

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

June 12, 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 12th day of June, 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:

Eric Hansen	President
Larry Weppler	Vice President
Douglas (Cam) Postle	Secretary
Gary Struzick	Assistant Vice President
Michael Thornhill	Assistant Secretary
Mark Janneck	Director
Michael Owens	Director
Dennis Gorden	Director
Director	Vacant

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Tracey Scott of Myrtle Cruz, Inc.; Troy Anthony of Lockwood, Andrews & Newnam, Inc.; Joe Blasi of McGriff, Seibels & Williams, Inc. ("McGriff"); John "Jay" Wheeler, a resident of the Authority; 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 May 8 and 20, 2019, meetings. Following discussion, Director Weppler moved to approve the minutes of the May 8 and 20, 2019, meetings, as submitted. The motion was seconded by Director Struzick and passed by unanimous vote.

ORDER DECLARING DIRECTOR ELECTED FOR PRECINCT 2 AND CANCELLING DIRECTOR APPOINTMENT PROCESS

Ms. Vinson reported that the Authority received one nomination for Director Precinct 2, for John "Jay" Wheeler. The Board next considered adopting an Order Declaring Directors Elected and Canceling Directors Appointment Process (the "Order") for Director Precinct 2, and declaring John "Jay" Wheeler the elected director

of Precinct 2. Director Thornhill moved to adopt the Order. Director Struzick seconded the motion, which passed unanimously.

SWORN STATEMENTS, OFFICIAL BONDS AND OATHS OF OFFICE

Ms. Vinson reviewed the Sworn Statement, Oath of Office, and Official Bond for Director Wheeler. After review and discussion, Director Gorden moved that the Board approve the Sworn Statement, Oath of Office, and Official Bond and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law. Director Owens seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors. Following discussion, Director Gorden moved to reorganize the Board as follows:

Eric Hansen	President
Larry Wepler	Vice President
Douglas (Cam) Postle	Secretary
Gary Struzick	Assistant Vice President
Michael Thornhill	Assistant Secretary
Mark Janneck	Director
Michael Owens	Director
Dennis Gorden	Director
John "Jay" Wheeler	Director

Director Owens seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the term of the newly elected director and the reorganization of the Board. Following review and discussion, Director Gorden made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Owens seconded the motion, which passed by unanimous vote.

DISCUSS OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Vinson reviewed the memorandum regarding the Texas Open Meetings Act and Public Information Act training requirements, a copy of which is attached.

DISCUSS CONFLICT OF INTEREST DISCLOSURE

Ms. Vinson reviewed a memorandum prepared by ABHR regarding Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. A copy of the memorandum is attached. She reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted that the forms are required to be filed with the records administrator for the District and will need to be filed thereafter within seven days of a disclosable conflict arising. The Board considered authorizing execution of an updated List of Local Government Officers. After review and discussion, Director Gorden moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Owens seconded the motion, which passed by unanimous vote.

QUESTIONS, FEEDBACK FROM THE PUBLIC

Director Hansen 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

There was no discussion on this matter.

INSURANCE MATTERS, INCLUDING RENEWAL OF COVERAGE WITH TEXAS WATER CONSERVATION ASSOCIATION RISK MANAGEMENT FUND AND PURCHASE OF OWNERS PROTECTIVE PROFESSIONAL INDEMNITY COVERAGE

Mr. Blasi discussed the renewal of the Authority's insurance coverages through the Texas Water Conservation Association's ("TWCA") Risk Management Fund and stated that when the Authority entered the TWCA Risk Management Fund in October 2018, the premium was prorated to match TWCA's annual coverage cycle of July 1–June 30. Mr. Blasi stated that the coverage also includes certain cyber liability coverages. Following discussion, Director Struzick moved to authorize renewal of the Authority's insurance coverages through the TWCA Risk Management Fund. Director Gorden seconded the motion, which carried unanimously.

