

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

May 3, 2021

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, at 6:00 p.m. on Monday, the 3<sup>rd</sup> day of May, 2021, at the Authority's office located at 3648 Cypress Creek Parkway, Suite 110, Houston, Texas, a public meeting place within the boundaries of the Authority and via Zoom at [https://zoom.us/meeting/register/tJAsduCrqj8pHdcLXoND46KC7BhYOljC5mWp](https://zoom.us/join/https://zoom.us/meeting/register/tJAsduCrqj8pHdcLXoND46KC7BhYOljC5mWp) 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; 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, General Manager for the Authority; Mr. Jimmie Schindewolf, P.E., Senior Advisor to the General Manager for the Authority; Mr. Mark Evans, Director of Planning and Governmental Affairs for the Authority; Mr. Doug Haude, P.E., Construction Manager for the Authority; Ms. Cynthia Plunkett, Finance Director for the Authority; Mr. Travis Jones, Accountant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Mike Baugher, P.E., and Philip Topek, of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. Rafael Ortega, 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. Dennis Sander, P.E., of Sander Engineering Corporation, on-call engineers for the Authority; Mr. Lance McLeod, P.E., of Kimley-Horn and Associates Inc., on-call engineers for the Authority; Mr. Carlton McDevitt of Inframark, LLC ("Inframark"), operator for the Authority; Mr. Tim Applewhite and Ms. Colette Garcia of McGrath & Co., PLLC ("McGrath & Co."), auditors for the Authority; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); Ms. Robin S. Bobbitt, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), general counsel and co-bond counsel for the Authority. Numerous members of the public and other consultants to the Authority were also present at the 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 thanked the meeting attendees for participating in tonight's Board meeting in person and via Zoom. Director Rendl then stated that Mr. David Wright of TNG Utility Corporation ("TNG") passed away recently and expressed his condolences to Mr. Wright's family and to the TNG staff.

PUBLIC COMMENT

Director Rendl then recognized Mr. Jerry Homan General Manager of Harris County Freshwater Supply District No. 61 to provide a public comment. Mr. Homan addressed the Board and encouraged everyone to read House Bill ("HB") 2525. Mr. Homan stated that he cannot and will not support HB 2525 as it is currently written and that he hopes to motivate the utility district industry to oppose the bill. Director Rendl stated that he appreciates Mr. Homan's comment and that the Authority is monitoring HB 2525 very closely. Director Rendl further stated that Mr. Steve Bresnen, the Authority's lobbyist, is working on the matter and has testified against HB 2525 on behalf of the Authority.

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 Authority's new "Water University North" online courses are now available on the Authority's website. Ms. Payne explained that "Water University North" is comprised of courses that detail critical water issues that affect utility districts and residents within the Authority. Director Rendl stated that the courses are very informative and that he encourages everyone to utilize the courses.

GENERAL MANAGER'S REPORT

Mr. Chang next called upon Mr. Topek 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. Topek first reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 24.9 million gallons per day ("MGD") of surface water during April. Mr. Topek added that the alternative water used in March was approximately 31.9%, compared to approximately 22.5% in February. Mr. Topek also reported that the Authority had accumulated 530.7 million gallons of over-conversion credits for the Permit Year 2020.

MAJOR ACTIVITIES

Mr. Topek 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. Topek also reported that the Authority currently has 26 active projects, with nine (9) in or near construction, 14 in final design and right-of-way acquisition, two (2) undergoing a routing study and one (1) project on hold.

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

Concerning the Luce Bayou Project, Mr. Topek gave an update on the status of the following items: 1) the SCADA system testing is ongoing and the contractor has continued pavement installation, completed rip rap bank protection, continued aboveground piping final paint coatings and continued installation of the cathodic protection system at the Capers Ridge Pump Station; 2) the contractor completed the pipe painting, cleanup and final electrical connections at the pig retrieval facility.

