

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

June 13, 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 13th day of June, 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 Directors Thornhill, Gorden, 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.; Barbara Payne of Payne Communications & Associates; 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 May 9, 2018, meeting. Following discussion, Director Struzick moved to approve the minutes of the May 9, 2018, meeting, as submitted. The motion was seconded by Director Janneck and passed by a vote of five for the motion with Director Owens abstaining.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Ms. Loretta Evans inquired about the proposed amendment to the Water Supply Contract with the City of Houston (the "City") and the quality of water received by West Harris County Municipal Utility District No. 2 ("MUD 2"). In response to a question from Director Parker regarding surface water, Ms. Evans stated that MUD 2

does not receive surface water from the Authority. Ms. Vinson discussed the scope of the proposed amendment to the Water Supply Contract with the City.

Mr. Bill Papp stated that he is running for Gulf Coast Regional Trustee for the Association of Water Board Directors. He then discussed his qualifications to fill this position.

CUSTOMER APPEALS

No appeals were presented.

APPROVE SWORN STATEMENTS, OFFICIAL BOND, AND OATHS OF OFFICE

The Board considered approving Sworn Statements and Oaths of Office of Bruce Parker, Larry Weppler, Mike Thornhill, Dennis Gorden and the Sworn Statement, Oath of Office, and Official Bond for Michael Owens in connection with their appointments to the Board of Directors. Following discussion, Director Janneck moved to approve such Sworn Statements, Official Bond, and Oaths of Office and direct that the documents be filed in the permanent records of the Authority and the Oaths be filed with the Secretary of State as required by law. Director Struzick seconded the motion, which carried unanimously.

REORGANIZE THE BOARD AND ELECT OFFICERS

The Board deferred action on this matter.

AUTHORIZE EXECUTION AND FILING OF REGISTRATION FORM

The Board next considered approving a Registration Form revised to reflect the appointments of the Board members and their respective terms. After review, Director Struzick moved to authorize the execution and filing of the Registration Form with the Texas Commission on Environmental Quality. The motion was seconded by Director Owens and carried by unanimous vote.

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

Ms. Payne reported that the FAQs tab has now been added to the website.

Ms. Payne also reported on an upcoming educational event that has been scheduled for November 3, 2018, at Kleb Woods Nature Preserve.

Ms. Payne then reported that the Katy Independent School District classroom participation regarding water conservation has doubled.

Ms. Payne also reported that she will be meeting with a science specialist to discuss implementation of water conservation topics in the science curriculum.

Ms. Payne reported that she will be meeting with descendants of Quanah Parker at the Comanche National Museum and Cultural Center. She stated that a video will be part of the new education program, Communications Through the Ages.

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 April is approximately 99.2% of the previous year at this date. Ms. Silva reported that approximately 25.37 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during May, 2018.

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

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.

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 the Segment A right-of-way clearing, grubbing and maintenance project was advertised for bids on June 8, 2018 with bid opening scheduled for June 28, 2018.

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

PAY ESTIMATES AND CHANGE ORDERS

Ms. Silva recommended approval of Pay Estimate No. 1 in the amount of \$22,950.00 for the automated meter reading system. Upon a motion made by Director Wepler and seconded by Director Struzick, the Board voted unanimously to approve the above mentioned pay estimate for the automated meter reading system, 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 a meeting to discuss the Amendment to the Second Supplement to the Water Supply Contract with the City and the Authorities was held on May 30, 2018.

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 with Carollo Engineers, Inc. to perform value engineering studies on the Central Pump Station and the RePump Station. Following discussion, Director Wepler moved to authorize execution of the Engineering Services Agreement with Carollo Engineers, Inc. Director Struzick seconded the motion, which carried unanimously.

Ms. Silva reported that KIT Professionals, Inc., the engineer for Contract 35, submitted 90% design plans to DEC and DEC provided comments. She stated that KIT Professionals, Inc. is working towards an additional 95% design submittal.

Ms. Silva also reported that RPS Consultants/Klotz, the engineer for Contract 36, submitted 90% design plans on May 31, 2018, which DEC is reviewing.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, submitted 60% design plans to DEC for review and DEC provided

comments. She stated that Sander Engineering Corporation is working towards 90% design plans.

