

MINUTES OF MEETING OF THE
NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

May 4, 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 Microsoft Teams and/or telephone conference call at 877-286-5733, conference ID 788998084#, 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 4th day of May, 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. Fred Bauhof, P.E. and Ms. Kate Hallaway, P.E., of Brown & Gay Engineers, Inc., on-call engineers for the Authority; Mr. Rafael Ortega, P.E., of Aurora Technical Services, LLC, on-call engineers for the Authority; Ms. Katherine Mears, P.E., and Mr. David Huang, P.E., of RPS Klotz Associates, on-call engineers for the Authority; Mr. Lance McLeod, P.E., of Kimley-Horn and Associates Inc., on-call engineers for the Authority; Mr. Harrison Steed, P.E., of ARCADIS US, Inc., on-call engineers for the Authority; Mr. Chris Campbell, P.E., of Binkley & Barfield, on-call engineers for the Authority; Mr. Wayne Ahrens, P.E., of Dannenbaum Engineering Corporation, 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; Mr. Mark McGrath of McGrath & Co., PLLC ("McGrath & Co."), auditors for the Authority; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); 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 according to 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 stated that he does not know how long the Authority Board meetings will be held via teleconference and that a live stream meeting may be held next month. Director Rendl also stated that he hopes everyone is staying safe.

PUBLIC COMMENTS

Director Rendl then stated that an email requesting public comment had been received from Mr. Jerry Homan of Harris County Freshwater Supply District No. 61 regarding the request from Harris County Judge Lina Hidalgo for utility districts to continue to suspend water service terminations and penalties relating to non-payment of water/sewer service bills. Director Rendl then read the letter from Judge Hidalgo to the meeting attendees.

STATUS OF ACTIVITIES BY COMMUNICATIONS/PUBLIC INFORMATION COORDINATOR

Director Rendl next reported that the new "Rising Cost of Water" brochure and 12 new billing inserts on water conservation are now available for ordering through the Authority's website or by contacting the Authority's office.

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 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 23.6 million gallons per day ("MGD") of surface water during April. Mr. Berckenhoff added that the alternative water used in March was approximately 33.5%, compared to approximately 32.0% in February. Mr. Berckenhoff further explained that during March, approximately 79.1% 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 21 active projects,

with seven (7) in or near construction, eight (8) in final design and six (6) in the planning or preliminary engineering stage.

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 poured concrete for the north pull box roof, installed shoring, formwork and rebar for the south pull box roof, installed HVAC at the switchgear buildings and electrical building, initiated brick installation at the control building and continued installation of 36-inch (36") flushing pipe at the Capers Ridge Pump Station; 2) continued concrete pours at the flow distribution basin and pig retrieval facility; and 3) completed the final inspection and is working on punch list items at Canal Segment No. 1.

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

Mr. Berckenhoff went on to report that construction of the South Plant has continued with ongoing installation and encasement of piping at the Ground Storage Tank, and pump can installation has been completed for the first two (2) pumps. Mr. Berckenhoff further reported that the Central Plant structural concrete work is continuing on schedule. Mr. Berckenhoff went on to report that construction of Early Work Package ("EWP") 2 Filter Building and Transfer Pump Station is proceeding. Mr. Berckenhoff also reported that construction of EWP 4 has continued with completion of the final hydrostatic testing of the 108-inch (108") piping. Mr. Berckenhoff further reported that construction of EWP 6 North Plant continues with ongoing formwork, rebar placement and structural concrete for various structures. Mr. Berckenhoff added that the bridge pile installation was completed and the deck concrete work continues at EWP 6. Mr. Berckenhoff stated 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. Berckenhoff next reported that in connection with the NETL project, the contractors have continued with construction on four (4) sections of the 108-inch (108") line. Mr. Berckenhoff added that real estate acquisitions are proceeding on several additional sections of the NETL and that design is progressing on the remaining two (2) sections of the 108-inch (108") line.

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 6, 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 the April 6, 2020 regular meeting, as written.

The Board then considered approval of the minutes of the April 20, 2020 special meeting. 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 minutes of the April 20, 2020 special 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, 2019

Mr. Ellis reviewed the AUP Report with the Board, a copy of which is 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 Sigler, seconded by Director Pulliam, 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, 2019, AND AUTHORIZE FILING OF SAME

Mr. McGrath reviewed with the Board the draft of the Authority's audit report for the FYE December 31, 2019, a copy of which is attached hereto. Mr. McGrath 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. McGrath then briefly reviewed the McGrath & Co. Management Letter, a copy of which is attached hereto. Mr. McGrath commended Ms. Plunkett and the Authority staff on another excellent job preparing and maintaining the Authority's financial statements. Mr. McGrath then explained that MGSB's AUP Report has allowed McGrath & Co. to eliminate the material weakness letter that has been issued in the past since the Authority does not have a Certified Public Accountant on staff. Mr. McGrath also noted that the Authority remains in good financial condition and has been able to meet all bond payment obligations.

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 audit report for FYE December 31, 2019, and to authorize the filing of same with the appropriate governmental authorities.

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 March 31, 2020, a copy of which is attached hereto.

Upon motion by Director Sigler, 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.

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 Pulliam, seconded by Director Fessler, 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.

CONFIRM UPCOMING MEETING DATE

Director Rendl then informed the meeting attendees that the Authority's next regular meeting will be held on Monday, June 1, 2020, at 6:00 p.m. Director Rendl noted that information on how the meeting will be conducted 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 1st day of June, 2020.

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

