

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

July 10, 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 10th day of July, 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
John "Jay" Wheeler	Director

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"); Erin Garcia of Myrtle Cruz, Inc.; Wayne Ahrens of Dannenbaum Engineering Corp.; David Smalling of Robert W. Baird & Co. Incorporated; Francine Stefan of Post Oak Municipal Advisors LLC; Barbara Payne of Payne Communications & Associates; 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 June 12, 2019, meeting. Following discussion, Director Weppler moved to approve the minutes of the June 12, 2019, meeting, as submitted. The motion was seconded by Director Struzick and 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

Ms. Payne reported that the Houston Galveston Area Council (“HGAC”) is working on a clean water initiative. She stated that a representative from the HGAC visited the mobile teaching lab and reviewed the water conservation materials.

Ms. Payne also reported that during the 2018-2019 school year, the mobile teaching labs visited 50 elementary schools.

Director Owens requested information about the number of water conservation billing inserts that have been distributed by the Authority. Ms. Payne said that she could provide the requested information.

## 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 May is approximately 95.6% of the previous year at this date. Mr. Ahrens reported that approximately 25.69 million gallons per day (“MGD”) of surface water was purchased from the City of Houston (the “City”) during June, 2019.

Mr. Ahrens 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.

## 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

Mr. Ahrens reported that Quadvest well no. 14652, Harris-Fort Bend Counties Municipal Utility District No. 3 well no. 14651, and Lake Forest of Kelliwood well no. 14635 will be added to the Authority's GRP.

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

Mr. Ahrens recommended approval of Pay Estimate No. 5 in the amount of \$12,239.10 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 Gorden, the Board voted unanimously to approve the above mentioned pay estimate, 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

Mr. Ahrens reported that the Authority Representative, Director Hansen, approved Consensus Item No. 19 for the Construction of the Balance of Plant Amendment and Project Cost plus Associated Cost Items for the Northeast Water Purification Plant ("NEWPP") Expansion Project.

Mr. Ahrens also reported that the Authority Representative approved Consensus Item No. 20 Approval for an Additional Appropriation for the Project Advisor/Technical Consultant for the NEWPP Expansion Project.

Mr. Ahrens then reported that on July 26, 2019, the City approved the First Amendment to the Second Supplement to the Water Supply Contract.

Mr. Ahrens reported that the City approved the Guaranteed Maximum Price for the Houston Waterworks Team to complete the NEWPP Expansion Project. Director Hansen noted that the total amount of the contract with Houston Waterworks Team is approximately \$1.765 Billion, which includes approximately \$75,000,000 for oversized facilities paid for by the City of Houston. He stated that the Authority's share of the non-oversized facilities is 25.756% of the cost.

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. Ahrens reported that KIT Professionals, Inc., the engineer for Contract 35, received signed plans from the City, but not from the Harris County Flood Control District.

Mr. Ahrens then reported that RPS Consultants, the engineer for Contract 36, is waiting on Harris County signatures.

Mr. Ahrens then reported that Sander Engineering Corporation, the engineer for Contract 37, is waiting on Harris County signatures.

Mr. Ahrens then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is working on submittal of 100% design plans. He stated that DEC is preparing the design submittal to the Texas Water Development Board ("TWDB").

Mr. Ahrens then reported that EHRA, the engineer for Kinder Morgan Segment 7, submitted 30% design plans.

Mr. Ahrens 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. 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 90% drawings for the long tunnel east of I-45.

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

stated that the TWDB has authorized advertisement for bids for the project. Mr. Ahrens then requested that the Board authorize advertisement for bids for Segment C, subject to receipt of signed plans. Following discussion, Director Weppler moved to authorize advertisement for bids for Segment C, subject to receipt of signed plans. Director Struzick seconded the motion, which carried by a vote of eight for the motion with Director Postle abstaining.

Mr. Ahrens also reported that Freese & Nichols, the engineer on the RePump Station, is working on electrical and controls issues.

Mr. Ahrens reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, proposed a new schedule for design which is under negotiation.

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 the pump station consultants.

Mr. Ahrens also reported that Halff Associates, Inc., the engineer for Kinder Morgan 1, is working on submittal of 90% design plans.

Mr. Ahrens reported that IDS Engineering Group, Inc., the engineer for Kinder Morgan 2, is working on submittal of 60% design plans.

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

Mr. Ahrens also reported that Lockwood, Andrews & Newnam, Inc., the engineer for Kinder Morgan 4, submitted 60% design plans.

Mr. Ahrens reported that Jones & Carter, Inc., the engineer for Kinder Morgan 5, is working on submittal of 60% design plans.

Mr. Ahrens also reported that Black & Veatch Corporation, the engineer for Kinder Morgan 6, is working on submittal of 60% design plans.

Mr. Ahrens then reported that Binkley & Barfield, Inc., the engineer for Segment 3 A1, is working on submittal of 60% design plans.

Mr. Ahrens reported that Kimley-Horn & Associates, Inc., the engineer for Segment 3 A2, is working on submittal of 60% design plans.