Ms. Silva also reported that Jones & Carter, Inc., the engineer for Contract 38, submitted 30% design plans and DEC provided comments. She stated that Jones & Carter, Inc. is working towards submittal of 60% design plans.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is working on 30% design plans for submittal.

Ms. Silva also reported that KIT Professionals, Inc. has completed the water sampling and data analysis is underway.

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, which DEC is reviewing.

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 made to or are pending at 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 made to or are pending at 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 DEC is currently reviewing.

Ms. Silva reported that DEC has provided response comments on the preliminary design report to AECOM, the engineer on the Central Pump Station. She stated they AECOM is proceeding with the submittal of 30% design plans based on six pumps with a capacity of 170 MGD.

The Board considered Addendum No. 1 to the contract with Freese and Nichols, Inc. for the Surface Water Supply Project, RePump Station to address contract time extension and scope of work for the Harris County Flood Control District floodplain requirements, Addendum No. 2 to the contract with Freese and Nichols, Inc. for the Surface Water Supply Project, Segment C to address bid package changes, and Addendum No. 3 to the contract with Freese and Nichols, Inc. for the Surface Water Supply Project, Segment C to address schedule changes. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Janneck seconded the motion, which carried by a vote of five for the motion with

Director Postle abstaining.

The Board then considered Addendum No. 2 to the contract with AECOM Technical Services, Inc. for the Surface Water Supply Project, Segment A to address contract time extension and Addendum No. 3 to the contract with AECOM Technical Services, Inc. for the Surface Water Supply Project, Segment A to address bid package divisions of Segment A. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Janneck seconded the motion, which carried by a vote of five for the motion with Director Postle abstaining.

The Board also considered Addendum No. 4 to the contract with Black & Veatch Corp. for the Surface Water Supply Project, Segment B to include alignment adjustment at the Beltway 8 crossing, Addendum No. 5 to the contract with Black & Veatch Corp. for the Surface Water Supply Project, Segment B to include supplemental services to address bid package changes of Segment B, and Addendum No. 6 to the contract with Black & Veatch Corp. for the Surface Water Supply Project, Segment B to address contract time extension. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Janneck seconded the motion, with four votes in favor of the motion and Directors Postle and Wepler abstaining. The motion failed.

The Board considered Addendum No. 1 to the contract with IDS Engineering Group, Inc. for Contract 50 to add additional topographic surveying services. Following review and discussion, Director Wepler moved to approve the above-described addendum. Director Struzick seconded the motion, which carried unanimously.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 7 to KDM Acquisition Services, Inc. to amend the services to be provided and specify the amount of consideration to be paid for those services; (2) Work Authorization No. 9 to KDM Acquisition Services, Inc. in the amount of \$24,000.00; (3) Work Authorization No. 74 to Weisser Engineering Company, Inc. in the amount of \$2,385.00; (4) Work Authorization No. 7 to Baseline Corporation, Inc. in the amount of \$33,050.00; (5) Supplement No. 1 to Work Authorization No. 7 to Baseline Corporation, Inc. to amend the amount not to exceed \$39,785.00; (6) Work Authorization No. 88 to Abstract Services of Houston in the amount of \$600.00; (7) Work Authorization No. 89 to Abstract Services of Houston in the amount of \$300.00; (8) Work Authorization No. 90 to Abstract Services of Houston in the amount of \$35.00; (9) Work Authorization No. 91 to Abstract Services of Houston in the amount of \$200.00; (10) Work Authorization No. 100 to Rapid Research, Inc. in the amount of \$350.00; (11) Work Authorization No. 101 to Rapid Research, Inc. in the amount of \$150.00; (12) Work Authorization No. 46 to JLL Valuation & Advisory Services, LLC in the amount of \$30,000.00; (13) Work Authorization No. 47 to JLL Valuation & Advisory Services, LLC in the amount of \$15,000.00; (14) Work Authorization No. 13 to Heidaker

