

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

July 11, 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 11th day of July, 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
Michael Owens	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"); Erin Garcia of Myrtle Cruz, Inc.; 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 June 13, 2018, meeting. Following discussion, Director Struzick moved to approve the minutes of the June 13, 2018, meeting, as revised. The motion was seconded by Director Janneck and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

There were no questions 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

Mr. Ahrens reported that Ms. Payne stated that she is planning for the Authority's fall event and will provide an update next month.

Mr. Ahrens also reported that Ms. Payne stated there are billing inserts available.

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 May is approximately 99.2% of the previous year at this date. Ms. Silva reported that approximately 22.84 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during June, 2018.

Ms. Silva reported that additional meetings are being scheduled to coordinate with Harris County elected officials and staff.

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

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

The Board considered authorizing reimbursement to Clay Road Municipal Utility District ("Clay Road") in the amount of \$1,209.00 for tank overflows due to Authority operations. Mr. Garcia then reviewed a Receipt and Release reflecting payment to Clay Road MUD, including the legal conflicts waiver set forth therein regarding ABHR's representation of the Authority and Clay Road. Following discussion, Director Struzick moved to approve: (i) the Receipt and Release, and (ii) payment of the reimbursement, subject to execution of the Receipt and Release by Clay Road. Director Weppler seconded the motion, which carried unanimously.

## JOINT WATER LINE PROJECTS

Ms. Silva reported on an upcoming Joint Facilities Committee meeting.

Ms. Silva then reported that a contractor outreach meeting for the Surface Water Supply Project was held on June 29, 2018. She stated that over 150 contractors attended the meeting. Director Weppler commented on the attendance and information presented at the meeting.

Ms. Silva also recommended that the Authority issue a cash call for the Joint Facilities Fund for the Surface Water Supply Project in the amount of \$5,222,159.00, split between the Authority and North Fort Bend Water Authority in accordance with the Joint Facilities Agreement. Following discussion, Director Weppler moved to issue the cash call. Director Janneck seconded the motion, which carried unanimously

## GROUNDWATER REDUCTION PLAN ("GRP"); AGREEMENT REGARDING CREDITS FOR ALTERNATIVE WATER SUPPLY USE

There was no discussion on this matter.

## CONSTRUCTION PROJECTS

Ms. Silva reported that bids were received on June 28, 2018, for the Segment A right-of-way clearing, grubbing and maintenance project. She stated that the Design Committee recommended that the bids be rejected and the project be re-advertised. Following discussion, Director Weppler moved to reject all bids and authorize that the project be re-advertised. Director Gorden seconded the motion, which carried unanimously.

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

## PAY ESTIMATES AND CHANGE ORDERS

There was no discussion on this matter.

## 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 a meeting to discuss the Amendment to the Second Supplement to the Water Supply Contract with the City and the Authorities was held on June 18, 2018.

Ms. Vinson discussed Consensus Item No. 16B and related Cash Call 7A for the Northeast Water Purification Plant Expansion Project, pursuant to the Second Supplement to the Water Supply Contract. She reported that Director Hansen recommended approval of Cash Call 7A in the amount of \$20,447.69. Following discussion, Director Gorden moved to approve Cash Call 7A. Director Postle seconded the motion, which carried unanimously.

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

Ms. Silva reported that KIT Professionals, Inc., the engineer for Contract 35, is working on submittal of 95% design plans. She then reported that RPS Consultants/Klotz, the engineer for Contract 36, submitted 90% design plans to DEC for review. Ms. Silva then requested that the Board authorize advertisement for bids for Contract 35 and Contract 36. Following discussion, Director Weppler moved to authorize advertisement for bids for Contract 35 and Contract 36. Director Thornhill seconded the motion, which carried by a vote of seven for the motion with Director Struzick abstaining.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, submitted 60% design plans, and submittal of 90% design plans is scheduled for August 6, 2018.

Ms. Silva also reported that Jones & Carter, Inc., the engineer for Contract 38, submitted 60% design plans, and submittal of 90% design submittal is schedule for September 11, 2018.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, submitted 30% design plans, and submittal of 60% design plans is schedule for September 4, 2018.

Ms. Silva also reported that KIT Professionals, Inc. is working on the water quality and blending study.

Ms. Silva reported that AECOM, the engineer for Segment A of the Surface Water Supply Project, submitted 60% design plans for the eastern portion of the alignment.

Ms. Silva also reported that Black & Veatch, the engineer for Segment B of the Surface Water Supply Project, is working on 90% design west of I-45. She stated that comments have been received from the Harris County Toll Road Authority and the Harris County Flood Control District. Ms. Silva also stated that submittals have been

forwarded to the City and Harris County.

Ms. Silva then reported that Freese and Nichols, the engineer for Segment C of the Surface Water Supply Project, is working on their 90% design submittal. She stated that submittals have been forwarded or are pending to the City and Harris County.

