

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

January 9, 2019

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 January, 2019, 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.; Colette Garcia of McGrath & Co., PLLC; Alia Vinson, Sanjay Bapat 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 December 12, 2018, meeting. Following discussion, Director Struzick moved to approve the minutes of the December 12, 2018, minutes as submitted. The motion was seconded by Director Weppler 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.

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

The Board considered engaging McGrath & Co., PLLC to prepare the Authority's financial statements. Following discussion, Director Struzick moved to engage McGrath & Co., PLLC to prepare the Authority's financial statements, subject to final review of the engagement letter. Director Thornhill 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. Ahrens reported that Ms. Payne stated that the waterworks newsletter will be direct mailed to residents in the Authority this week.

Ms. Vinson then discussed the Gulf Coast Water Conservation Symposium to be held February 28, 2019, in Houston, and stated that the cost to the Authority to sponsor the event is \$250.00. Following discussion, Director Owens moved to authorize sponsorship of the Gulf Coast Water Conservation Symposium by the Authority. Director Postle seconded the motion, which carried unanimously.

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 November is approximately 98.9% of the previous year at this date. Ms. Silva reported that approximately 16.90 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during December, 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

Ms. Silva reported that Barker-Cypress Municipal Utility District (“Barker-Cypress MUD”) requested a water supply commitment. She stated that the Authority does not have any additional water available for new water supply commitments until the NEWPP Expansion Project is surface water is available. Following discussion, Director Owens moved to authorize DEC to send a letter to Barker-Cypress MUD denying the request. Director Gorden seconded the motion, which carried unanimously.

The Board considered approving the Second Amendment to Water Trunkline Financing Agreement and water supply commitment with Harris County Municipal Utility District No. 500 which will be increased to the maximum amount, as required by the Trunkline Financing Agreement. Following discussion, Director Struzick moved to approve the Second Amendment to Water Trunkline Financing Agreement and water supply commitment. Director Wepler seconded the motion, which carried unanimously.

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.

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

Ms. Silva reported that Harris County Municipal Utility District No. 566 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. 7 in the amount of \$77,296.99 to Accurate Utility Supply, LLC, for the automated meter reading system. Upon a motion made by Director Struzick and seconded by Director Wepler, the

Board voted unanimously to approve the above mentioned pay estimate for the automated meter reading system, as recommended.

Ms. Silva reviewed Change Order No. 1 in the amount of \$7,180.00 to increase the contract with Accurate Utility Supply, LLC. The Board determined that Change Order No. 1 is beneficial to the Authority. After review and discussion, Director Weppler moved to approve Change Order No. 1 in the amount of \$7,180.00, as an increase to the contract with Accurate Utility Supply, LLC, based upon the Board's finding that the Change Order is beneficial to the Authority. Director Thornhill seconded the motion, which passed by unanimous vote.

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, 2019.

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 and 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 waiting on the City variance and the TWDB for review and authorization to advertise. She also reported that DEC is preparing the Harris County Flood Control District ("HCFCD") variance request.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, is waiting on the City variance and the TWDB for review and authorization to advertise. She also reported that DEC is preparing the HCFCD variance request.

Ms. Silva also reported that Jones & Carter, Inc., the engineer for Contract 38, is waiting on CenterPoint Energy regarding the alignment and the TWDB for review and authorization to advertise. She also reported that DEC is scheduling a meeting with the

HCFCFCD to discuss the alignment.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is investigating alternative alignment options.

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. She then reported that Black & Veatch is waiting on City variance and geotechnical information.

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, is working on submittal of 90% design plans. She then reported that Freese and Nichols is preparing the CLOMR Fill Permit to elevate the site above the flood plain.

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, is coordinating with water line and pump station consultants.

Ms. Silva reported that kickoff meetings have been held and official notices to proceed have been issued for the following design contracts: Kinder Morgan 1 with Half Associates, Inc., Kinder Morgan 2 with IDS Engineering Group, Kinder Morgan 3 with Garver, Kinder Morgan 4 with Lockwood, Andrews & Newnam, Inc., Kinder Morgan 5 with Jones Carter; and Kinder Morgan 6 with Black & Veatch.

Ms. Silva then reported that the notice to proceed for the CenterPoint Energy Corridor Contract Segment 3-A5 with Huitt-Zollars, Inc. has been issued and a kickoff

meeting was held on January 8, 2019. She also reported that the remainder of Segment 3 kickoff meetings will be held in the next three days.

The Board then considered Addendum No. 6 to the contract with Crouch Environmental Services, Inc. to provide professional communications and outreach services. Following review and discussion, Director Wepler moved to approve the above-described addendum. Director Postle seconded the motion, which carried unanimously.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 25 to Luper, LLC to amend the termination date from March 4, 2017, to December 31, 2019; (2) Supplement No. 2 to Work Authorization No. 69 to Rapid Research, Inc. to amend the termination date from December 31, 2018, to December 31, 2019; (3) Work Authorization No. 76 to Weisser Engineering Company, Inc. in the amount of \$71,800.00; (4) Work Authorization No. 11 to S&V Surveying, Inc. in the amount of \$1,035.00; (5) Work Authorization No. 9 to Crouch Environmental Services, Inc. in the amount of \$150,000.00; and (6) Work Authorization No. 40 to Hawkins Lease Services, Inc. in the amount of \$252,117.22. Following review and discussion, Director Gorden 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.

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)

There was no discussion on this matter.

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. 2022 in the amount of \$15,378.00 payable to James Guy Bazar, check no. 2023 in the amount of \$15,775.00 payable to the Concord Bridge Homeowners Association, check no. 2024 in the amount of \$2,275.00 payable to the Concord Bridge Homeowners Association, check no. 2025 in the amount of \$19,156.00 payable to the Concord Bridge Homeowners Association, check no. 10398 in the amount of \$152.43 payable to Mark Janneck, and check no. 10399 in the amount of \$250.00 payable to the Gulf Coast Water Conservation Symposium. Following review and discussion, Director Owens moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and check nos. 2022, 2023, 2024, 2025, 10398, and 10399. Director Gorden seconded the motion, which carried by a vote of six for the motion with Directors Weppler and Postle 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.

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 Struzick 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 Authority's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

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 9, 2019, meeting	1
engineer's report	2
bookkeeper's report	7
operator's report.....	8