

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 12, 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 12th day of December, 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.; Barbara Payne of Payne Communications & Associates; Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC; 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 25 and November 14, 2018, meetings. Following discussion, Director Owens moved to approve the minutes of the October 25 and November 14, 2018, minutes as submitted. The motion was seconded by Director Struzick and passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Director Parker requested that any questions or comments be presented during the "questions, feedback from the public" agenda item. No questions or comments were presented.

CUSTOMER APPEALS

No appeals were presented.

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

The Board deferred action on this matter.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2018

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to prepare the audit for fiscal year ending December 31, 2018. Following discussion, Director Struzick moved to authorize McCall Gibson Swedlund Barfoot PLLC to prepare the audit for fiscal year ending December 31, 2018. 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. Payne reported that Director Parker was interviewed by the Houston Chronicle's Katy Rancher section and was a featured speaker at the Katy Area Economic Development Council's Water Authorities Panel in November.

Ms. Payne then reported that the WHCRWA video documentary "Partners in Progress" on the Authority's website has been viewed over 4,000 times.

Ms. Payne also reported that the "Rising Cost of Water" brochure is available online.

Ms. Payne reported that billing inserts are available for distribution.

Ms. Payne then reported that the waterworks newsletter is being prepared and will be direct mailed to residents in the Authority.

Ms. Payne also reported that the website is in the process of being updated.

Ms. Payne reported that there have been additional requests for the "Learning From Our Past To Influence Our Future" assemblies for the fourth grade classes at Katy Independent School District.

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 October is approximately 100.6% of the previous year at this date. Ms. Silva reported that approximately 17.80 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during November, 2018.

Ms. Silva reported that the next contractor outreach meeting is scheduled for January 31, 2019.

REQUESTS FOR SURFACE WATER CONVERSION

There was no discussion on this matter.

WATER TRUNKLINE FINANCING AGREEMENTS AND WATER SUPPLY COMMITMENT LETTER AGREEMENTS

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.

The Board considered authorizing the bookkeeper to prepare and issue the cash call in the amount of \$19,767,000 for the Surface Water Supply Project, which is pro-rated between the Authority and the North Fort Bend Water Authority ("NFBWA") in accordance with the Joint Facilities Agreement. Following discussion, Director Gorden moved to authorize the bookkeeper to prepare and issue the cash call in the amount of \$19,767,000 for the Surface Water Supply Project. Director Wepler seconded the motion, which carried unanimously.

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

Ms. Silva reported that Harris County Municipal Utility District No. 539 will be added to the Authority's GRP.

AUTHORITY CONSTRUCTION PROJECTS AND CONTRACTS, INCLUDING AWARD CONSTRUCTION CONTRACTS, AUTHORIZE NEGOTIATION OF CONSTRUCTION CONTRACTS, APPROVE CHANGE ORDERS AND PAY ESTIMATES, ACCEPT PROJECTS, AND AUTHORIZE ANY NECESSARY TERMINATION

Ms. Silva then reported on the status of the automated meter reading system and the Surface Water Supply Project Segment A clearing contract.

Ms. Silva recommended approval of Pay Estimate No. 6 in the amount of \$12,253.93 to Accurate Utility Supply, LLC, 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, CHARGES FOR OPERATION AND MAINTENANCE EXPENSES, AND CASH CALL, 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 has been scheduled for January 11, 2018.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS, AND APPRAISAL SERVICES, INCLUDING APPROVAL OF CONTRACTS FOR SERVICES, WORK AUTHORIZATIONS, CHANGE ORDERS, AMENDMENTS TO AND ASSIGNMENTS OF CONTRACTS, TERMINATIONS, AND LEGAL CONFLICTS WAIVER

Ms. Silva reported that KIT Professionals, Inc., the engineer for Contract 35, is waiting on the City variance. She also reported that the design package has been submitted to the Texas Water Development Board ("TWDB") for review and authorization to advertise.

Ms. Silva then reported that RPS Consultants, the engineer for Contract 36, is working on submittal of 100% design plans. She also reported that the design package has been submitted to the TWDB for review and authorization to advertise.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, is waiting on the City variance and Harris County comments. She also reported that the design package has been submitted to the TWDB for review and

authorization to advertise.

Ms. Silva also reported that Jones & Carter, Inc., the engineer for Contract 38, submitted 90% design plans and is waiting on comments from CenterPoint Energy regarding the alignment. She also reported that the design package has been submitted to the TWDB for review and authorization to advertise.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is investigating alternative alignment options to minimize impact to businesses. She also reported that the alignment review meeting was held on December 5, 2018.

