

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 14, 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 14th day of August, 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, except Director Owens, 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 and Melinda Silva of Dannenbaum Engineering Corp.; Joe Blasi of McGriff, Seibels & Williams, 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 July 10, 2019, meeting. Following discussion, Director Struzick moved to approve the minutes of the July 10, 2019, meeting, as submitted. The motion was seconded by Director Thornhill 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

Mr. Ahrens reported that Ms. Payne stated that she is working on the fall forum presentation.

Mr. Ahrens then reported that Ms. Payne stated that an upcoming educational event has been scheduled for November at Kleb Woods Nature Preserve.

Director Thornhill reported that Harris County Municipal Utility District No. 71 used the mobile teaching lab last weekend.

## 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 2019 through June is approximately 94.7% of the previous year at this date. Ms. Silva reported that approximately 26.88 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during July, 2019.

Ms. Silva reported that a representative from Dannenbaum Engineering Corporation ("DEC") attended the Coastal Water Authority meeting today.

## 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

The Board considered approving an out-of-district service agreement with Harris County Municipal Utility District No. 167 ("No. 167") for No. 167 to provide

wastewater services to the Authority's Central Pump Station. Following review and discussion, Director Gorden moved to approve the out-of-district service agreement with No. 167. Director Struzick seconded the motion, which carried unanimously.

The Board then considered approving the Surface Water Supply Project Community Outreach Plan. Following review and discussion, Director Struzick moved to approve the Surface Water Supply Project Community Outreach Plan. Director Wepler seconded the motion, which carried unanimously.

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

The Board considered approving the Agreement Regarding Credits for Alternative Water Supply Use with Harris County Municipal Utility District No. 120 (the "Agreement"). Following review and discussion, Director Struzick moved to approve the Agreement. Director Wepler seconded the motion, which carried unanimously.

HARRIS-GALVESTON SUBSIDENCE DISTRICT

Ms. Silva reported that on July 29, 2019, the Authority received the 2018 over conversion credits. She stated that letters will be sent to notify parties with alternative credit agreements so they can start claiming their credits against Authority fees.

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

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. 11 in the amount of \$145,112.67 to Accurate Utility Supply, LLC for the automated meter reading system and Pay Estimate No. 6 in the amount of \$2,726.77 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 Thornhill, the Board voted unanimously to approve the above mentioned pay estimates, 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

Director Hansen reported that the notice to proceed has been issued for the Northeast Water Purification Plant Expansion Project.

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

Ms. Silva reported that Contract 35 (KIT Professionals, Inc.) started advertising on August 9, 2019, and bids will be received on September 4, 2019.

Ms. Silva then reported that RPS Consultants, the engineer for Contract 36, is addressing Harris County comments.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, is addressing Harris County comments.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is working on submittal of 100% design plans.

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

Ms. Silva 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.

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

Ms. Silva then reported that Freese & Nichols, the engineer for Segment C of the Surface Water Supply Project, obtained utility signatures and is addressing Harris County comments.

Ms. Silva also reported that Freese & Nichols, the engineer on the RePump

Station, is working on electrical and controls issues.

Ms. Silva reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, is progressing their design with major focus on the public space.

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 the pump station consultants.

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

Ms. Silva reported that IDS Engineering Group, Inc., the engineer for Kinder Morgan 2, submitted 60% design plans.

Ms. Silva then reported that Garver, the engineer for Kinder Morgan 3, submitted 60% design plans.

Ms. Silva also reported that Lockwood, Andrews & Newnam, Inc., the engineer for Kinder Morgan 4, is working on submittal of 90% design plans.

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

Ms. Silva also reported that Black & Veatch Corporation, the engineer for Kinder Morgan 6, submitted 60% design plans.

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

Ms. Silva reported that Kimley-Horn & Associates, Inc., the engineer for Segment 3 A2, submitted 60% design plans.

Ms. Silva also reported that Freese & Nichols, Inc., the engineer for Segment 3 A3, is working on submittal of 90% design plans.

Ms. Silva then reported that Costello, Inc., the engineer for Segment 3 A4, submitted 90% design plans.

Ms. Silva reported that Huitt-Zollars, Inc., the engineer for Segment 3 A5, is working on submittal of 90% design plans.

Ms. Silva also reported that BGE, Inc., the engineer for Segment 3 B1, submitted 60% design plans.

The Board then considered approving the following addenda: (1) Addendum No. 7 to the Master Services Agreement with Crouch Environmental Services, Inc. to adjust the potential maximum amount from \$900,000 to \$1,100,000 for work authorizations and the billing rate schedule to December 31, 2019; (2) Addendum No. 1 to the Master Services Agreement with Kimley-Horn and Associates, Inc. for Segment 3-A2 to include additional subsurface utility engineering services; (3) Addendum No. 1 to the Master Services Agreement with Garver, LLC for KM3 to include supplemental geotechnical investigation between Elrod Road and the connection of KM3 and KM2 segments; (4) Addendum No. 7 to the contract with Berg Oliver Associates, Inc. to increase the potential maximum amount from \$200,000 to \$250,000 for work authorizations; (5) Addendum No. 5 to the contract with Abstract Services of Houston to increase the potential maximum amount from \$200,00 to \$250,000 for work authorizations; (6) Addendum No. 14 to the contract with Lupher, LLC to increase the potential maximum amount from \$3,000,000 to \$3,150,000 for work authorizations; (7) Addendum No. 2 to the contract with Jones & Carter, Inc. for Contract 38 to address the adjustment for the basic design services fee and authorize payment for additional scope items and (8) Addendum No. 5 to the contract with Fugro USA Land, Inc. to increase the potential maximum amount from \$3,500,000 to \$3,750,000 for work authorizations. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Gorden seconded the motion, which carried by a vote of six for the motion, with Directors Postle and Weppler abstaining.

