

MINUTES OF MEETING OF THE  
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

April 4, 2016

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 4<sup>th</sup> day of April, 2016, 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, thus constituting a quorum. Also attending the meeting were: 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. Tom Rolen, P.E., and Stephen Berckenhoff, P.E., of AECOM Technical Services, Inc. ("AECOM"), Program Manager for the Authority; Mr. Brian Cunningham of Project Surveillance, Inc., a subcontractor to AECOM and project representative on several Authority projects; Mr. Mike Reedy, P.E., of Freese and Nichols, on-call engineers for the Authority; Mr. Wayne Ahrens, P.E., of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., and Ms. Emily Anderson, P.E., of Jacobs Engineering Group Inc., on-call engineers for the Authority; Mr. W. John Seifert, P.E., of LGB-Guyton Associates, on-call engineers for the Authority; Mr. Charles Shumate, P.E., of Brown & Gay Engineers, Inc.; on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US Inc., on-call engineers for the Authority; Mr. Marcel Khouw, P.E., of IDS Engineering Group; Mr. David Warner, P.E., of Jones & Carter, Inc., on-call engineers for the Authority; Ms. Giti Zarinkelk, P.E., and Mr. Michael Bagstad, P.E., of Zarinkelk Engineering Services, Inc., on-call engineers for the Authority; Mr. Tony Sarman, P.E., of AEI Engineering, Inc., on-call engineers for the Authority; Ms. Rebecca Cummins and Mr. Patrick Montgomery of Terracon Consultants, Inc., materials engineering laboratory services 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., financial advisor to the Authority; and Mr. Jonathan D. Polley, attorney, and Ms. Brooke T. Dold, 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.

MESSAGE FROM THE PRESIDENT

Director Rendl announced that Mr. Schindewolf would not be in attendance at tonight's meeting.

PUBLIC COMMENTS

No public comments were made.

**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 first reported that the Authority will sponsor a second workshop for utility district directors on April 21, 2016, from 6:00 p.m. to 8:00 p.m., at the Authority's offices. Ms. Payne further explained that the title of the Workshop is *Sustainable, Innovative and Resilient Financial Management and Conservation Rate Practices*. Ms. Payne noted that online registration for the workshop is now open. Director Rendl encouraged attendance at the workshop.

Concerning Education, Ms. Payne reported that Second Grade Assemblies were scheduled at the following elementary schools in April: Brill on April 1, 2016; Benignus on April 7, 2016; Krahn on April 8, 2016; Thompson on April 12, 2016; Reynolds on April 14, 2016; and Northgate on April 15, 2016.

GENERAL MANAGER'S REPORT

Mr. Evans then gave an update regarding the Authority's participation in the 2016 State Water Implementation Fund for Texas ("SWIFT"). Mr. Evans reported that two (2) Abridged Applications for the Authority had been submitted to the Texas Water Development Board (the "TWDB") on February 5, 2016. Mr. Evans reminded the Board that one (1) SWIFT Abridged Application, in the amount of \$107,820,000, is to fund the Authority's proposed State Highway 249 ("SH 249") Regional Pump Station that will be located west of SH 249 and north of Beltway 8, and that the second SWIFT Abridged Application, in the amount of \$117,855,000, is to provide additional funding for the Second Source Transmission Line, Phase 1 project. Mr. Evans noted that the TWDB had received a total of 40 Abridged Applications for 2016 funding.

Mr. Evans further explained that the TWDB should be requesting financial applications later in the spring, with funding awarded in late summer, and that the closing of the loans would occur in November or December of 2016.

Mr. Rolan then delivered an update on the status of the Luce Bayou Interbasin Transfer Project. Mr. Rolan reported that the Coastal Water Authority is in the process of entering into a

contract with the Sam Houston Electrical Coop for the design and construction of the 138 KV electrical substation and transmission line to serve the Capers Ridge Pump Station.

Mr. Rolan next reported that the Northeast Water Purification Plant (the "NEWPP") expansion project is moving along swiftly. Mr. Rolan stated that the authorities' representatives have been meeting frequently at the NEWPP Collaboration Center on the design of the NEWPP expansion.