Mr. Blasi then discussed recommendations from McGriff regarding Owner's Protective Professional Indemnity ("OPPI") coverage for the Surface Water Supply

Project ("SWSP"). Following discussion, Director Struzick moved to approve the OPPI for the SWSP for a coverage amount of \$50,000,000. Director Thornhill seconded the motion, which carried with eight votes in favor. Director Weppler voted against the motion.

ENGINEERING MATTERS

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

Mr. Anthony reviewed with the Board a monthly pumpage report. He pointed out that the pumpage for 2019 through April is approximately 98.5% of the previous year at this date. Mr. Anthony reported that approximately 23.31 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during May, 2019.

Mr. Anthony reported that a representative from Dannenbaum Engineering Corporation ("DEC") attended the Coastal Water Authority meeting today. He noted that the Caper's Ridge Pump Station site has been flooded for over a month but the water level is subsiding.

REQUEST FOR QUALIFICATIONS ("RFQ") FOR CONSTRUCTION SERVICES SURFACE WATER SUPPLY PROJECT-SEGMENTS A, B, AND C (EXCLUDING SEGMENT B-3), INCLUDING APPROVE MODIFICATIONS THERETO

Mr. Anthony reported that representatives from Black & Veatch, Freese and Nichols, AECOM, North Fort Bend Water Authority ("NFBWA"), DEC (Program Manager for the Authority), and Troy Anthony (the Authority's construction manager) (collectively, the Review Committee") reviewed the 11 completed pre-qualification applications for Segments A, B and C, but excluding Segment B-3, of the Surface Water Supply Project statements of qualifications. He stated that nine contractors were recommended for approval. Mr. Anthony then reported that the Review Committee recommends modification of the Experience Modification Rate ("EMR") criteria in the RFQ from 0.95 to 1.00. Following discussion, Director Weppler moved to approve modification of the Experience Modification Rate ("EMR") criteria in the RFQ from 0.95 to 1.00. Director Struzick seconded the motion which carried unanimously.

APPROVE QUALIFIED RESPONDENTS PURSUANT TO THE RFQ

Mr. Anthony reported that the Review Committee recommends that the Board approve the following prime contractors with their respondent team members shown in the attachment: (1) Barnard Construction Company, Inc.; (2) Five Companies, LLC; (3) Flatiron Constructors, Inc.; (4) Garney Companies, Inc.; (5) Harper Brothers Construction, LLC; (6) Oscar Renda Contracting, Inc.; (7) S.J. Louis Construction of Texas Ltd.; (8) SAK Construction, LLC; and (9) Thalle Construction Company, Inc.

Following discussion, Director Wepler moved to approve the following prime contractors with their respondent team members shown in the attachment: (1) Barnard Construction Company, Inc.; (2) Five Companies, LLC; (3) Flatiron Constructors, Inc.; (4) Garney Companies, Inc.; (5) Harper Brothers Construction, LLC; (6) Oscar Renda Contracting, Inc.; (7) S.J. Louis Construction of Texas Ltd.; (8) SAK Construction, LLC; and (9) Thalle Construction Company, Inc. . Director Thornhill seconded the motion, which carried unanimously.

REQUESTS FOR SURFACE WATER CONVERSION

There was no discussion on this matter.

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

There was no discussion on this matter.

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

There was no discussion on this matter.

HARRIS-GALVESTON SUBSIDENCE DISTRICT

There was no discussion on this matter.

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

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

Mr. Anthony recommended approval of Pay Estimate No. 4 in the amount of \$51,638.40 to Hawkins Lease Service, Inc. for the Surface Water Supply Project Segment A clearing contract. Upon a motion made by Director Wepler and seconded by

Director Struzick, the Board voted unanimously to approve the above mentioned pay estimate, as recommended.

The Board then considered authorizing DEC to enter into a lease agreement for office space for the Construction Management Team for the Surface Water Supply Project. Following discussion, Director Postle moved to authorize DEC to enter into a lease agreement for office space for the Construction Management Team for the Surface Water Supply Project. Director Thornhill seconded the motion, which carried unanimously.