The Board reviewed Change Order No. 1 to the contract with The Texas Network for the Surface Water Supply Project to increase the contract for the Surface Water Supply Project website services in the amount of \$22,039.92. The Board determined that Change Order No. 1 is beneficial to the Authority. After review and discussion, Director Struzick moved to approve Change Order No. 1 in the amount of \$22,039.92 as an increase to the contract with The Texas Network, based upon the Board's finding that the Change Order is beneficial to the Authority. Director Gorden 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. 1 to Work Authorization No. 11 to Heidaker Land Services, Inc. to amend the termination date to December 31, 2020; (2) Supplement No. 1 to Work Authorization No. 49 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020 and amend the maximum payable under Work Authorization No. 49 in an amount not to exceed \$34,000.00; (3) Work Authorization No. 1 to Lockwood, Andrews & Newnam, Inc., in the amount of \$15,500.00; (4) Work Authorization No. 1 to Binkley & Barfield, Inc. in the amount of \$4,231.25; (5) Work Authorization No. 1 to Black & Veatch Corporation in the amount of \$12,035.52; (6) Work Authorization No. 2 to Black & Veatch Corporation in the amount of \$38,057.77; (7) Work Authorization No. 14 to Berg Oliver Associates, Inc. in the amount of \$46,505.00; (8) Work Authorization

No. 1 to Kimley-Horn and Associates, Inc. in the amount of \$23,595.00; (9) Work Authorization No. 1 to Garver, LLC in the amount of \$17,810.00; (10) Work Authorization No. 133 to Rapid Research, Inc. in the amount of \$106.25; (11) Work Authorization No. 134 to Rapid Research, Inc. in the amount of \$50.00; (12) Work Authorization No. 10 to Crouch Environmental Services, Inc. in the amount of \$200,000.00; (13) Work Authorization No. 13 to S & V Surveying, Inc. in the amount of \$2,398.00; (14) Work Authorization No. 100 to Lupher LLC in the amount of \$14,700.00; (15) Work Authorization No. 102 to Lupher LLC in the amount of \$6,000.00; (16) Work Authorization No. 103 to Lupher LLC in the amount of \$2,800.00; and (17) Work Authorization No. 104 to Lupher LLC in the amount of \$4,400.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations and supplements to work authorizations. Director Weppler seconded the motion, which carried by a vote of seven for the motion, with Director Postle abstaining.

The Board considered approving a Master Services Agreement with Crouch Environmental Services, Inc. (dba Hollaway Environmental Services) and Work Authorization No. 1 to Crouch Environmental Services, Inc. in the amount of \$44,755.00. Following review and discussion, Director Struzick moved to approve the Master Services Agreement with Crouch Environmental Services, Inc. and Work Authorization No. 1 in the amount of \$44,755.00. Director Weppler 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, AND APPROVE INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT

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.

## TEXAS WATER DEVELOPMENT BOARD FUNDING, INCLUDING APPLICATIONS AND FINANCING AGREEMENTS

Mr. Garcia reviewed the Financing Agreement with the Texas Water Development Board for the Series 2019A Junior Lien Water System Revenue Bonds and the Financing Agreement with the Texas Water Development Board for the Series 2019B Water System Revenue Bonds (the "Agreements"). Following review and discussion, Director Gorden moved to approve the Agreements, subject to final review by Director Hansen. Director Wepler 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. 10674 in the amount of \$277.05 payable to Mark Janneck. Ms. Garcia then pointed out the wires in the amount \$10,302,400.00 to the City for Cash Call No. 8B and \$88,786,087.73 to the City for Cash Call No. 8C. Following review and discussion, Director Struzick moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and check no. 10674. Director Janneck seconded the motion, which carried by a vote of six for the motion with Directors Wepler and Postle abstaining.

## INSURANCE COVERAGE PROPOSALS FOR CONTRACTORS POLLUTION LIABILITY AND POLLUTION LEGAL LIABILITY COVERAGES

Mr. Blasi reviewed and recommended the insurance proposals for Contractors Pollution Liability and Pollution Legal Liability coverages, copies of which are attached. Following review and discussion, Director Postle moved to accept the proposals, as recommended and approve payment of the premiums. Director Wepler seconded the motion, which carried unanimously.

## RISK MANAGEMENT SERVICE AGREEMENT WITH MCGRUFF, SEIBELS & WILLIAMS, INC.

The Board considered approving the Risk Management Service Agreement with McGriff, Seibels & Williams, Inc. Following review and discussion, Director Struzick moved to approve the Risk Management Service Agreement. Director Wepler seconded the motion, which carried by a vote of seven for the motion with Director Thornhill 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.

APPROVE INTERLOCAL AGREEMENT

Mr. Garcia reviewed an Interlocal Agreement with the Harris Galveston Subsidence District regarding the sponsorship of 5,000 conservation kits. Following review and discussion, Director Janneck moved to approve the Interlocal Agreement. Director Gorden seconded the motion, which carried by a vote of seven for the motion with Director Weppler voting against the motion.

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 on July 10 and August 12, 2019, 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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