

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors August 3, 2016

The Board of Directors (the "Board") of the Central Harris County Regional Water Authority (the "Authority") met in regular session, open to the public on August 3, 2016, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board, as follows:

Margaret L. Cox, President
Julian F. Boddy, Vice President
David Granadino, Secretary
Tom Gower, Assistant Secretary
Richard C. Meek, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Marcel Khouw, P.E. of IDS Engineering Group, Inc. ("IDS"), engineer for the Authority; Fran Matuska of F. Matuska, Inc. ("Matuska"), bookkeeper for the Authority; Lonnie Wright and Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; John Howell of The GMS Group, L.L.C. ("GMS"), financial advisor for the Authority; Linda Watkins and Gilbert Miranda of Fallbrook Utility District ("Fallbrook"); Laura Davis of Harris County Municipal Utility District No. 33 ("No. 33"); Sean McMillan of Jones & Carter, Inc., representing Harris County Municipal Utility District No. 200 ("No. 200"); Lathan Johnson of Rankin Road West Municipal Utility District ("Rankin"); and Abraham Rubinsky of Schwartz, Page & Harding, L.L.P. ("SPH"), attorneys for the Authority.

The President called the meeting to order and declared it open for such business as might properly come before it.

APPROVAL OF MINUTES

As the first order of business, the Board considered approval of the minutes of its meeting held July 6, 2016. After discussion, Director Boddy moved that the minutes of the meeting held July 6, 2016, be approved, as written. Director Gower seconded said motion, which unanimously carried.

PUBLIC COMMENTS

The Board opened the meeting for public comments. There were no comments received from the public in attendance at the meeting.

BOOKKEEPER'S REPORT

Ms. Matuska presented to and reviewed in detail with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit A, including the Summary of Cash Transactions for

separate invoices of \$19,782.30 for Segment 1 of the NETL and \$431,310.38 for Segment 2 of the NETL, for the same total amount due. After discussion, Director Gower moved to approve the payment of said invoices, in the total amount of \$451,092.68 and authorize disbursement of Authority funds for payment of same. Director Meek seconded said motion, which unanimously carried.

Mr. Khouw next reported that IDS has recently reviewed pressure information from the NHCRWA and will use said information to generate a water model for the Authority's Internal Distribution System.

Mr. Khouw then updated the Board on the status of the Luce Bayou Interbasin Transfer Project and reported that the temporary access road to the proposed pump station site is currently under construction. He advised that the Coastal Water Authority plans to recommend award of the contract for the Capers Ridge Pump Station to the low bidder, Rend/Johnson Bros, in the amount of \$49,500,000. Mr. Khouw reported that design of the canal is approaching completion and that said project will be advertised in September or October of 2016. He also reported that design of the pipelines are currently underway. Mr. Rubinsky noted receipt of correspondence from the City dated July 26, 2016, regarding the November 2016 and the May 2017 debt service payments on the State Participation Loan, and estimated amounts for fiscal years 2018, 2019 and 2020.

OPERATOR'S REPORT

Mr. Martin presented and reviewed with the Board a written Operator's Report for July 2016, a copy of which is attached hereto as Exhibit G.

Mr. Martin advised the Board that the percentage of surface water usage within the Authority during July 2016 was 42% and is now 43% for the current permit year to date.

In connection with the request received from the operator of Harris County Municipal Utility District No. 150 ("No. 150") to test the surface water meters at No. 150's Water Plant for accuracy, Mr. Martin reported that MOC was later advised by No. 150's operator that the well meter at one of No. 150's Water Plant was malfunctioning, which resulted in the inaccurate readings, and it was not related to the Authority's surface water meters.

Mr. Martin next reported that No. 33 has been invoiced for 27,225,000 gallons of water imported into the Authority during the time period in which No. 33 was on interconnect with Harris County Utility District Nos. 14 and 15. Mr. Martin advised that pursuant to the Authority's Rate Order regarding importation fees, No. 33's invoice totaled \$62,889.75

GOVERNMENT AFFAIRS UPDATE

The Board next considered a Government Affairs Update. In connection therewith, Mr. Rubinsky presented to and reviewed with the Board an Update prepared by C.J. Tredway, dated July 30, 2016, a copy of which is attached hereto as Exhibit H. No action was taken by the Board relative to said Update.

ATTORNEY'S REPORT

Mr. Rubinsky reported that he had nothing further of a legal nature to discuss with the Board.

STATUS OF PROPOSAL FOR DEVELOPMENT AND MAINTENANCE OF A WEBSITE FOR THE AUTHORITY

Mr. Rubinsky reported that SPH has provided comments to the proposed form of Website Development and Management Agreement between the Authority and The Texas Network, LLC ("TTN"). He advised that Ms. Barbara Payne of the Save Water Texas Coalition and Mr. Russell Lambert of TTN will attend the September Board meeting to discuss the proposed website further with the Board.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND SECTION 551.072

The Board determined that it would not be necessary at this time to convene in Closed Session.

ITEMS TO BE PLACED ON NEXT AGENDA PERTINENT TO THE AUTHORITY

The Board considered items for placement on future agendas. No specific agenda items, other than routing and ongoing matters were requested.

Mr. Rubinsky noted that the next meeting of the Board is scheduled for Wednesday, September 7, 2016, at 6:00 p.m.

ADJOURN MEETING

There being no further business to come before the meeting, upon motion made by Director Gower, seconded by Director Meek and unanimously carried, the meeting was adjourned.



David Granadino, Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

EXHIBIT A	Bookkeeper's Report
EXHIBIT B	Quarterly Investment Report
EXHIBIT C	Correspondence Approving Applications for Financial Assistance from SWIRFT for 2016
EXHIBIT D	Financing Agreement with the TWDB
EXHIBIT E	Escrow Release Request No. 1
EXHIBIT F	Engineer's Report
EXHIBIT G	Operations Report
EXHIBIT H	Government Affairs Update