

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 13, 2017

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on the 13th day of September, 2017, at the Fry Road Municipal Utility District Administration Building, 20111 Saums Road, Katy, Texas 77449, inside the boundaries of the Authority, and the roll was called of the members of the Board:

Bruce Parker	President
Larry Weppler	Vice President
Douglas (Cam) Postle	Secretary
Gary Struzick	Assistant Vice President
Eric Hansen	Assistant Secretary
Mark Janneck	Director
Michael Thornhill	Director
Karla Cannon	Director
Dennis Gorden	Director

and all of the above were present, except Director Cannon, thus constituting a quorum.

Also present at the meeting were Bryan Thomas of Severn Trent Environmental Services ("Severn Trent"); Wayne Ahrens of Dannenbaum Engineering Corporation ("DEC"); Tracey Scott of Myrtle Cruz, Inc.; and Alex Garcia, Alia Vinson, and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the August 9, 2017, meeting. Following discussion, Director Struzick moved to approve the minutes of the August 9, 2017, meeting, as submitted. The motion was seconded by Director Postle and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

There were no comments from the public.

CUSTOMER APPEALS

No appeals were presented.

TOWNHALL MEETINGS, WEBSITE, WATER CONSERVATION PROGRAM AND TRAILERS, ATTENDANCE AT CONFERENCES AND MEMBERSHIP IN ORGANIZATIONS, NEWSLETTERS AND MAILOUTS

Director Parker reported that the townhall meeting is scheduled for October 26, 2017, at 6:00 p.m. at the Fry Road Municipal Utility District Administration Building, 20111 Saums Road, Katy, Texas 77449.

ENGINEERING MATTERS

Mr. Ahrens presented an engineer's report, a copy of which is attached, and reviewed it with the Board.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2017 through July is approximately 98.7% of the previous year at this date. Mr. Ahrens reported that approximately 25.94 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during August, 2017.

Mr. Ahrens then reported that the Coastal Water Authority meeting has been rescheduled for tomorrow.

Mr. Ahrens reported that the Authority continues to meet with interested Surface Water Supply Project stakeholders. He stated that a meeting will be held on September 12, 2017, with the Woodland Trails Community Improvement Association. He also stated that some stakeholder meetings have been rescheduled due to Hurricane Harvey.

Mr. Ahrens also reported that the sale of 120,000 gallons of Type A credits to LaBarge Coating, LLC in the amount of \$630.00 and 249,000 gallons of Type A credits to Vincent Sun have been finalized.

REQUESTS FOR SURFACE WATER CONVERSION

There was no discussion on this matter.

WATER SUPPLY COMMITMENT LETTER AGREEMENT

There was no discussion on this matter.

REIMBURSEMENTS TO UTILITY DISTRICTS

There was no discussion on this matter.

## JOINT WATER LINE PROJECTS

Mr. Ahrens reported that a Joint Facilities Committee meeting was held on September 8, 2017, and the next meeting is scheduled for October 13, 2017.

## GROUNDWATER REDUCTION PLAN ("GRP")

Mr. Ahrens reported that Harris County Municipal Utility District No. 287 is in the process of annexing a tract.

## CONSTRUCTION PROJECTS

Mr. Ahrens reported that Triple B Services, the contractor for Contract 33B, has completed the hydrostatic testing and will begin the disinfection process this week. He also reported that Schneider Electric Systems, Inc. ("Schneider"), formerly Invensys Systems, Inc., has completed the Pump Station No. 1 Control System Upgrade. Discussion ensued.

## PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens then recommended approval of Pay Estimate No. 7 in the amount \$56,171.25 payable to Triple B Services for Contract 33B. Upon a motion made by Director Postle and seconded by Director Hansen, the Board voted unanimously to approve the above mentioned pay estimate, as recommended.

## CITY OF HOUSTON (THE "CITY") WATER SUPPLY CONTRACT AND SUPPLEMENTS THERETO, INCLUDING CHARGES FOR OPERATION AND MAINTENANCE EXPENSES, NORTHEAST WATER PLANT EXPANSION, LUCE BAYOU, AND NORTHEAST TRANSMISSION LINE-SEGMENT 1

Director Hansen reported that the groundbreaking for the Northeast Water Purification Plant is scheduled for September 15, 2017.

