminded the Board that Single-Member Voting District No. 4 will have a contested election. Ms. Bobbitt reported that RBAP is continuing to work with Harris County on election matters.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, November 2, 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 2nd day of November, 2020.

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

