

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

May 9, 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 9th day of May, 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 Directors Parker and 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"); 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 April 11, 2018, meeting. Following discussion, Director Struzick moved to approve the minutes of the April 11, 2018, meeting, as submitted. The motion was seconded by Director Postle and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Mr. Mike Owens suggested that the Authority, as part of its public outreach efforts, consider utilizing publications circulated in the community.

CUSTOMER APPEALS

No appeals were presented.

ADOPT ORDER COUNTING VOTES AND DECLARING ELECTED CANDIDATE FOR DIRECTOR PRECINCT 5 AND AUTHORIZE SUBMISSION TO ALL DISTRICTS AND MUNICIPALITIES IN THE AUTHORITY OF ELECTION RESULTS

The Board next considered adopting an Order Counting Votes and Declaring Elected Candidate for Director Precinct 5 (the "Order") appointing Michael Owens director of the Authority to serve from 12:00 a.m., on May 16, 2018, until 11:59 p.m., on May 15, 2022, and authorizing submission of the election results to all districts and municipalities in the Authority. Director Struzick moved that the Board adopt the Order and authorize submission of the election results to all districts and municipalities in the Authority. Director Gorden seconded the motion, which passed unanimously.

REVIEW AND APPROVE AUDIT REPORT FOR FISCAL YEAR END DECEMBER 31, 2017

Ms. Gibson distributed and reviewed a draft of the audit report for the fiscal year end December 31, 2017. Following review and discussion, Director Thornhill moved to approve the audit report for the fiscal year end December 31, 2017. Director Janneck seconded the motion, which carried unanimously.

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

There was no discussion on this matter.

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 2018 through March is approximately 99.2% of the previous year at this date. Ms. Silva reported that approximately 20.62 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during April, 2018.

Ms. Silva then reported that a representative from DEC attended the Coastal Water Authority meeting today.

Ms. Silva also reported that the annual Hurricane Preparedness Workshop has been scheduled for May 17, 2018, at the Fry Road Municipal Utility District Administration Building.

AGREEMENT REGARDING CREDITS FOR ALTERNATIVE WATER SUPPLY USE

Ms. Vinson reviewed the Agreement Regarding Credits for Alternative Water Supply Use with Clay Road Municipal Utility District. Following review and discussion, Director Cannon moved to approve the Agreement Regarding Credits for Alternative Water Supply Use with Clay Road Municipal Utility District. Director Thornhill seconded the motion, which 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 on an upcoming Joint Facilities Committee meeting and a construction contract meeting for the Surface Water Supply Project.

Ms. Silva then reported that a contractor outreach meeting for the Surface Water Supply Project has been scheduled for June 29, 2018.

Ms. Silva also recommended that the Authority issue a cash call for the Joint Facilities Fund in the amount of \$2,877,409.61 for the Authority and \$2,344,749.39 for the North Fort Bend Water Authority. Following discussion, Director Janneck moved to issue the cash call. Director Gorden seconded the motion, which carried unanimously.

GROUNDWATER REDUCTION PLAN ("GRP")

There was no discussion on this matter.

CONSTRUCTION PROJECTS

Ms. Silva reported on the status of the automated meter reading system.

PAY ESTIMATES AND CHANGE ORDERS

Ms. Silva recommended approval of Pay Estimate No. 7 and Final in the amount of \$51,261.55 and accept the project for the Pump Station No. 1 Systems Upgrade. Upon a motion made by Director Gorden and seconded by Director Struzick, the Board voted unanimously to approve the above mentioned pay estimate and acceptance of the project for the Pump Station No. 1 Systems Upgrade, as recommended.

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

Ms. Silva reported that an Advisory Committee meeting with the City and Authorities was held on April 30, 2018.

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 also reported on KIT Professionals, Inc. work on the water quality and blending study.

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.

