

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

November 30, 2015

The Board of Directors (the "Board") of the North Harris County Regional Water Authority (the "Authority") met in special session, open to the public, at 6:00 p.m. on Monday, the 30th day of November, 2015, 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
James D. Pulliam	Vice President/ Investment Officer
Lenox A. Sigler	Secretary
Kelly P. Fessler	Assistant Secretary
Ron Graham	Treasurer

All members of the Board were present, except Director Fessler, thus constituting a quorum. Also attending the meeting were: Mr. Jimmie Schindewolf, P.E., 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. Tom Rolen, P.E. and Stephen Berckenhoff, P.E. of AECOM Technical Services, Inc., Program Manager for the Authority; Mr. John Howell of The GMS Group, L.L.C., co-financial advisor for the Authority; Mr. Melinda Silva, P.E., of Dannenbaum Engineering Corporation, on-call engineers for the Authority; Mr. Larry Barfield, P.E., of Binkley & Barfield, Inc., on-call engineers for the Authority; Mr. Wendell L. "Buddy" Barnes, P.E., of Jacobs Engineering Group Inc., on-call engineers for the Authority; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc., operator for the Authority; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Radcliffe Bobbitt Adams Polley PLLC, general counsel and co-bond counsel for the Authority. 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.

HEAR UPDATE ON THE CITY OF HOUSTON'S (THE "COH") DESIGN-BUILD AGREEMENT FOR THE NORTHEAST WATER PURIFICATION PLANT (THE "NEWPP") EXPANSION PROJECT (THE "NEWPP EXPANSION PROJECT"), AND AUTHORIZE GENERAL MANAGER TO CAST THE AUTHORITY'S REVISED CONSENSUS VOTE NO. 3 RELATED TO THE DESIGN-BUILD AGREEMENT FOR SUCH PROJECT

Mr. Schindewolf provided a brief update regarding the COH's Design-Build Agreement for the NEWPP Expansion Project. Mr. Schindewolf reported that the COH's December 2, 2015, COH Council Meeting agenda includes Item No. 65 regarding the appropriation of funds and approval of the Design-Build Contract for the NEWPP Expansion Project. Mr. Schindewolf then

recommended that the Board authorize the Authority's General Manager to cast the Authority's Consensus Vote No. 3 related to approval of the Design-Build Agreement. Mr. Schindewolf explained that the four (4) participating regional water authorities will each participate in the consensus vote process for approval of the Design-Build Agreement. Mr. Schindewolf then gave a brief overview of the NEWPP Expansion Project noting that the first module of the expansion will add 80 MGD of capacity and is scheduled to be online by August 31, 2021. Mr. Schindewolf added that the second phase of the expansion will add another 240 MGD of capacity and will be online in 2024. Mr. Schindewolf explained that Consensus Vote No. 3 will be to approve the Design-Build Agreement with the contractor selected by the COH in accordance with the processes/procedures set forth in the Second Supplement to the Water Supply Contract by and between the COH and the Authority (the "Second Supplement").

Ms. Bobbitt then gave a brief overview of the consensus vote process and emphasized that the regional water authorities are not casting votes in favor of a specific contractor, but are casting votes for or against approval of the Design-Build Agreement.

Director Rendl then asked if there was anything further in the Design-Build Agreement that the Board should know about. Ms. Bobbitt responded that she could not think of anything further, but did note that a protest regarding the contractor selection process has been filed with the COH. Ms. Bobbitt stated that the COH has a defined procedure as to how they handle such protests and that the water authorities do not have a role in such process.

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 Authority's General Manager to cast the Authority's Revised Consensus Vote No. 3 related to the approval of the Design-Build Agreement for the NEWPP Expansion Project.

AUTHORIZE PAYMENT OF CASH CALL NO. 2A TO THE COH RELATED TO THE NEWPP EXPANSION PROJECT, SUBJECT TO FINAL REVIEW BY THE GENERAL MANAGER AND GENERAL COUNSEL

Ms. Bobbitt next explained that the Second Supplement also contains the process and procedures for funding the NEWPP Expansion Project. Ms. Bobbitt noted that the funding vehicle is via Cash Calls that will be issued by the COH to each of the water authorities for payment of their pro rata share of costs for the Expansion Project. Ms. Bobbitt further explained that the COH will send a Notice of an upcoming Cash Call, which will include an estimate of the Authority's payment amount which will then be followed up with the actual Cash Call reflecting the finalized payment amount. Director Graham asked about the stipend language reflected in Cash Call 2A (a copy of which is attached hereto) regarding the payment of \$14,120 to two (2) of the design-build teams that were not awarded the Design-Build Agreement. Ms. Bobbitt explained that such payments are allowed to be paid to the unsuccessful design-build teams under the provisions of the Request for Proposals for the NEWPP Expansion Project.

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 authorize the Authority's payment of Cash Call No. 2A to the COH related to the NEWPP Expansion Project, up to an

amount not to exceed \$2,334,014.29, subject to final review and approval of Cash Call No. 2A by the Authority's General Manager and General Counsel.

CONFIRM UPCOMING MEETING DATES

Director Rendl then confirmed that there will be a public hearing/special meeting on the Authority's proposed rate increases on Monday, December 7, 2015, at 6:00 p.m., followed by the regular meeting on Monday, December 7, 2015, at 6:30 p.m., at the Authority office.

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

PASSED, APPROVED AND ADOPTED this 4th day of January 2016.



A handwritten signature in cursive script, appearing to read "Loren A. Sigler".

Secretary, Board of Directors