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

Director Hansen updated the Board on the status of the Northeast Water Purification Plant Expansion Project. He requested that the Board approve the payment of Cash Calls 8B and 8C, in an amount not to exceed the balance of the Notice of Upcoming Cash Call 8, which is an estimated amount of \$101,000,000. Following discussion, Director Struzick moved to approve the payment of Cash Calls 8B and 8C, in an amount not to exceed the balance of the Notice of Upcoming Cash Call 8, which is an estimated amount of \$101,000,000. Director Thornhill seconded the motion, which carried unanimously.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS AND CRISIS MANAGEMENT, 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. Anthony reported that KIT Professionals, Inc., the engineer for Contract 35, is working on agency signatures and submittal of 100% design plans.

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

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

Mr. Anthony stated that bids were received for Contract 38. He stated that the apparent low bidder is Main Lane Industries, Ltd. in the amount of \$5,793,723.00. He requested that the Board defer action on this matter.

Mr. Anthony then reported that IDS Engineering Group, Inc., the engineer for Contract 50, submitted 90% design plans and is working on submittal of 100% design plans. He stated that DEC provided comments to IDS Engineering Group, Inc. on the 90% design plans.

Mr. Anthony then reported that EHRA, the engineer for Kinder Morgan Segment 7, is working on submittal of 30% design plans.

Mr. Anthony reported that AECOM Technical Services, Inc., the engineer for Segment A of the Surface Water Supply Project, is waiting on access, clearing and grubbing and geotechnical information for the eastern portion of their alignment.

Mr. Anthony 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.

Mr. Anthony then reported that Freese & Nichols, the engineer for Segment C of the Surface Water Supply Project, is working on submittal of 100% design plans.

Mr. Anthony also reported that DEC is preparing a letter to Freese & Nichols, the engineer on the RePump Station, following comments received from the NFBWA, LJA Engineering, Inc. and the Program Manager's staff. He stated that the schedule for completion of design has been extended to November 2019 and advertising of bids has been extended to June 2020.

Mr. Anthony reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, proposed a new schedule reflecting 60% milestone for design of the operations building by August 15, 2019, and submittal of 90% design plans in December 2019. He stated that the project will be ready for advertisement for bids in June 2020.

Mr. Anthony 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 Mbroh Engineering, Inc. is coordinating with Freese & Nichols to complete Segment C design plans.

Mr. Anthony also reported that Halff Associates, Inc., the engineer for Kinder Morgan 1, submitted 60% design plans.

Mr. Anthony reported that IDS Engineering Group, Inc., the engineer for Kinder Morgan 2, submitted 30% design plans.

Mr. Anthony then reported that Garver, the engineer for Kinder Morgan 3, submitted 30% design plans and is working on submittal of 60% design plans.

Mr. Anthony also reported that Lockwood, Andrews & Newnam, Inc., the engineer for Kinder Morgan 4, submitted 30% design plans and is working on submittal of 60% design plans.

Mr. Anthony reported that Jones & Carter, Inc., the engineer for Kinder Morgan 5, submitted 30% design plans.

Mr. Anthony also reported that Black & Veatch Corporation, the engineer for Kinder Morgan 6, submitted 30% design plans.

Mr. Anthony then reported that Binkley & Barfield, Inc., the engineer for Segment 3 A1, is working on submittal of 30% design plans.

Mr. Anthony reported that Kimley-Horn & Associates, Inc., the engineer for Segment 3 A2, submitted 30% design plans.

Mr. Anthony also reported that Freese & Nichols, Inc., the engineer for Segment 3 A3, is working on submittal of 60% design plans. He stated that DEC provided comments on the 30% design plans.

Mr. Anthony then reported that Costello, Inc., the engineer for Segment 3 A4, submitted 60% design plans.

Mr. Anthony reported that Huitt-Zollars, Inc., the engineer for Segment 3 A5, is working on submittal of 60% design plans. He stated that DEC provided comments on the 30% design plans.

Mr. Anthony also reported that BGE, Inc., the engineer for Segment 3 B1, is working on submittal of 30% design plans.