## ENGINEERING SERVICES, LEGAL SERVICES, AUTOMATIC METER READING SERVICES, COMMUNICATIONS, OPERATOR SERVICES CONTRACTS, WORK AUTHORIZATIONS, AND CHANGE ORDERS

The Board considered execution of the Engineering Services Agreement for the design of Contract 50 with IDS Engineering Group, Inc. Following discussion, Director Struzick moved to authorize execution of the Engineering Services Agreement for the design of Contract 50 with IDS Engineering Group, Inc. Director Janneck seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

Mr. Ahrens reported on Klotz Associates dba RPS's work on the design of Contract 36.

Mr. Ahrens then reported on Jones & Carter, Inc.'s work on the design of Contract 38.

Mr. Ahrens also reported on KIT Professionals, Inc.'s work on the design of Contract 35.

Mr. Ahrens then reported on Sanders Engineering Corporation's work on the design of Contract 37.

Mr. Ahrens reported on AECOM's work on Segment A of the Surface Water Supply Project.

Mr. Ahrens also reported on Black & Veatch's work on Segment B of the Surface Water Supply Project.

Mr. Ahrens then reported on Freese and Nichols' work on Segment C of the Surface Water Supply Project.

Mr. Ahrens also reported on Freese and Nichols' work on the RePump Station and AECOM's work on the Central Pump Station.

Mr. Ahrens reported that DEC is preparing a procurement package to implement the Badger System automatic meter reading program. He stated that letters requesting rights of entry to install equipment on existing wells have been sent to approximately 56 districts.

The Board considered Addendum Nos. 1 and 2 to the contract with Black & Veatch Corporation for Segment B of the Surface Water Supply Project, and Addendum No. 1 to the contract with KIT Professionals, Inc., for Contract 35. Following review and discussion, Director Gorden moved to approve Addendum Nos. 1 and 2 to the contract with Black & Veatch Corporation for Segment B of the Surface Water Supply Project, and Addendum No. 1 to the contract with KIT Professionals, Inc. Director Hansen seconded the motion, which carried by a vote of seven for the motion with Director Wepler abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 26 to Terracon Consultants, Inc. in the amount of \$47,500.00 to provide an updated Phase I environmental site assessment; (2) Work Authorization No. 27 to Terracon Consultants, Inc. in the amount of \$36,500.00 to conduct additional environmental services to supplement previous environmental studies performed along the Authority's North/South Second Source Project alignment; (3) Work Authorization No. 28 to Terracon Consultants, Inc. in the amount of \$58,100.00 to conduct additional environmental services to supplement previous environmental studies performed along the Authority's East/West Second Source Project alignment; (4) Work Authorization No. 50 to Luper, LLC in the amount of \$3,300.00 to prepare a 50-foot wide water line

easement survey (proposed Parcel 12440-002-SS001); (5) Work Authorization No. 80 to Rapid Research, Inc. in the amount of \$75.00 to provide an ownership certificate for a consent to encroachment agreement for the proposed C-Store and gas station; (6) Work Authorization No. 81 to Rapid Research, Inc. in the amount of \$1,050.00 to obtain ownership certificates for Parcels 12427-003-SS001, 12432-001-S001, and 12432-002-SS001) which are located in Segment 1 of the Surface Water Supply Project from Brittmoore to West Gulf Bank Road; (7) Supplement No. 5 to Work Authorization No. 2 to Fugro USA Land, Inc. in the amount of \$5,000.00 to add approximately 8 cone penetration test soundings at the White Oak Fault; (8) Supplement No. 5 to Work Authorization No. 4 to Fugro USA Land, Inc. in the amount of \$75,575.00 to perform falling/rising head tests for all piezometers in Segments A and B; and (9) Supplement No. 2 to Work Authorization No. 18 to V&A Consulting Engineers, Inc. in the amount of \$7,250.00 for additional work on Contract 33A. Following review and discussion, Director Weppler moved to approve the above-described: (1) Work Authorization No. 26 to Terracon Consultants, Inc.; (2) Work Authorization No. 27 to Terracon Consultants, Inc.; (3) Work Authorization No. 28 to Terracon Consultants, Inc.; (4) Work Authorization No. 50 to Lupher, LLC; (5) Work Authorization No. 80 to Rapid Research, Inc.; (6) Work Authorization No. 81 to Rapid Research, Inc.; (7) Supplement No. 5 to Work Authorization No. 2 to Fugro USA Land, Inc.; (8) Supplement No. 5 to Work Authorization No. 4 to Fugro USA Land, Inc.; and (9) Supplement No. 2 to Work Authorization No. 18 to V&A Consulting Engineers, Inc. Director Janneck seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

#### ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

There was no discussion on this matter.