Land Services, Inc. in the amount of \$45,000.00; (15) Work Authorization No. 6 to S&V Surveying, Inc. in the amount of \$1,510.00; (16) Work Authorization No. 43 to Cobb, Fendley & Associates, Inc. in the amount of \$3,800.00; (17) Work Authorization No. 64 to Lupher, LLC in the amount of \$6,000.00; (18) Work Authorization No. 65 to Lupher, LLC in the amount of \$5,600.00; (19) Work Authorization No. 66 to Lupher, LLC in the amount of \$8,500.00; (20) Work Authorization No. 67 to Lupher, LLC in the amount of \$6,300.00; (21) Work Authorization No. 1 to Carollo Engineers, Inc. in the amount of \$289,891.00; (22) Work Authorization No. 1 to Freese and Nichols, Inc. in the amount of \$15,000.00; and (23) Work Authorization No. 1 to AECOM Technical Services, Inc. in the amount of \$15,000.00. Following review and discussion, Director Janneck moved to approve the above-described work authorizations. Director Weppler seconded the motion, which carried by a vote of five for the motion with Director Postle abstaining.

LEGAL CONFLICTS WAIVERS

Ms. Vinson reviewed legal conflicts waivers regarding representation of (i) the Authority and Harris County Municipal Utility District No. 156 regarding the preparation and review of a right of entry agreement, and (ii) the Authority and Harris County Municipal Utility District No. 165 regarding the preparation and review of water line and meter easements. Following review and discussion, Director Postle moved to approve the legal conflicts waivers. Director Weppler seconded the motion, which carried unanimously.

APPROVE CANCELLATION OF LOCKWOOD, ANDREWS & NEWNAM, INC. CONTRACT

The Board considered a mutual Notice of Cancellation of the contract between the Authority and Lockwood, Andrews & Newnam, Inc. ("LAN") for construction general services and construction management. Following review and discussion, Director Weppler moved to approve cancellation of the LAN contract. Director Struzick 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.

INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT, AND AMENDMENTS THERETO

The Board considered approving Amendment No. 2 to Interlocal Agreement with Harris County and Harris County Flood Control District, which adds the George Bush Park well to the Authority's groundwater reduction plan. Following discussion, Director Postle moved to approve Amendment No. 2 to Interlocal Agreement with Harris County and Harris County Flood Control District. Director Owens 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, and the applications have been declared administratively complete.

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. 10144 in the amount of \$548.58 payable to Dennis Gorden and check no. 10145 in the amount of \$606.01 payable to Michael Owens. Ms. Garcia noted that she will hold check no. 1655 in the amount of \$11,772.98 payable to RPS, check no. 1660 in the amount of \$43,651.58 payable to Jones & Carter, Inc., and check no. 1787 in the amount of \$509,809.19 payable to Black & Veatch, Inc. Director Postle requested that the line regarding the interest rate of the certificates of deposit reflected on the investment report be corrected. Following review and discussion, Director Weppler moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report and check nos. 10144 and 10145. Director Struzick seconded the motion, which carried by a vote of five for the motion with Director Postle abstaining.

Ms. Garcia then reviewed with the Board the 2017 pumpage fee exception report.

APPROVE AMENDED BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2018

Ms. Garcia reviewed an amended budget for the fiscal year ending December 31, 2018, with the Board of Directors. After review and discussion, Director Weppler moved to approve the amended budget for the fiscal year ending December 31, 2018. Director Postle seconded the motion, which carried unanimously.

APPROVE ANNUAL REPORT IN ACCORDANCE WITH CONTINUING DISCLOSURE OF INFORMATION AGREEMENT

Ms. Vinson discussed the annual report to be filed in accordance with the Authority's continuing disclosure of information agreement pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission. After review and discussion, and upon a motion made by Director Struzick and seconded by Director Postle, the Board voted unanimously to approve the annual report and authorize filing of same, subject to final review.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Vinson discussed the Authority's procedures for continuing disclosure compliance. The Board concurred to make no changes to the procedures.

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 then requested that the Board authorize Inframark to enter into an agreement with Lazer Energy Company, Inc. for the priority diesel fueling program for the 2018 hurricane season. Following discussion, Director Postle moved to authorize such agreement with Lazer Energy Company, Inc., as a subcontractor to Inframark. Director Struzick seconded the motion, which carried unanimously.

Mr. Thomas reported that the Authority switched over to generator power for the ERCOT program. He stated that the pump station was running on the generators for approximately three hours, and there were no issues during the switchover.

Mr. Thomas and the Board discussed OneCall requests.

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 June 13, 2018, meeting.....	1
engineer's report	3
bookkeeper's report	8
operator's report.....	9