

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 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 December, 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 Inframark Water Infrastructure Operations ("Inframark"), formerly Severn Trent Environmental Services ("Severn Trent"); Wayne Ahrens and Melinda Silva of Dannenbaum Engineering Corporation ("DEC"); Erin Garcia of Myrtle Cruz, Inc.; Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC; 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 November 8, 2017, meeting. Following discussion, Director Gorden moved to approve the minutes of the November 8, 2017, meeting, as submitted. The motion was seconded by Director Struzick and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Mr. Mike Owens provided comments regarding the Authority's website.

CUSTOMER APPEALS

No appeals were presented.

AUTHORIZE MCGRATH & CO., PLLC TO PREPARE AUTHORITY FINANCIAL STATEMENTS

The Board considered authorizing McGrath & Co., PLLC to prepare the Authority's financial statements. Following discussion, Director Weppler moved to authorize McGrath & Co., PLLC, to prepare the Authority's financial statements. Director Thornhill seconded the motion, which carried unanimously.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2017

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to prepare the audit for fiscal year ending December 31, 2017. Following discussion, Director Weppler moved to authorize McCall Gibson Swedlund Barfoot PLLC to prepare the audit for fiscal year ending December 31, 2017. Director Gorden seconded the motion, which carried unanimously.

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

Mr. Ahrens reported that Ms. Payne stated that second grade assemblies at Katy Independent School District are continuing to be scheduled.

Mr. Ahrens then reported that Ms. Payne stated that "Rising Cost of Water" brochures are available to the district operators for distribution.

ENGINEERING MATTERS

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

Ms. Silva reviewed with the Board a monthly pumpage report. She pointed out that the pumpage for 2017 through October is approximately 99.1% of the previous year at this date. Ms. Silva reported that approximately 21.84 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during November, 2017.

Ms. Silva then reported that the Coastal Water Authority meeting was held on December 13, 2017.

The Board considered authorizing DEC to prepare abridged loan applications for the Texas Water Development Board ("TWDB") SWIFT loans. Following discussion, Director Struzick moved to authorize DEC to prepare abridged loan applications for the TWDB 2019 SWIFT loans. Director Hansen seconded the motion, which carried unanimously.

The Board then considered authoring DEC to prepare a letter request to the TWDB to reallocate previously committed SWIFT funds. Following discussion, Director Struzick moved to authorize DEC to prepare a letter request to the TWDB to reallocate previously committed SWIFT funds. Director Gorden seconded the motion, which carried unanimously.

Ms. Silva reported that the Authority continues to meet with interested Surface Water Supply Project stakeholders. She stated that some stakeholder meetings have been rescheduled due to Hurricane Harvey.

FIRST AMENDED RESOLUTION ADOPTING WATER SUPPLY COMMITMENT POLICY

The Authority considered adopting a First Amended Resolution Adopting Water Supply Commitment Policy. After review and discussion, Director Weppler moved to adopt the First Amended Resolution Adopting Water Supply Commitment Policy. The motion was seconded by Director Struzick and carried unanimously.

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

Ms. Silva reported that a Joint Facilities Committee meeting was held on December 8, 2017, and the next Joint Facilities Committee meeting is scheduled for January 12, 2018.

GROUNDWATER REDUCTION PLAN ("GRP")

Ms. Silva reported that wells for Aqua Texas, Crestwater Homeowners Association and Harris County Municipal Utility District No. 105 will be added to the

Authority's GRP.

CONSTRUCTION PROJECTS

Ms. Silva reported that Triple B Services has completed Contract 33B. She also reported that Schneider Electric Systems USA, Inc. ("Schneider"), formerly Invensys Systems, Inc., will be on site in December, 2017 to install the Windows 10 upgrade. Discussion ensued.

PAY ESTIMATES AND CHANGE ORDERS

Ms. Silva recommended approval of Pay Estimate No. 9 and Final in the amount of \$230,911.11 and accept the project for Contract 33B. Upon a motion made by Director Struzick and seconded by Director Postle, the Board voted unanimously to approve the above mentioned pay estimate and acceptance of the project for Contract 33B, 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

Director Hansen discussed Consensus Item No. 14A for Early Work Package 4 and the related upcoming cash call for the Northeast Water Purification Plant Expansion Project, pursuant to the Second Supplement to the Water Supply Contract. Following discussion, Director Hansen moved to authorize payment of the cash call for Early Work Package 4, subject to approval of Consensus Item No. 14A. Director Weppler seconded the motion, which carried unanimously.

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

Ms. Silva reported on KIT Professionals, Inc.'s work on the design of Contract 35.