Ms. Silva also reported that Freese and Nichols, the engineer on the RePump Station, has submitted 30% design plans to DEC for review and anticipates submittal of 60% design plans on July 30, 2018. She said that the value engineering workshop is scheduled for the week of July 30, 2018.

Ms. Silva reported that AECOM, the engineer on the Central Pump Station, submitted 30% design plans for review by DEC. She stated that AECOM is proceeding with submittal of the 60% design plans based on six pumps with a capacity of 170 MGD.

The Board considered approving a contract extension to the contract with AECOM for the Central Pump Station design in the amount of \$143,637.75. Following review and discussion, Director Gorden moved to approve the contract extension to the contract with AECOM for the Central Pump Station design. Director Janneck 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) Work Authorization No. 7 to S&V Surveying, Inc. in the amount of \$755.00; (2) Work Authorization No. 92 to Abstract Services of Houston in the amount of \$300.00; (3) Work Authorization No. 104 to Rapid Research, Inc. in the amount of \$75.00; (4) Work Authorization No. 105 to Rapid Research, Inc. in the amount of \$50.00; and (5) Supplement No. 7 to Work Authorization No. 22 to Terracon Consultants, Inc. in the amount of \$167,627.75. Following review and discussion, Director Struzick moved to approve the above-described work authorizations. Director Weppeler seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

The Board considered approving an electricity contract with Constellation to add two meters related to cathodic protection. Following discussion, Director Janneck moved to approve an electricity contract with Constellation. Director Gorden seconded the motion, which carried unanimously.

The Board then considered approving an agreement for participation in the ERCOT demand response program with CPower through September 30, 2023. Following discussion, Director Janneck moved to approve the agreement with CPower. Director Gorden 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.

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

There was no discussion on this matter.

AGREEMENT REGARDING RELOCATION OF WATER LINE

The Board considered approving an Agreement regarding Relocation of Water Line among Harris County Municipal Utility District No. 166 ("MUD 166"), Pulte Group, and the Authority. Mr. Garcia stated that an Authority water line cuts through the property to be acquired by Pulte Group in MUD 166. Following discussion, Director Postle moved to approve the Agreement regarding Relocation of Water Line, subject to final review and approval by Director Parker. Director Wepler seconded the motion, which carried unanimously.

TEXAS WATER DEVELOPMENT BOARD ("TWDB") FUNDING, INCLUDING APPLICATIONS AND FINANCING 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. 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. 10181 in the amount of \$462.68, which replaces voided check no. 10152, payable to Mark Janneck, check no. 1814 in the amount of \$1,000.00 payable to Khera Interest, Inc., check no 1815 in the amount of \$500.00 payable to Alice Lee, check no 1816 in the amount of \$150.00 payable to Bernardo Garcia, check no. 1817 in the amount of \$500.00 payable to Eleazar Ozuna, check no. 1818 in the amount of

\$1,000.00 payable to Ed Chen, check no. 1819 in the amount \$1,000.00 payable to Melanie Bragg, check no. 1820 in the amount of \$500.00 payable to George May, check no. 1821 in the amount of \$1,000.00 payable to Grant Dunwoody, check no. 1822 in the amount of \$150.00 payable to Lashawn Williams, check no. 1823 in the amount of \$150.00 payable to James Kovach, and check no. 1824 in the amount of \$584.00 payable to Stan Stanart, Harris County Clerk. Following review and discussion, Director Owens moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report and check nos. 10181, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823 and 1824. Director Thornhill seconded the motion, which carried by a vote of five for the motion with Directors Wepler, Struzick, and Postle abstaining.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board considered approving reimbursement to the directors for expenses incurred in attending the AWBD summer conference and authorizing attendance of its members at the AWBD winter conference and summer workshop. After discussion, Director Owens moved to approve reimbursement of the AWBD summer conference expenses and to authorize attendance of the Board members at the AWBD winter conference and summer workshop. The motion was seconded by Director Struzick and carried by unanimous vote.

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

Ms. Vinson reminded that Board that the Authority, at its April 11, 2018 Board meeting, approved a one-time waiver of penalties and interest for late payments made on behalf of Mission Bend Integrated Water System ("MBIWS") participants due to complications caused by Hurricane Harvey, subject to receipt of a written agreement no later than October 31, 2018, between the MBIWS participants establishing a two-month reserve for Authority fees. She reported that the Second Amended and Restated Water Supply and Billing Agreement has been received, which includes the required two-month reserve. Following discussion, Director Wepler moved to approve the one-time waiver of penalties and interest for late payments and authorized a letter to Chelford City Municipal Utility District acknowledging that the waiver has been granted. Director Struzick seconded the motion, which carried unanimously.

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)

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Secretary, Board of Directors



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