Mr. Rolan further explained that what had been previously referred to as the Second Source Transmission Line is now going to be referred to as the Northeast Transmission Line (the "NETL"). Mr. Rolan reported that he has attended meetings with the City of Houston (the "COH") to discuss construction of the last segments of the NETL project and that the route for the NETL has been finalized. A copy of the General Manager's report is attached hereto.

#### PROGRAM MANAGER'S REPORT

Mr. Rolan then reviewed the Program Manager's Report with the Board, a copy of which is attached hereto.

#### UPDATE ON THE 2010-2025 WATER DISTRIBUTION AND TRANSMISSION SYSTEM

Mr. Rolan reported that the contractor for Project 24B is working on finalizing work items.

#### UPDATE ON STATUS OF SURFACE WATER CONVERSION

Mr. Rolan next reported that the Spears Road Regional Pump Station delivered a daily average of approximately 26.1 million gallons per day of surface water during March. Mr. Rolan added that the alternative water used in February was approximately 38.4%, as compared to 35.8% in January. Mr. Rolan explained that during February, approximately 85.0% of the water used by the Public Water Systems (the "PWSs") in the Authority's 2010 service area was alternative water.

Concerning other activities, Mr. Rolan reported that during the prior month, AECOM had assisted the Authority in implementing and performing tasks regarding its aggregate water well permit with the primary focus on development of and submission of the Authority's 2015 Annual Report to the Harris-Galveston Subsidence District; assisted the Authority in various activities involving the COH; continued oversight of engineering and acquisition-related efforts; provided construction administration services and project representative services on construction projects, as required; provided oversight of STES's activities and its contract to operate the Authority's system; and monitored, tabulated and analyzed amounts of water used by the PWSs covered by the Authority's aggregate water well permit and, where necessary, in consort with STES and the respective PWS operator, took appropriate actions to optimize the use of surface water; and assisted STES in the distribution of the necessary 2015

Mr. Rolan next reported that pursuant to 30 Texas Administrative Code Chapter 290 Subchapter H: Consumer Confidence Reports, the Authority had sent out the 2015 water quality

data (chemical analysis results) received from the COH to the PWSs receiving water from the Authority for 2015.

Director Graham asked Mr. Rolen what the PWSs can do to use more surface water. Mr. Rolen responded that additional surface water is not currently available from the COH and, therefore, it is imperative that the PWSs in the 2010 conversion service area always use as much surface water as possible, especially in low usage periods, in order to assist the Authority in meeting the 30% conversion requirement for the 2015-2016 permit year. Mr. Rolen then informed the Board that construction of Project 28 (the "Loop") is scheduled for completion in 2018 and that it will allow the Authority, by using a portion of its current contracted water supply amount from the COH, to serve six (6) more PWSs and thereby increase water usage during the typical low usage months.

Director Pulliam then asked Mr. Rolen if the inability to acquire additional surface water from the COH at this time is preventing the addition of more PWSs to the Authority's conversion service area. Mr. Rolen said generally yes except from those to be added under Project 28. Mr. Rolen also noted some additional Authority facilities will be needed to use the additional water scheduled to be delivered from the City in 2021. Mr. Rolen added that approximately a year ago, Authority representatives met with representatives of the six (6) PWSs to be included under Project 28..

#### ATTORNEY'S REPORT

Mr. Polley stated that he had nothing to report.

#### REGULAR AGENDA

##### APPROVAL OF MINUTES

The Board next considered approval of the minutes of the March 7, 2016 regular meeting. 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 approve the minutes of the March 7, 2016 regular meeting, as written.

##### FINANCIAL ASSISTANT'S REPORT

##### APPROVE PAYMENT OF BILLS, ISSUANCE OF CHECKS, REVIEW BUDGET COMPARISON, AND REPORT ON STATUS OF 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 February 29, 2016, 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

Director Rendl reported that there were no General Manager's action items.

PUBLIC COMMENTS

Director Rendl noted that there were no public comments.

CONFIRM UPCOMING MEETING DATE

Director Rendl then noted that the Board's next regular meeting will be held on May 2, 2016, at 6:00 p.m., at the Authority's office.

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

PASSED, APPROVED AND ADOPTED this 2<sup>nd</sup> day of May, 2016.

  
Secretary, Board of Directors