Ms. Silva also reported that KIT Professionals, Inc. is performing data analysis for the additional groundwater sampling sites.

Ms. Silva reported that AECOM, the engineer for Segment A of the Surface Water Supply Project, submitted 60% design drawings for the western portion of alignment and is working to combine western, central, and eastern portions of design into one design package for 90% submittal. She also reported that AECOM is waiting on access, clearing and grubbing and geotechnical information for the eastern portion of their alignment.

Ms. Silva also reported that Black & Veatch, the engineer for Segment B of the Surface Water Supply Project, is working on submittal of 100% design plans west of I-45 and 60% drawings for the long tunnel east of I-45 in January 2019. She then reported that a risk management workshop for the tunneling portions was held on November 29, 2018.

Ms. Silva then reported that Freese and Nichols, the engineer for Segment C of the Surface Water Supply Project, is working on submittal of 100% design plans. She also reported that Freese and Nichols is waiting on City variance and geotechnical information.

Ms. Silva also reported that Freese and Nichols, the engineer on the RePump Station, submitted 60% design plans and is working on submittal of 90% design plans.

Ms. Silva reported that AECOM, the engineer on the Central Pump Station, is working on submittal of 90% design plans.

Ms. Silva then reported that Mbroh Engineering, Inc., the engineer for the wide area network, fiber optic, and incidental electrical design services, held a meeting on December 11, 2018, for the electrical work.

AUTHORIZE ENGINEER TO NOTIFY CITY OF HOUSTON OF THE 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 Struzick moved to authorize DEC to notify the City of Houston of the Authority's anticipated demand for the City's upcoming fiscal year. Director Weppler seconded the motion, which carried unanimously.

The Board then considered Addendum No. 14 to the contract with Weisser Engineering Co. to provide professional surveying services and Addendum No. 13 to the contract with Lupher, LLC to provide professional surveying services. Following review and discussion, Director Weppler moved to approve the above-described addenda. Director Gorden seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

The Board considered execution of the following engineering design services agreements: (1) Kinder Morgan 1 with Halff Associates, Inc.; (2) Kinder Morgan 2 with IDS Engineering Group; (3) Kinder Morgan 3 with Garver; (4) Kinder Morgan 4 with Lockwood, Andrews & Newnam, Inc.; (5) Kinder Morgan 5 with Jones Carter; (6) Kinder Morgan 6 with Black & Veatch; (7) Segment 3-A1 with Binkley & Barfield, Inc.; (8) Segment 3-A2 with Kimley-Horn & Associates, Inc.; (9) Segment 3-A3 with Freese & Nichols, Inc.; (10) Segment 3-A4 with Costello, Inc.; (11) Segment 3-A5 with Huitt-Zollars, Inc.; and (12) Segment 3-B1 with BGE, Inc. Following discussion, Director Struzick moved to authorize execution of the above described engineering design services agreement, subject to final review by Director Parker. Director Janneck seconded the motion, which carried by a vote of six for the motion with Directors Postle and Weppler abstaining

The Board then considered the following work authorizations: (1) Supplement No. 12 to Work Authorization No. 4 to Fugro USA Land, Inc. in the amount of \$308,540.00; (2) Supplement No. 1 to Work Authorization No. 35 to JLL Valuation & Advisory Services, LLC in the amount not to exceed \$24,000.00 and to amend the termination date to December 31, 2019; (3) Work Authorization No. 83 to Lupher, LLC in the amount of \$49,000.00; (4) Work Authorization No. 100 to Title Houston Holdings Ltd. d/b/a Abstract Services of Houston in the amount of \$2,000.00; (5) Work Authorization No. 117 to Rapid Research, Inc. in the amount of \$350.00; (6) Work Authorization No. 118 to Rapid Research, Inc. in the amount of \$450.00; and (7) Work Authorization No. 2 to KIT Professionals, Inc. in the amount of \$50,000.00. Following review and discussion, Director Weppler moved to approve the above-described work authorizations. Director Struzick seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining.

JOINT WATER LINE PROJECTS (CONTINUED)

The Board considered sending the draft budget and schedule for the Surface Water Supply Project to the NFBWA. After review and discussion, Director Weppler moved to authorize DEC to submit the draft budget and schedule for the Surface Water Supply Project to the NFBWA. 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.

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

There was no discussion on this matter.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS, AND APPRAISAL SERVICES, INCLUDING APPROVAL OF CONTRACTS FOR SERVICES, WORK AUTHORIZATIONS, CHANGE ORDERS, AMENDMENTS TO AND ASSIGNMENTS OF CONTRACTS, TERMINATIONS, AND LEGAL CONFLICTS WAIVER (CONTINUED)

Ms. Vinson reviewed with the Board a supplemental engagement letter with ABHR for legislative related services in connection with the 2019 Legislative Session. Following review and discussion, Director Struzick made a motion to authorize execution of the supplemental engagement letter with ABHR. Director Postle seconded the motion, and it carried by unanimous vote.

