

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

December 7, 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 Zoom at <https://zoom.us/join/94aQIqAJaksda> and/or telephone conference call at 346-248-7799, passcode 4403924, 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 2nd day of November, 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., 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; 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 welcomed everyone to tonight's meeting.

PUBLIC COMMENT

Mr. Gary Matocha first addressed the Board and asked if the remainder of the amount due to Harris County for the Authority's November 3, 2020 Directors Election had been received. Director Rendl stated that the amount due to Harris County had not yet been received.

BUDGET MATTERS

Mr. Chang then explained that the Authority had held a Budget Workshop meeting on Monday, November 23rd, to review and discuss the Authority's proposed 2021 Budget and the proposed 2021-2022 Capital Improvement Plan (the "2021-2022 CIP"). Mr. Chang added that a public hearing on the proposed pumpage fee and surface water rate increases was held earlier this evening at 6:00 p.m. Mr. Chang then recommended that the Board adopt the proposed 2021 Budget.

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 adopt the 2021 Budget, a copy of which is included behind Tab 2 of the meeting packet and is attached hereto.

ADOPT PROPOSED 2021-2022 CIP AND ADOPT RESOLUTION APPROVING AND IMPLEMENTING THE CAPITAL IMPROVEMENT PLAN FOR 2021 AND 2022 (THE "RESOLUTION")

Director Rendl then stated that the Board had spent a great deal of time reviewing and discussing the 2020-2021 CIP at the November 18th Budget Workshop meeting and requested a motion be made for approval of the 2020-2021 CIP.

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 adopt the proposed 2020-2021 CIP and the Resolution, copies of which are included behind Tab 3 of the meeting packet and is attached hereto. A complete copy of the 2020-2021 CIP can be found in the Authority's files.

ADOPT UPDATED PRICING POLICY REGARDING INCREASES IN AUTHORITY RATES AND FEES TO BE EFFECTIVE APRIL 1, 2020

Mr. Chang next explained that during the preparation of the 2020 Budget and the 2020-2021 CIP, he, Mr. Schindewolf, Ms. Plunkett, Mr. Howell and Mr. Berckenhoff conducted a review of the Authority's finances as it relates to the current cost of water and the consensus of the group was that the current pumpage fee should be increased from \$3.85 per 1,000 gallons to

\$4.25 per 1,000 gallons and that the current surface water rate should be increased from \$4.30 per 1,000 gallons to \$4.70 per 1,000 gallons. Mr. Chang added that the proposed increases would take effect on April 1, 2020.

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 increase in the pumpage fee to \$4.25 per 1,000 gallons and the increase in the surface water rate to \$4.70 per 1,000 gallons, effective April 1, 2020, and to adopt the Updated Pricing Policy, a copy of which is included behind Tab 4 of the meeting packet and is attached hereto.

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 reported that the Authority's elementary assembly programs are being digitized, along with many other water education materials for use by teachers and homeschoolers.

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 29.5 million gallons per day ("MGD") of surface water during October. Mr. Berckenhoff added that the alternative water used in September was approximately 30.8%, compared to approximately 28.1% in August. Mr. Berckenhoff further explained that during September, approximately 72.8% 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 26 active projects,

with six (6) in or near construction, 18 in final design and right-of-way acquisition, one (1) routing study and one (1) project on hold.

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 completed the concrete pour for discharge piping slab, installed 48-inch (48") discharge piping/valves, installed 36-inch (36") flusing piping valves, began pressure testing of the piping, continued installation of electrical conductors and installed electrical panels at the Capers Ridge Pump Station; and 2) the contractor removed and replaced Victaulic coupling and gasket, completed grinding and patching concrete in the flow distribution basin and continued electrical installation in the pig retrieval building.

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 header installation and pump cans 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 is ongoing. Mr. Berckenhoff further reported that installation of structural steel for the administration building has begun and installation of structural steel at the maintenance building has been completed. Mr. Berckenhoff went on to report that construction of the South Plant is continuing with discharge piping at the high service pump station and ongoing installation of the structural shell, walls 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 seven (7) sections of the 108-inch (108") line. Mr. Berckenhoff added that real estate acquisitions are proceeding on several additional sections of the NETL.

Director Rendl stated that he hopes people attended the Association of Water Board Directors – Texas virtual Fall Seminar that had representatives from each of the water authorities speaking about the NEWPP project. Director Rendl further stated that Mr. Berckenhoff gave a presentation on the transmission line, pump station and storage facility at such event.

ATTORNEY'S REPORT

Ms. Bobbitt stated that she had nothing to report at this time.

REGULAR AGENDA

APPROVAL OF MINUTES

The Board next considered approval of the minutes of the October 5, 2020 regular meeting. 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 minutes of October 5, 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 September 30, 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 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

AUTHORIZE GENERAL MANAGER TO NEGOTIATE, FINALIZE AND EXECUTE A MASTER SERVICE AGREEMENT AND RELATED DOCUMENTS BY AND BETWEEN THE AUTHORITY AND ENCHANTED ROCK (THE "MASTER SERVICE AGREEMENT")

Mr. Berckenhoff next explained that the Master Service Agreement is for third-party backup power to the SH 249 Pump Station should the main line electricity from CenterPoint Energy ever be lost. Mr. Berckenhoff stated that Enchanted Rock is the backup power provider that the City and other water authorities have used. Mr. Berckenhoff went on to explain that the Authority will give Enchanted Rock a ground lease to install generators to provide backup power to 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 authorize the General Manager to negotiate, finalize and execute a Master Service Agreement and related documents by and between the Authority and Enchanted Rock, a copy of which can be found in the Authority's files.

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

Mr. Berckenhoff next explained that the proposed agreement is for the relocation of approximately 4,000 linear feet of fence that is located within an Authority easement. 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 Utility Construction Services Agreement by and between the Authority and CenterPoint, a copy of which is attached hereto.

CONFIRM UPCOMING MEETING DATE

Director Rendl then confirmed the following upcoming meeting dates:

- Budget and Capital Improvement Plan workshop on Monday, November 23, 2020 at 6:00 p.m.;
- Rate Order workshop on Monday, November 30, 2020 at 6:00 p.m.;
- Public hearing on Authority rates on Monday December 7, 2020 at 6:00 p.m.; and
- Regular meeting on Monday December 7, 2020 at 6:15 p.m.

Director Rendl noted that information on how the meetings will be conducted will be sent out via e-blast and also posted on the Authority's website.

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 various election matters in preparation for the election. Ms. Bobbitt then requested that the Board hold its canvassing meeting on November 17, 2020 at 7:00 p.m. rather than 6:00 p.m. in order to provide ample time for Harris County to provide the canvassing results to her office.

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 scheduling of the canvassing meeting on November 17, 2020 at 7:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 4th day of January, 2021.



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