Mr. Ahrens also reported that Freese & Nichols, Inc., the engineer for Segment 3 A3, submitted 60% design plans.

Mr. Ahrens then reported that Costello, Inc., the engineer for Segment 3 A4, is working on submittal of 90% design plans.

Mr. Ahrens reported that Huitt-Zollars, Inc., the engineer for Segment 3 A5, is working on submittal of 60% design plans.

Mr. Ahrens also reported that BGE, Inc., the engineer for Segment 3 B1, is working on submittal of 60% design plans.

The Board then considered approving Addendum No. 1 to Contract 32 with EHRA to replace Schedule 1 and Attachment D and the Eighth Amendment to the contract with DEC to adjust the billing rate schedule. Following review and discussion, Director Weppler moved to approve Addendum No. 1 to Contract 32 with EHRA and the Eighth Amendment to the contract with DEC. Director Struzick seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

Mr. Ahrens stated that bids were received for Contract 38. He recommended that the Board award the contract to Main Lane Industries, Ltd ("Main Lane") in the amount of \$5,793,723.00. The Board concurred that, in its judgment, Main Lane was a responsible bidder who would be most advantageous to the Authority and would result in the best and most economical completion of the project. Following review and discussion, Director Weppler moved to award Contract 38 to Main Lane in the amount of \$5,793,723.00, based upon the engineer's recommendation. Director Struzick 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) Supplement No. 14 to Work Authorization No. 4 to Fugro USA Land, Inc. in the amount of \$111,068.00; (2) Work Authorization No. 95 to Lupher, LLC in the amount of \$7,100.00; (3) Work Authorization No. 96 to Lupher, LLC in the amount of \$7,400.00; (4) Work Authorization No. 97 to Lupher, LLC in the amount of \$13,800.00; (5) Work Authorization No. 98 to Lupher, LLC in the amount of \$10,200.00; (6) Work Authorization No. 99 to Lupher, LLC in the amount of \$11,000.00; (7) Work Authorization No. 101 to Lupher, LLC in the amount of \$4,900.00; (8) Work Authorization No. 130 to Rapid Research, Inc. in the amount of \$250.00; (9) Work Authorization No. 131 to Rapid Research, Inc. in the amount of \$200.00; (10) Work Authorization No. 132 to Rapid Research, Inc. in the amount of; \$700.00; (11) Work Authorization No. 102 to Abstract Services of Houston in the amount of \$500.00; (12) Work Authorization No. 78 to Weisser Engineering Company, Inc. in the amount of \$2,255.00; (13) Work Authorization No. 79 to Weisser Engineering Company, Inc. in the amount of \$6,410.00; (14) Supplement No. 1 to Work Authorization No. 7 to Heidaker Land Services, Inc. to amend the termination date to December 31, 2020; (15) Supplement No. 1 to Work Authorization No. 10 to Heidaker Land Services, Inc. to amend the termination date to December 31, 2020; (16) Supplement No. 1 to Work

Authorization No. 48 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020 and amend the maximum amount payable from \$30,000 to \$40,000; (17) Supplement No. 1 to Work Authorization No. 40 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020 and amend the maximum amount payable from \$106,000 to an amount not to exceed \$116,000; (18) Supplement No. 1 to Work Authorization No. 38 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020 and amend the maximum amount payable from \$126,000 to an amount not to exceed \$136,000; and (19) Work Authorization No. 63 to JLL Valuation & Advisory Services, LLC in the amount of \$6,000.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and supplements to work authorizations. Director Thornhill seconded the motion, which carried by a vote of eight 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, AND APPROVE INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT

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.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM  
REVENUE AND REVENUE REFUNDING BONDS, SERIES 2019 ("SERIES 2019  
BONDS")

The Board considered authorizing preparation of the Preliminary Official Statement for the Series 2019 Bonds. Following discussion, Director Gorden moved to authorize preparation of the Preliminary Official Statement. Director Postle seconded the motion, which carried unanimously

Mr. Smalling discussed with the Board the designation of underwriters for the Series 2019 Bonds. He recommended that Bank of America Merrill Lynch be the Senior Underwriter and Mesirow Financial, JP Morgan, Hilltop Securities, Inc., and Raymond James be the co-managers. Director Gorden moved that the Board designate the above discussed underwriters for the Bonds. Director Postle seconded the motion, which passed by unanimous vote

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis for the Series 2019 Bonds. After review, Director Gorden moved to authorize McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis. Director Postle seconded the motion, which carried unanimously

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. 10630 in the amount of \$1,088.64 payable to Larry Weppler, check no. 10631 in the amount of \$153.60 payable to Mark Janneck, and check no. 10632 in the amount of \$57,912.30 payable to Harris County Municipal Utility District No. 81. Following review and discussion, Director Owens moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and check nos. 10630, 10631, and 10632. Director Struzick seconded the motion, which carried by a vote of six for the motion with Directors Thornhill, 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.



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 reported that the Authority briefly switched over to generator power this afternoon, as requested by ERCOT.

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)

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Secretary, Board of Directors

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