

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

March 13, 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 13th day of March, 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 of Dannenbaum Engineering Corporation ("DEC"); Erin Garcia of Myrtle Cruz, Inc.; Alex Garcia, 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 February 13, 2019, meeting. Following discussion, Director Struzick moved to approve the minutes of the February 13, 2019, minutes as submitted. The motion was seconded by Director Gorden 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.

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 the mobile teaching lab will be at the Katy Independent School District Folk Life Festival on April 6, 2019.

Mr. Ahrens then reported that Ms. Payne stated that the new water conservation brochures are available.

ENGINEERING MATTERS

Mr. Ahrens presented an engineer's report, a copy of which is attached, and reviewed it with the Board.

Mr. Ahrens reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2019 through January is approximately 94.3% of the previous year at this date. Mr. Ahrens reported that approximately 16.37 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during February, 2019.

Mr. Ahrens reported that the contractor outreach meeting for the Surface Water Supply Project was held on January 31, 2019. He stated that the request for qualifications for construction of the Surface Water Supply Project water line projects was discussed.

REQUESTS FOR SURFACE WATER CONVERSION

There was no discussion on this matter.

WATER SUPPLY COMMITMENT LETTER AGREEMENTS

Mr. Ahrens reported that Harris County Municipal Utility District No. 183 and Langham Creek Utility District requested water supply commitments. He stated that the Authority does not have any additional water available for new water supply commitments until the NEWPP Expansion Project's surface water is available. Following discussion, Director Struzick moved to authorize DEC to send letters to Harris County Municipal Utility District No. 183 and Langham Creek Utility District denying the requests. Director Gorden seconded the motion, which carried unanimously.

REIMBURSEMENTS TO UTILITY DISTRICTS

There was no discussion on this matter.

JOINT WATER LINE PROJECTS

The Board considered authorizing the bookkeeper to prepare and issue the cash call in the amount of \$18,032,000 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, with a request to fund \$1,000,000 of the cash call with non-SWIFT funds. Following discussion, Director Wepler moved to authorize the bookkeeper to prepare and issue the cash call in the amount of \$18,032,000 for the Surface Water Supply Project, with a request to fund \$1,000,000 with non-SWIFT funds. Director Gorden 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.

HARRIS-GALVESTON SUBSIDENCE DISTRICT

Mr. Ahrens reported that the sale of 1,940,000 gallons of Type B credits to Red Wolf Golf Resort in the amount of \$8,148.00 has been finalized.

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

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

Mr. Ahrens reported that the request for pre-qualification applications for contractors to bid on the Surface Water Supply Project Segments A, B, and C, excluding Segment B-3, was posted on CivCastusa.com on March 1, 2019, and noted that the last day for questions to be submitted is March 15, 2019. The Board then considered appointing a Review Committee to review the pre-qualification applications. Mr. Ahrens reported that the Design Committee recommends that Troy Anthony (the Authority's construction manager) and a representative from Black & Veatch, Freese and Nichols, AECOM, NFBWA, and DEC (Program Manager for the Authority) be appointed to the Review Committee. Following discussion, Director Wepler moved to appoint Troy Anthony (the Authority's construction manager) and a representative from Black & Veatch, Freese and Nichols, AECOM, NFBWA, and DEC (Program Manager for the Authority) to the Review Committee. Director Postle seconded the motion, which carried unanimously.

Mr. Ahrens recommended approval of Pay Estimate No. 9 in the amount of \$21,480.03 to Accurate Utility Supply, LLC, for the automated meter reading system and Pay Estimate No. 2 in the amount of \$31,657.50 to Hawkins Lease Service, Inc. for the Surface Water Supply Project Segment A clearing contract. Upon a motion made by Director Struzick and seconded by Director Thornhill, the Board voted unanimously to approve the above mentioned pay estimates, as recommended.

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

Mr. Ahrens reported that a meeting was held on March 4, 2019, to negotiate the amendment to the Second Supplement to the Water Supply Contract.

The Board then considered authorizing payment to the City in the amount of \$2,008,612.37 for the Authority's share of construction costs of Segments 1A and 1B of the Northeast Transmission Line pursuant to the Third Supplement to the Water Supply Contract. Following discussion, Director Postle moved to authorize payment to the City in the amount of \$2,008,612.37 for the Authority's share of construction costs of Segments 1A and 1B of the Northeast Transmission Line. Director Wepler seconded the motion, which carried unanimously.

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

Mr. Ahrens reported that KIT Professionals, Inc., the engineer for Contract 35, is working on agency signatures and submittal of 100% design plans.

Mr. Ahrens then reported that RPS Consultants, the engineer for Contract 36, is working on agency signatures and submittal of 100% design plans.

