

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

October 2, 2017

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 2<sup>nd</sup> day of October, 2017, 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; 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 Graham, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., General Manager for the Authority; 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. Krystal Boggs, Administrative Assistant for the Authority; Ms. Barbara Payne of Payne Communications, Communications Coordinator for the Authority; Messrs. Stephen Berckenhoff, P.E., Michael Baugher, P.E.; and Doug Haude, P.E., of AECOM Technical Services, Inc. ("AECOM"), Program Manager for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Michael 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. Dustin O'Neal, P.E., of Costello, Inc., on-call engineers for the Authority; Mr. Tony Sarman, P.E., of AEI Engineering, Inc, on-call engineers for the Authority; Mr. Mike Reedy, P.E., of Freese and Nichols, Inc., on-call engineers for the Authority; Mr. David Warner, P.E., of Jones Carter, Inc., on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Lockwood Andrews & Newnam, Inc.; Mr. W. John Seifert, P.E., of LBG-Guyton Associates, on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("STES"), operator for the Authority; Mr. John Howell of The GMS Group, L.L.C., co-financial advisor to the Authority; and Mr. Jonathan D. Polley, 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 were also present at the meeting. Copies of the sign-in sheets for those in attendance at the meeting are attached hereto.

WHEREUPON, the meeting was called to order 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 called for a moment of silence in remembrance of the victims of the recent tragedy in Las Vegas.

## PUBLIC COMMENTS

Director Rendl then noted that no public comment cards had been received.

## REPORTS

### 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 then reported that the digital version of the Waterlines publication will be on the Authority's website by tomorrow morning. Ms. Payne also stated that 10 copies of the Waterlines publication will be sent to each utility district attorney for distribution to utility district directors and consultants. Ms. Payne noted that there is a limited supply of printed copies of the Waterlines publication, available on a first-come, first-served basis. Director Rendl then stated that when he recently used the Waterlines publication during a presentation to an AARP group, and that he found it very helpful to inform the participants about the rising cost of water.

Ms. Payne then reported that the Authority now has 15 new informational billing inserts available on a variety of topics. Ms. Payne reminded the meeting attendees that the billing inserts are available at no cost to utility districts. Ms. Payne further stated that if any utility districts are interested in ordering the billing inserts, they can contact her or the Authority office.

## GENERAL MANAGER'S REPORT

Mr. Schindewolf stated that Mr. Evans' update on the status of the Authority's State Water Implementation Revenue Fund for Texas ("SWIRFT") Financial Assistance Applications will be moved to item G.1 of tonight's agenda.

## PROGRAM MANAGER'S REPORT

Mr. Schindewolf asked 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 is attached hereto.

## UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Berckenhoff then reported that the Spears Road Regional Pump Station delivered a daily average rate of approximately 26.8 million gallons per day ("MGD") of surface water during September. Mr. Berckenhoff added that the alternative water used in August was approximately 29.2%, as compared to 30.4% in July.

Mr. Berckenhoff further explained that during August, approximately 65.5% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was Alternative Water.

## MAJOR ACTIVITIES

Concerning other activities, Mr. Berckenhoff reported that during the prior month, AECOM had assisted the Authority with the following items: 1) implementing and performing tasks regarding its 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 STES'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 STES and the respective PWS operators and took appropriate actions to optimize the use of surface water.

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

Concerning the Luce Bayou Project, Mr. Berckenhoff reported the following items: 1) the contractor has mobilized to initiate construction of the Luce Bayou Project Maintenance Facility, including storm water pollution prevention plan, building pad excavation and driveway construction; 2) Capers Ridge Pump Station cofferdam dewatering and construction of the 96-inch steel pipe is underway; 3) construction of all five (5) canal segments is ongoing, including installation of the 96-inch inverted siphons, box culvert bridges and baffled outfall at Luce Bayou; and 4) Sam Houston Electric Coop ("SHEC") continues construction of the electrical substation at the pump station site, with completion of both the substation and the transmission lines scheduled to be completed by no later than January 2018.