#### LEGAL CONFLICTS WAIVERS

Mr. Garcia reviewed legal conflicts waivers regarding representation of the Authority and (i) Interstate Municipal Utility District, Nottingham Country Municipal Utility District, Mayde Creek Municipal Utility District, Renn Road Municipal Utility District, Harris County Municipal Utility District No. 449, and Harris County Municipal Utility District No. 495 regarding the preparation and review of right of entry agreements, (ii) Harris County Municipal Utility District No. 120 regarding the preparation and review of an agreement regarding credits for alternative water supply, and (iii) Harris County Municipal Utility District No. 167 regarding the preparation and review of an out-of-district service agreement. Following review and discussion, Director Janneck moved to approve the legal conflicts waivers. Director Hansen seconded the motion, which carried unanimously.

REALTY INTEREST ACQUISITION AND CONVEYANCE, INCLUDING ACCEPT, CONVEY, AMEND, APPROVE, OR RELEASE EASEMENTS, EASEMENT AGREEMENTS, ASSIGNMENTS OF EASEMENTS, DEEDS, PLATS, RIGHT OF ENTRY AGREEMENTS, APPROVE PURCHASE AND SALE AGREEMENTS

Ms. Vinson noted that the Chief Administrative Official has been designated to approve easements and the list of approved easements is reflected on the engineer's report.

ENCROACHMENTS OF EASEMENTS OR OTHER REALTY INTERESTS, INCLUDING ACCEPT, CONVEY, AMEND, OR RELEASE ENCROACHMENT AGREEMENTS

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS, REVIEW OF INVESTMENTS, AND AUTHORITY FEES AND CHARGES

Ms. Scott reviewed the bookkeeper's report, the investment report, a budget comparison, and the disbursements in the bookkeeper's report submitted for the Authority's review. She then reviewed check no. 1461 in the amount of \$25,700.00 payable to Tecno Properties, Inc., check no. 1462 in the amount of \$55,000.00 payable to Unicom Oil, LLC, check no. 1463 in the amount of \$51,183.00 payable to Antonio and Margarita Rivera, check no. 1464 in the amount of \$3,000.00 payable to Optimum Bonus Texas, Inc., check no. 1465 in the amount of \$6,000.00 payable to Jemmel Rothley, check no. 1466 in the amount of \$39,707.00 payable to New Lion, LLC, check no. 1467 in the amount of \$5,775.00 payable to Kathy K. Payton, check no. 9834 in the amount of \$424.16 payable to Eric Hansen, and check no. 9835 in the amount of \$309.15 payable to Karla Cannon. Following review and discussion, Director Hansen moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report and the above-described checks, and the investment report. Director Janneck seconded the motion, which carried by a vote of six for the motion with Directors Weppler and Postle abstaining.

TWDB FINANCING, INCLUDING APPLICATIONS AND FINANCING AGREEMENTS

Ms. Vinson reported that the Authority's bond sale is scheduled for October 11, 2017.

DELINQUENT AMOUNTS DUE THE AUTHORITY AND VIOLATIONS OF AUTHORITY RULES OR ORDERS; IMPOSE CIVIL PENALTIES AND APPROVE PAYMENT PLAN OR SETTLEMENT AGREEMENTS; CONDUCT HEARING REGARDING SAME

There was no discussion on this matter.

OPERATOR'S REPORT

Mr. Thomas presented copies of the operator's report and reviewed it with the Board, a copy of which is attached.

Mr. Thomas reported on maintenance and repairs at the Pump Station and scheduled repairs.

Mr. Thomas reported that there was no flooding at the Pump Station during Hurricane Harvey. He noted that two meter sites flooded.

Mr. Ahrens reported that the City maintained the water supply to the Authority during Hurricane Harvey.

CONVENE EXECUTIVE SESSION TO DISCUSS THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY AND CONSULTATION WITH ATTORNEY REGARDING ANY PENDING OR CONTEMPLATED LITIGATION OR SETTLEMENT OFFERS

The Board did not convene in executive session.

There being no further matters to come before the Authority, the meeting was adjourned.

(SEAL)

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Secretary, Board of Directors

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