The Board considered Addendum No. 1 to the contract with Jones & Carter for Contract 38 to add geotechnical investigation services, Addendum No. 1 to the contract with Kuo & Associates, Inc. to continue to provide professional surveying services, Addendum No. 12 to the contract with Lupher, LLC to continue to provide professional surveying services, and Addendum No. 1 to the contract with Baseline Corporation, Inc. to continue to provide professional surveying services. Following review and discussion, Director Cannon moved to approve the above-described addenda. Director Thornhill seconded the motion, which carried by a vote of five for the motion with Directors Postle and Wepler abstaining.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 12 to Berg Oliver Associates, Inc. to amend the termination date of Work Authorization No. 12 from December 31, 2017, to December 31, 2018; (2) Supplement No. 1 to Work Authorization No. 7 to Kuo & Associates, Inc. in the amount of \$30,000.00; (3) Work Authorization No. 9 to Kuo & Associates, Inc. in the amount of \$30,171.00; (4) Work Authorization No. 14 to Texas American Title Company in the amount of \$3,500.00; (5) Work Authorization No. 86 to Abstract Services of Houston in the amount of \$300.00; (6) Work Authorization No. 87 to Abstract Services of Houston in the amount of \$200.00; (7) Work Authorization No. 95 to Rapid Research, Inc. in the amount of \$1,200.00; (8) Work Authorization No. 96 to Rapid Research, Inc. in the amount of \$100.00; (9) Work Authorization No. 97 to Rapid Research, Inc. in the amount of \$300.00; (10) Work Authorization No. 98 to Rapid Research, Inc. in the amount of \$300.00; (11) Work Authorization No. 72 to Weisser Engineering Company, Inc. in the amount of \$900.00; (12) Work Authorization No. 73 to Weisser Engineering Company, Inc. in the amount of \$900.00; (13) Work Authorization No. 62 to Lupher, LLC in the amount of \$10,000.00; (14) Work Authorization No. 63 to Lupher, LLC in the amount of \$69,000.00; (15) Work Authorization No. 42 to Cobb, Fendley & Associates, Inc. in the amount of \$410.00; and (16) Work Authorization No. 6 to Baseline Corporation, Inc. in the amount of \$29,860.00. Following review and discussion, Director Cannon moved to approve the above-described work authorizations. Director Thornhill seconded the motion, which carried by a vote of six for the motion with Director Postle abstaining.

The Board considered an amended engagement letter proposed by Gary Grote. Following review and discussion, Director Struzick made a motion to authorize execution of the amended engagement letter. Director Janneck seconded the motion, and it carried by a vote of six for the motion with Director Postle abstaining.

LEGAL CONFLICTS WAIVERS

Mr. Garcia reviewed legal conflicts waivers regarding representation of (i) the Authority and Harris County Municipal Utility District No. 438 regarding the preparation and review of a right of entry agreement, and (ii) the Authority and Horsepen Bayou Municipal Utility District regarding the preparation and review of an amendment to easement. Following review and discussion, Director Janneck moved to approve the legal conflicts waivers. Director Thornhill seconded the motion, which carried unanimously.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

There was no discussion on this matter.

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, Director Postle, has been designated to approve easements and the list of approved easements is reflected on the engineer's report.

Ms. Silva reported that Harris County has requested a temporary right of entry to the Central Pump Station in order to facilitate Harris County's efforts to remove sediment from the box culverts under Fry Road. Following discussion, Director Thornhill moved to authorize execution of a right of entry agreement with Harris County, subject to final review by Director Parker. Director Cannon seconded the motion, which carried unanimously.

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 ("TWDB") FUNDING, INCLUDING APPLICATIONS AND FINANCING AGREEMENTS

Ms. Silva reported that DEC submitted the full applications for additional funds for the Northeast Water Purification Plant Expansion Project and the Surface Water Supply Project to the TWDB on May 4, 2018.

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

Ms. Garcia reviewed the bookkeeper's report, a budget comparison, and the disbursements in the bookkeeper's report submitted for the Authority's review. She then reviewed check no. 1763 in the amount of \$5,561.40 payable to V&A Consulting Engineers, check no. 1764 in the amount of \$900.00 payable to Weisser Engineering, and check no. 10110 in the amount of \$883.90 payable to Dennis Gorden. Ms. Garcia noted that check no. 10110 payable to Dennis Gorden replaces check no. 10079 that was approved at the April meeting. Following review and discussion, Director Struzick moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report and the above-described checks. Director Thornhill seconded the motion, which carried by a vote of five for the motion with Directors Postle and Wepler abstaining.

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.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES

The Board considered the critical load spreadsheet for the Authority's facilities. Following review and discussion, and upon a motion made by Director Thornhill and seconded by Director Janneck, the Board voted unanimously to authorize filing of the critical load spreadsheet, subject to final review.

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.

OTHER MATTERS

Director Wepler presented Director Cannon with a memento honoring the many years she has served on the Authority's Board.

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

(SEAL)

Secretary, Board of Directors

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