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

Mr. Berckenhoff next reported that the Houston Waterworks Team (the "HWT") is continuing to progress on the various Engineering Studies as defined in its Component 2 Scope of Services, including Computational Fluid Dynamics Modeling and Hydraulic Surge Analysis. Mr. Berckenhoff went on to report that the HWT submitted the Early Work Package ("EWP") 1 and EWP 2 draft Issue for Construction ("IFC") documents for Project Advisor/Technical Consultant ("PATC") review, and that finalization of the IFCs will occur following resolution of PATC and permitting agencies' comments. Mr. Berckenhoff also reported that the HWT is continuing with EWP 2 and EWP 4 draft IFC document preparations. Mr. Berckenhoff went on to report that the PATC and the HWT continue to negotiate the Guaranteed Maximum Price ("GMP") for EWP 1 Site Development, and that the HWT continues to advance the balance of project 30% Design documents. Mr. Berckenhoff then reported that the PATC had continued planning efforts for the Project's Groundbreaking Ceremony that was held on September 15, 2017 and that a series of public open house discussions will be held in the fourth quarter of 2017, at which information regarding the Project will be shared with neighboring residents, businesses and others seeking information for the Project. Mr. Berckenhoff next

reported that the PATC continued working on the permit documentation and agency coordination for obtaining the 404 permit from the United States Army Corps of Engineers for the Project. Mr. Berckenhoff also reported that multiple workshops and technical meetings were conducted during the month relating to the administration/maintenance building concept, ozone disinfection system, liquids and solids train, chemical systems, centrifuge systems and risks issues.

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

Mr. Berckenhoff next reported that the 54-inch (54") interconnect line is in the advertising/bid stage and the advertising/bid phases are pending for two (2) 108-inch (108") sections of the NETL Project. Mr. Berckenhoff further informed the Board that acquisition of the necessary right-of-way easements is proceeding forward on several segments of the NETL and that design work is progressing on nine (9) additional sections of the NETL, including one (1) 120-inch (120") section, and eight (8) 108-inch (108") sections of such line. Mr. Berckenhoff also reported that the Houston City Council recently approved the contract amendment for design of the 66-inch (66") interconnect line.

#### ATTORNEY'S REPORT

Mr. Polley stated that he had nothing to report at this time.

#### REGULAR AGENDA

##### APPROVAL OF MINUTES

The Board next considered approval of the minutes of the September 11, 2017 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 September 11, 2017 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, 2017, a copy of which is included behind Tab 5 of the meeting packet and is attached hereto. 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 Financial Report, the monthly investment report, and the checks being presented for payment.

GENERAL MANAGER'S ACTION ITEMS

CONSIDER APPROVAL OF A NINTH SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF THE AUTHORITY'S SENIOR LIEN REVENUE BONDS, SERIES 2017 ("THE RESOLUTION")

Mr. Schindewolf then called on Mr. Evans to give an update regarding the Authority's participation in the 2017 SWIRFT financial assistance program. Mr. Evans reminded the Board that the Texas Water Development Board (the "TWDB") had approved the Authority's application for Financial Assistance for Phase II of the Authority's 2025 distribution system on July 20, 2017. Mr. Evans further reported that closing on the \$391,715,000 Series 2017 Senior Lien Revenue Bonds is scheduled to occur on Wednesday, November 15, 2017.

Mr. Kyle then briefly reviewed with the Board the Resolution for the issuance of the Series 2017 Senior Lien Revenue Bonds. 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 adopt the Resolution, a copy of which is included behind Tab 6 of the meeting packet and attached hereto.

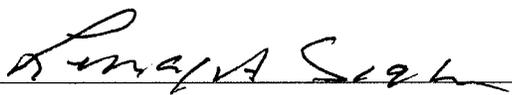
CONFIRM UPCOMING MEETING DATE

Director Rendl then reminded the meeting attendees that the Authority's next regular meeting will be held on Monday, November 6, 2017, at 6:00 p.m. at the Authority's office.

PUBLIC COMMENTS

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

PASSED, APPROVED AND ADOPTED this 6<sup>th</sup> day of November, 2017.

  
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Secretary, Board of Directors