Mr. Ahrens then reported that Sander Engineering Corporation, the engineer for Contract 37, is working on agency signatures and submittal of 100% design plans.

Mr. Ahrens also reported that Jones & Carter, Inc., the engineer for Contract 38, is working on agency signatures and submittal of 100% design plans.

Mr. Ahrens then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is proceeding with alternative alignment and working on submittal of 90%

design plans.

Mr. Ahrens also reported that the data analysis from KIT Professionals, Inc. for the additional groundwater sampling sites is being reviewed.

Mr. Ahrens reported that AECOM Technical Services, Inc., the engineer for Segment A of the Surface Water Supply Project, is working to combine western, central, and eastern portions of design into one design package for 90% submittal. He also reported that AECOM is waiting on access, clearing and grubbing and geotechnical information for the eastern portion of their alignment.

Mr. Ahrens 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 submitted 60% drawings for the long tunnel east of I-45. He then reported that Black & Veatch is waiting on geotechnical information.

Mr. Ahrens 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.

Mr. Ahrens also reported that Freese and Nichols, the engineer on the RePump Station, is working on submittal of 90% design plans.

Mr. Ahrens reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, is working on submittal of 90% design plans.

Mr. Ahrens 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. He also reported that 90% design plans and specifications for Segment C have been submitted.

The Board then considered approving an Agreement for Professional Engineering Services with EHRA (for Kinder Morgan Segment 7), an agreement with Cherry Demolition Company to demolish a structure located at 1803 West Gulf Bank Road, a Services Agreement with Arch Aerial LLC to provide aerial maps, aerial coverage of a future water line, and linear aerial video, and Amendment No. 1 to the contract with V&A Consulting Engineers, Inc. to continue to provide cathodic protection engineering services on the Kinder Morgan 1, 2, 3, 4, 5, 6 and Segment 3, A-1 through A-5 and B1 water line projects. Following review and discussion, Director Owens moved to approve the agreements with EHRA, Cherry Demolition Company, and Arch Aerial LLC and Amendment No. 1 to the contract with V&A Consulting Engineers, Inc. Director Weppeler 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) Supplement to Work Authorization No. 10 to Jones & Carter, Inc. to amend the termination date from

December 28, 2018, to December 31, 2019; (2) Work Authorization No. 122 to Rapid Research, Inc. in the amount of \$350.00. Following review and discussion, Director Gorden moved to approve the above-described work authorizations. Director Thornhill seconded the motion, which carried by a vote of six for the motion with Directors Postle and Wepler abstaining.

AGREEMENT WITH CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, INCLUDING UTILITY CONSTRUCTION SERVICES AGREEMENT

Mr. Ahrens reported that CenterPoint Energy is requesting that the Authority pay for a fence in the amount of \$23,000 to isolate the Segment 3 alignment from its substation. Following discussion, Director Struzick moved to approve an agreement with CenterPoint Energy, subject to approval of Director Parker. 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

Mr. Ahrens 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.

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. 2094 in the amount of \$200.00 payable to Mark Thomas Fury, check no. 2095 in the amount of \$1,619.20 payable to Charter Title Company, check no. 2096 in the amount of 16,295.00 payable to Sumner Manufacturing Co. LLC, check no. 2097 in the amount of \$200.00 payable to Valoree Hanson Swanson, check no. 2098 in the amount of \$75,516.00 payable to Aldine Independent School District, check no. 2099 in the amount of \$200.00 payable to Grant V. Dunwoody, and check no. 2100 in the amount of \$2,600.00 payable to Chalet Enterprises Inc. Ms. Garcia noted that check no. 2070 in the amount of \$17,363.18 payable to Binkley & Barfield has been voided. Following review and discussion, Director Thornhill moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and check nos. 2094, 2095, 2096, 2097, 2098, 2099, and 2100. Director Struzick 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.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

Mr. Garcia reported that the AWBD summer conference will be held June 13-16, 2019, in Fort Worth, Texas.

ORDER ADOPTING AMENDED AND RESTATED PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Mr. Garcia stated that, when the District issues bonds, the Authority enters into a continuing disclosure undertaking for the benefit of the bondholders. He added that the provisions of that undertaking require that the Authority comply with certain continuing disclosure requirements for its bonds. Mr. Garcia explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. He added that, in order to ensure that the Authority's procedures for continuing disclosure compliance are well documented, the Board previously adopted such procedures in writing. Mr. Garcia stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12,

ABHR recommends that the Authority's written procedures be amended by the Board. He reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Janneck moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Postle seconded the motion, which passed by unanimous vote.

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

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