

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

January 10, 2018

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 10th day of January, 2018, 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 Hansen, thus constituting a quorum.

Also present at the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens and Melinda Silva of Dannenbaum Engineering Corporation ("DEC"); Tracey Scott of Myrtle Cruz, Inc.; Barbara Payne of Payne Communications & Associates; 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 October 26 and December 13, 2017, meetings. Following discussion, Director Struzick moved to approve the minutes of the October 26 and December 13, 2017, meetings, as submitted. The motion was seconded by Director Janneck and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Mr. Mike Owens provided comments regarding the Authority's website and requested that the Board consider contacting Governor Abbott to ask him to consider waiving the mailing requirement for the Consumer Confidence Reports for all municipal utility districts within the Authority's boundaries.

ADOPT RESOLUTION ADOPTING RULES FOR 2018 APPOINTMENT PROCESS FOR DIRECTORS

The Board reviewed the terms of the Resolution Adopting Rules for 2018 Appointment Process for Directors ("Resolution"). Following discussion, Director Struzick moved to adopt the Resolution as presented. Director Thornhill seconded the motion, which carried unanimously.

CUSTOMER APPEALS

No appeals were presented.

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

Ms. Payne reported that that "Learning From Our Past To Influence Our Future" assemblies will be offered to fourth grade classes at Katy Independent School District.

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

Ms. Payne also reported that John Sutton, with the Texas Water Development Board ("TWDB"), will conduct a four-hour water loss audit and leak detection workshop. She suggested that the Board consider offering to host this workshop. Following discussion, Director Struzick moved to authorize Directors Thornhill and Struzick to work with Ms. Payne to set a date and organize the workshop. Director Wepler seconded the motion, which carried unanimously.

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 November is approximately 99.2% of the previous year at this date. Mr. Ahrens reported that approximately 18.32 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during December, 2017.

Mr. Ahrens then reported that the Coastal Water Authority meeting was held on January 10, 2018.

Mr. Ahrens reported that the Authority continues to meet with interested Surface Water Supply Project stakeholders.

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 is scheduled for January 12, 2018.

GROUNDWATER REDUCTION PLAN ("GRP")

There was no discussion on this matter.

CONSTRUCTION PROJECTS

Mr. Ahrens reported that Schneider Electric Systems USA, Inc. ("Schneider"), formerly Invensys Systems, Inc., completed the Windows 10 upgrade on December 8, 2017.

PAY ESTIMATES AND CHANGE ORDERS

Mr. Ahrens recommended approval of Change Order No. 2 in the amount of -\$4,368.00, resulting in a decrease in the amount of the contract with Accurate Meter. The Board determined that Change Order No. 2 is beneficial to the Authority. After discussion, Director Weppler moved to approve Change Order No. 2 in the amount of -\$4,368.00 based on the Board's finding that the change order is beneficial to the Authority and the DEC's recommendation. The motion was seconded by Director Cannon and carried by unanimous vote.

Mr. Ahrens recommended approval of Pay Estimate No. 6 in the amount of \$11,062.35 for the Pump Station No. 1 Control System Upgrade project. Upon a motion made by Director Struzick and seconded by Director Thornhill, 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

There was no discussion on this matter.

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

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

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

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

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

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

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.

The Board considered Addendum No. 4 to the contract with Jones & Carter, Inc., for surveying services on multiple on-going projects and the Sixth Amendment to Dannenbaum Engineering Corporation's Professional Engineering Services Agreement to revise billing rates. Following review and discussion, Director Struzick moved to approve Addendum No. 4 to the contract with Jones & Carter, Inc. for surveying services on multiple on-going projects and the Sixth Amendment to Dannenbaum Engineering Corporation's Professional Engineering Services Agreement. Director Cannon seconded the motion, which carried by a vote of seven for the motion with Director Weppler abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 10 to Texas American Title Company in the amount of \$9,000.000; (2) Work Authorization No. 84 to Abstract Services of Houston in the amount of \$300.00; (3) Work Authorization No. 60 to Lupher, LLC in the amount of \$1,450.73; (4) Supplement No. 1 to Work Authorization No. 10 to Jones & Carter, Inc. to amend the termination date of Work Authorization No. 10; and (5) Work Authorization No. 12 to Jones & Carter, Inc. in the amount of \$67,621.00. Following review and discussion, Director Gorden moved to approve the above-described work authorizations. Director Janneck seconded the motion, which carried by a vote of seven for the motion with Director Weppler abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Mr. Ahrens reported on the draft Environmental Determination Forms 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

Mr. Ahrens 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.

TEXAS WATER DEVELOPMENT BOARD FUNDING, INCLUDING APPLICATIONS AND FINANCING AGREEMENTS

The Board considered authorizing DEC to submit an abridged application for additional TWDB SWIFT funds. Following discussion, Director Weppler moved to authorize DEC to submit the abridged application to the TWDB, subject to final approval by Director Parker. Director Struzick seconded the motion, which carried unanimously.

APPROVE BEACON AMA MANAGED SOLUTION MASTER AGREEMENT

Mr. Garcia reviewed the proposed Beacon AMA Managed Solution Master Agreement with Badger Meter, Inc., for the automatic meter reading program (the

"Agreement"). Following discussion, Director Weppler moved to approve the Agreement. Director Thornhill seconded the motion, which carried unanimously.

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. 1618 in the amount of \$6,500.00 payable to Chun Pang Chan, Linda Pang Chan and Karen Shui Chan, check no. 1619 in the amount of \$5,000.00 payable to Gloria Coke, check no. 1620 in the amount of \$1,000.00 payable to Daniel Villanueva and Diana Campos, check no. 1621 in the amount of \$1,000.000 payable to Oscar A. Colocho, and check no. 1622 in the amount of \$22,800.00 payable to Heidaker Land Services. Following review and discussion, Director Janneck 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 Cannon seconded the motion, which carried by a vote of five for the motion with Directors Weppler, Struzick, and Postle abstaining.

LETTER TO NORTH FORT BEND WATER AUTHORITY ("NFBWA") REGARDING ANNUAL DEBT SERVICE PAYMENT DUE UNDER THE JOINT FACILITIES AGREEMENT

The Board considered approving the annual letter to the NFBWA regarding the NFBWA's share of the 2018 debt service payments for the Series 2012 WIF bonds. Following discussion, Director Postle moved to approve the annual letter to the NFBWA regarding the NFBWA's share of the 2018 debt service payments for the Series WIF bond. Director Janneck seconded the motion, which carried unanimously.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officer. Following review, Director Postle moved to accept the annual disclosure statements of the bookkeeper and investment officer. Director Weppler seconded the motion, which passed by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Vinson reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

ADOPTION OF AMENDED INVESTMENT POLICY

The Board considered amending the District's Investment Policy to include the TexasTERM Local Government Investment Pool as an authorized investment. Upon a motion made by Director Struzick, and seconded by Director Thornhill, the Board voted unanimously to adopt the Amended Investment Policy.

ADOPT RESOLUTION TO PARTICIPATE IN TEXAS TERM

The Board then considered adopting a Resolution authorizing participation in the TexasTERM Local Government Investment Pool and the TexasTERM CD Purchase Program. Upon a motion made by Director Struzick and seconded by Director Gorden, the Board voted unanimously to adopt the Resolution authorizing participation in the TexasTERM Local Government Investment Pool and the TexasTERM CD Purchase Program.

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.

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 January 10, 2018, meeting	1
engineer's report	2
bookkeeper's report	6
operator's report.....	7