Ms. Silva also reported on RPS Consultants/Klotz's work on the design of Contract 36.

Ms. Silva then reported on Sander Engineering Corporation's work on the design of Contract 37.

Ms. Silva reported on Jones & Carter, Inc.'s work on the design of Contract 38.

Ms. Silva then reported on IDS Engineering Group, Inc.'s work on the design of Contract 50.

Ms. Silva reported on AECOM's work on Segment A of the Surface Water Supply Project.

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

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

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

Ms. Silva reported that DEC is preparing a procurement package to implement the Badger System automatic meter reading program.

The Board considered approving a contract with KIT Professionals, Inc. for a water quality study of the existing and proposed water system to evaluate blending of the new surface water with the existing surface water as well as groundwater. Following discussion, Director Struzick moved to approve a contract with KIT Professionals, Inc. for a water quality study. Director Hansen seconded the motion, which carried unanimously.

The Board considered Addendum No. 1 to the contract with AECOM Technical Services, Inc. for Segment A of the Surface Water Supply Project and Addendum No. 1 to the contract with KIT Professionals, Inc. for the design of Contract 35. Following review and discussion, Director Struzick moved to approve Addendum No. 1 to the contract with AECOM Technical Services, Inc. for Segment A of the Surface Water Supply Project and Addendum No. 1 to the contract with KIT Professionals, Inc. for the design of Contract 35. Director Hansen seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Supplement No. 5 to Work Authorization No. 22 to Terracon Consultants, Inc. to add new tasks to the rate sheet; (2) Supplement No. 8 to Work Authorization No. 4 to Fugro USA Land, Inc. to perform Ground Penetrating Radar Electromagnetic Induction and Radio Detection to identify the location of the underground pipelines with the easement at the Hardy Toll Road; (3) Supplement 2 to Work Authorization No. 5 to KDM Acquisition Services, Inc. to amend the termination date from December 31, 2017, to June 30, 2018; (4) Work Authorization No. 83 to Rapid Research, Inc. in the amount of \$100.00 to provide abstracting services; (5) Work Authorization No. 85 to Rapid Research, Inc. in the amount of \$50.00 to provide abstracting services to update the title certificate for Parcel 24A-1 located in the Atascocita area; (6) Work Authorization No. 82 to Abstract Services of Houston in the amount of \$975.00 to provide abstracting services for Parcel Nos. 066-SS004, 066-SS005, and 066-SS006; (7) Work Authorization No. 83 to Abstract Services of Houston in the amount of \$100.00 to provide abstracting services to update

the title certificate for Parcel No. 34B-01; (8) Work Authorization No. 43 to JLL Valuation & Advisory Services, LLC in the amount of \$2,200.00 to provide valuation services of just compensation for the acquisition of a parcel located along the Surface Water Supply Project, Segment 1 from Brittmoore to West Gulf Bank Road in eastern Harris County; (9) Work Authorization No. 9 to Texas American Title Company in the amount of \$9,000.00 to perform abstracting services for title reports for up to 20 parcels; (10) Work Authorization No. 53 to Lupher, LLC in the amount of \$4,400.00 to update surveys for Parcel Nos. 021-SS001 and 056-SS001; (11) Work Authorization No. 56 to Lupher, LLC in the amount of \$4,400.00 to provide Category 1A, Condition 2 Land Title Survey work; (12) Work Authorization No. 57 to Lupher, LLC in the amount of \$1,914.33 to update the survey for Parcel TX2-567H-015; (13) Work Authorization No. 58 to Lupher, LLC in the amount of \$1,208.08 to update the survey for Parcel 12412-001-SS001; (14) Work Authorization No. 59 to Lupher, LLC in the amount of \$1,043.38 to update survey exhibits for Parcel Nos. 066-SS001 and 066-SS003; (15) Work Authorization No. 60 to Lupher, LLC in the amount of \$1,450.73 to perform surveying services for Parcel 12431-004-SS001; (16) Work Authorization No. 66 to Weisser Engineering Company, Inc. in the amount of \$900.00 to perform surveying services to revise Easement Parcel 12379-34-SS001 because of a new property owner; (17) Work Authorization No. 41 to Cobb, Fendley & Associates, Inc. in the amount of \$1,454.44 to perform surveying services to update Parcel 24A-1 to reflect recent improvements along the proposed easement; and (18) Work Authorization No. 1 to KIT Professionals, Inc. in the amount of \$100,000 for water quality studies. Following review and discussion, Director Struzick moved to approve the above-described: (1) Supplement No. 5 to Work Authorization No. 22 to Terracon Consultants, Inc.; (2) Supplement No. 8 to Work Authorization No. 4 to Fugro USA Land, Inc.; (3) Supplement 2 to Work Authorization No. 5 to KDM Acquisition Services, Inc.; (4) Work Authorization No. 83 to Rapid Research, Inc.; (5) Work Authorization No. 85 to Rapid Research, Inc.; (6) Work Authorization No. 82 to Abstract Services of Houston; (7) Work Authorization No. 83 to Abstract Services of Houston; (8) Work Authorization No. 43 to JLL Valuation & Advisory Services, LLC; (9) Work Authorization No. 9 to Texas American Title Company; (10) Work Authorization No. 53 to Lupher, LLC; (11) Work Authorization No. 56 to Lupher, LLC; (12) Work Authorization No. 57 to Lupher, LLC; (13) Work Authorization No. 58 to Lupher, LLC; (14) Work Authorization No. 59 to Lupher, LLC; (15) Work Authorization No. 60 to Lupher, LLC; (16) Work Authorization No. 66 to Weisser Engineering Company, Inc.; (17) Work Authorization No. 41 to Cobb, Fendley & Associates, Inc.; and (18) Work Authorization No. 1 to KIT Professionals, Inc. Director Hansen seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Ms. Silva reported that DEC is reviewing the revised draft Environmental Determination Forms from Berg Oliver & Associates, Inc. for Region 1 for the revised