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

Mr. Topek further reported on the status of the NEWPP Expansion Project, noting that construction of the Central Plant continues with concrete work and structural work at filter modules and masonry and roof placement at the Transfer Pump Station. Mr. Topek also reported that construction of the North Plant continues with ongoing structural work for all structures. Mr. Topek added that installation of the roof and overhead bridge crane is ongoing. Mr. Topek further reported that installation of the HVAC and electrical work at the administration building is ongoing and installation of the roof at the maintenance building has been completed. Mr. Topek next reported that construction of the South Plant is continuing with installation of the concrete pad and wall panels at the ground storage tank and ongoing shotcrete installation at the ground storage tank, as well as continuing work at the dewatering building. Mr. Topek also reported that breaker operational tests are ongoing in preparation to fully energize the main switchgear building. Mr. Topek 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 and the Authorities.

#### NORTHEAST TRANSMISSION LINE (THE "NETL") PROJECT UPDATE

Mr. Topek 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. Topek 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 April 5, 2021 regular meeting. 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 the minutes of the April 5, 2021 regular meeting, as written.

**ACCEPT AGREED-UPON PROCEDURES REPORT (THE "AUP REPORT") PREPARED BY MGSB RELATED TO THE AUDIT REPORT FOR THE FISCAL YEAR ENDING ("FYE") DECEMBER 31, 2020**

Mr. Ellis reviewed the AUP Report with the Board, a copy of which included behind Tab 5 of the meeting packet and attached hereto. Mr. Ellis reported that MGSB has found that the Authority's financial statements have been prepared in a material manner. Mr. Ellis then recommended acceptance of the AUP Report. 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 accept the AUP Report.

**REVIEW AND APPROVE AUDIT REPORT FOR THE FYE DECEMBER 31, 2020, AND AUTHORIZE FILING OF SAME**

Mr. Applewhite next reviewed with the Board the draft of the Authority's audit report for the FYE December 31, 2020, a copy of which is included behind Tab 6 of the meeting packet and attached hereto. Mr. Applewhite first reported that review of the Authority's books and records had resulted in an excellent report for the Authority and the issuance of an unmodified opinion from McGrath & Co. Mr. Applewhite then briefly reviewed the McGrath & Co. Management Letter, a copy of which is attached hereto. Mr. Applewhite commended Ms. Plunkett and the Authority staff on another excellent job preparing and maintaining the Authority's financial statements. Mr. Applewhite further noted that the Authority remains in good financial condition and has been able to meet all bond payment obligations.

Upon motion by Director Sigler, seconded by Director Pulliam, after full discussion and the question being put to the Board, the Board voted unanimously to approve the audit report for FYE December 31, 2020, and to authorize the filing of same with the appropriate governmental authorities.

**FINANCE DIRECTOR'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 March 31, 2021, a copy of which is included behind Tab 7 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.

AUTHORIZE FINANCIAL ASSISTANT TO UPDATE CONTINUING DISCLOSURE INFORMATION

Ms. Plunkett then requested authorization to prepare and file the Authority's continuing disclosure materials with the Nationally Recognized Municipal Securities Information Repositories and any applicable State Information Depository, pursuant to Securities and Exchange Commission Rule 15c2-12. 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 authorize the Financial Assistant to prepare and file the Authority's continuing disclosure materials with the appropriate entities.

GENERAL MANAGER'S ACTION ITEMS

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

Mr. Chang next explained that the proposed agreement is needed in connection with the relocation of distribution facilities along Beltway 8. 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 and authorize execution of the Utility Construction Services Agreement by and between the Authority and CenterPoint, a copy of which is attached hereto.

DESIGNATE MEMBER VOTING REPRESENTATIVE FOR ASSOCIATION OF WATER BOARD DIRECTORS – TEXAS ("AWBD")

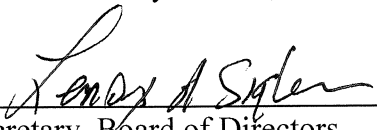
Ms. Bobbitt then explained that the Board needs to designate a Director to cast votes on behalf of the Authority in AWBD elections. Upon motion by Director Fessler, seconded by Director Sigler, after full discussion and the question being put to the Board, the Board voted unanimously to designate Director Rendl as the Authority's voting member representative for AWBD.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, June 7, 2021, at 6:00 p.m. at the Authority's office and via Zoom. Director Rendl noted that additional information on how the Authority meetings will be conducted going forward 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 7<sup>th</sup> day of June, 2021.

  
Secretary, Board of Directors