APPROVE AGREEMENT REGARDING RELOCATION OF WATER LINE WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 166 AND PULTE HOMES OF TEXAS

Ms. Vinson reviewed the Agreement Regarding Relocation of Water Line with Harris County Municipal Utility District No. 166 and Pulte Homes of Texas. Following review and discussion, Director Postle moved to approve the Agreement Regarding Relocation of Water Line. Director Weppler seconded the motion, which carried unanimously.

TEXAS WATER DEVELOPMENT BOARD 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. 1995 in the amount of \$42,488.00 payable to St. Paul Coptic Orthodox Church, check no. 1996 in the amount of \$1,901.63 payable to Ann Harris Bennett, Tax Assessor, check no. 1997 in the amount of \$8,100.00 payable to TAH 2016-1 Borrower, check no. 1998 in the amount of \$600.00 payable to George F. May, check no. 1999 in the amount of \$800.00 payable to Alice J. Rekeweg, and check no. 2000 in the amount of \$800.00 payable to Edward Chen. Ms. Garcia also requested approval of a wire from the Improvement Fund to the Coverage Fund so that the Coverage Fund is fully funded, in accordance with the Indenture of Trust. Following review and discussion, Director Struzick moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, check nos. 1995, 1996, 1997, 1998, 1999, 2000, and the wire from the Improvement Fund to the Coverage Fund. Director Thornhill seconded the motion, which carried by a vote of six for the motion with Directors Weppler and Postle abstaining.

BUDGET AND JOINT FACILITIES BUDGET FOR FISCAL YEAR END DECEMBER 31, 2019

Ms. Garcia reviewed the proposed operating budget and joint facilities budget for fiscal year ending December 31, 2019. Following review and discussion, Director Weppler moved to approve the operating budget and joint facilities budget for fiscal year ending December 31, 2019, and to authorize submission of the adopted joint facilities budget to NFBWA. Director Gorden seconded the motion, which carried unanimously.

APPROVE AMENDMENT TO BOOKKEEPER'S CONTRACT

Ms. Garcia reviewed a proposed amendment to the bookkeeper's contract (the "Amendment"). Following review and discussion, Director Thornhill moved to approve the Amendment as presented. Director Owens seconded the motion, which carried unanimously.

LETTER TO NFBWA REGARDING ANNUAL DEBT SERVICE PAYMENTS DUE UNDER THE JOINT FACILITIES AGREEMENT

The Board considered authorizing the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2019 debt service payments for the Series 2012 Bonds issued for Surface Water Supply Project. Following discussion, Director Wepler moved to authorize the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2019 debt service payments for the Series 2012 Bonds issued for Surface Water Supply Project. Director Struzick seconded the motion, which carried unanimously.

ADOPTION OF AMENDED INVESTMENT POLICY

The Board considered amending the District's Investment Policy. Upon a motion made by Director Struzick, and seconded by Director Postle, the Board voted unanimously to adopt the Amended Investment Policy.

REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE AUTHORITY MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board then considered adopting a resolution that approves a list of authorized depository institutions and a list of qualified broker/dealers with whom the Authority may engage in investment transactions. Upon a motion made by Director Struzick and seconded by Director Postle, the Board voted unanimously to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

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.

APPROVE LETTER OF CREDIT AMENDMENT WITH CENTRAL BANK

The Board considered approving a Letter of Credit amendment with Central Bank. Following discussion, Director Postle moved to approve the Letter of Credit amendment with Central Bank and payment to Central Bank for same. Director Struzick seconded the motion, which carried unanimously.

ADOPT RESOLUTION ESTABLISHING ADDITIONAL MEETING PLACE

The Board considered adopting a Resolution Establishing Additional Meeting Place, reflecting the offices of Post Oak Municipal Advisors LLC, 820 Gessner, Suite 1350, Houston TX 77024 as an additional meeting place (the "Resolution"). After review and discussion, Director Gorden moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Weppler seconded the motion, which passed unanimously.

ADOPT EIGHTH AMENDED RESOLUTION ESTABLISHING COMMITTEES

The Board considered adopting an Eighth Amended Resolution Establishing Committees. After review and discussion, Director Owens moved to adopt the Eighth Amended Resolution Establishing Committees. The motion was seconded by Director Weppler and carried unanimously.

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

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