portions of the CIP alignment.

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. Silva 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.

AUTHORIZE ENGINEER TO NOTIFY CITY OF AUTHORITY'S ANTICIPATED DEMAND FOR UPCOMING FISCAL YEAR

The Board considered authorizing DEC to notify the City of the Authority's anticipated demand for the upcoming fiscal year. Following discussion, Director Hansen moved to authorize DEC to notify the City of Houston of the Authority's anticipated demand for the City's upcoming fiscal year. Director Gorden seconded the motion, which carried unanimously.

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

Ms. Garcia 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. 1575 in the amount of \$5,849.00 payable to Maria M. Reyes, check no. 1576 in the amount of \$4,038.00 payable to Courtshire Building Company, check no. 1577 in the amount of \$2,500.00 payable to William B. Kirkland, check no. 1578 in the amount of \$6,000.000 payable to Michael and Debra Stokan, check no. 1579 in the amount of \$5,000.00 payable to Muhammad and Mamoon Malik, check no. 1580 in the amount of \$500.00 payable to John and Kathryn Haberman, check no. 1581 in the amount of \$1,000.00 payable to Adrian Sanchez and Maria Richard, check no. 1582 in the amount of \$3,810.00 payable to Craig and Ann Marie Rommel, check no. 1583 in the amount of \$13,093.00 payable to Charles V. Hernandez, check no. 1584 in the amount of \$3,600.00 payable to Noe and Margarita Rivera, check no. 1585 in the amount of \$3,500.00 payable to Saul A. Valdez, check no. 1586 in the amount of \$9,686.00 payable to Andrews Kurth, check no. 9940 in the amount of \$1,149.87 payable to Eric Hansen, check no. 9941 in the amount of \$334.24 payable to Mark Janneck, and check no. 9942 in the amount of \$611.90 payable to

Dennis Gorden. 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 Thornhill seconded the motion, which carried by a vote of five for the motion with Directors Weppler, Struzick, and Postle abstaining.

BUDGET AND JOINT FACILITIES BUDGET FOR FISCAL YEAR END DECEMBER 31, 2018

Ms. Garcia reviewed the proposed operating budget and joint facilities budget for fiscal year ending December 31, 2018. Following review and discussion, Director Struzick moved to approve the operating budget and joint facilities budget for fiscal year ending December 31, 2018. Director Hansen seconded the motion, which carried unanimously.

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 requested that the Board authorize Legacy Power Washing, a subcontractor of Inframark, to preform maintenance on three ground storage tanks in the amount of \$9,014.21. Following discussion, Director Gorden moved to authorize Legacy Power Washing, a subcontractor of Inframark, to preform maintenance on three ground storage tanks. Director Struzick seconded the motion, which carried unanimously.

Mr. Thomas then requested that the Board authorize Inframark to repair the gas detection system at an estimated amount of \$9,000.00. Following discussion, Director Hansen moved to authorize Inframark to repair the gas detection system. Director Janneck seconded the motion, which carried unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS
COMPTROLLER

Ms. Vinson reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas.

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)

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of persons present at the December 13, 2017, meeting	1
engineer's report	2
bookkeeper's report	8
operator's report.....	8