The Board then considered approving a contract with EHRA for certain water line design and Addendum No. 2 to the contract with Freese & Nichols, Inc. to address the contract time extension to July 31, 2020, in connection with the RePump Station. Following review and discussion, Director Thornhill moved to approve the contract with EHRA and Addendum No. 2 to the contract with Freese & Nichols, Inc. Director Wepler seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 1 to Black & Veatch Corporation in the amount of \$30,000.00; (2) Supplement No. 1 to Work Authorization No. 30 to Terracon Consultants, Inc. to amend the maximum amount payable from \$62,450.00 to \$68,450.00 and extend the termination date to October 31, 2019; (3) Work Authorization No. 127 to Rapid Research, Inc. in the amount of \$50.00; (4) Work Authorization No. 128 to Rapid Research, Inc. in the amount of \$150.00; (5) Work Authorization No. 129 to Rapid Research, Inc. in the amount of

\$700.00; (6) Work Authorization No. 5 to BGE in the amount of \$4,000.00; (7) Work Authorization No. 92 to Lupher, LLC in the amount of \$6,000.00; (8) Work Authorization No. 93 to Lupher, LLC in the amount of \$3,300.00; (9) Work Authorization No. 94 to Lupher, LLC in the amount \$3,800.00; (10) Supplement No. 1 to Work Authorization No. 70 to Lupher, LLC to amend the termination date to December 31, 2019; (11) Supplement to Work Authorization No. 23 to Abstract Services of Houston to amend the termination date to December 31, 2019; (12) Supplement No. 1 to Work Authorization No. 2 to S & V Surveying, Inc. to amend the termination date to December 31, 2019; (13) Work Authorization No. 18 to Texas American Title Company in the amount of \$10,000.00; (14) Supplement No. 13 to Work Authorization No. 4 to Fugro USA Land, Inc. in the amount of \$36,000.00; (15) Work Authorization No. 62 to JLL Valuation & Advisory Services, LLC in the amount of \$10,000.00; (16) Work Authorization No. 20 to Heidaker Land Services, Inc. in the amount of \$45,000.00; and (17) Work Authorization No. 21 to Heidaker Land Services, Inc. in the amount of \$6,000.00. Following review and discussion, Director Thornhill moved to approve the above-described work authorizations. Director Struzick seconded the motion, which carried by a vote of seven for the motion, with Directors Wepler and 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, AND APPROVE INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT

Mr. Anthony 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. Scott reviewed the bookkeeper's report, a budget comparison, and the disbursements in the bookkeeper's report submitted for the Authority's review. Following review and discussion, Director Struzick moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Owens seconded the motion, which carried by a vote of seven for the motion with Directors Weppler and Postle abstaining.

PUMPAGE FEE EXCEPTION REPORT

Ms. Scott reviewed with the Board the 2018 pumpage fee exception report.

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.

OPERATION OF AUTHORITY FACILITIES, BILLINGS, REPAIRS, INSPECTIONS, MAINTENANCE, CATHODIC PROTECTION, AUTOMATIC METER READING, RIGHT OF WAY MAINTENANCE, AND WATER SUPPLY ISSUES, INCLUDING APPROVAL OF CONTRACTS FOR SUCH WORK, CHANGE ORDERS, WORK AUTHORIZATIONS, AMENDMENTS TO AND ASSIGNMENTS OF CONTRACTS, AND TERMINATIONS

Mr. Thomas presented copies of the operator's report and reviewed it with the Board, a copy of which is attached.

Mr. Thomas requested that the Board authorize Schneider Electric Systems USA, Inc., a subcontractor of Inframark, to modify the existing SCADA control system at Pump Station No. 1 in the estimated amount of \$49,571.00. Following discussion, Director Weppler moved to authorize Schneider Electric Systems USA, Inc., a subcontractor of Inframark, to modify the existing SCADA control system at Pump Station No. 1 in the estimated amount of \$49,571.00. Director Gorden 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 Rule15c2-12 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.

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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