

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 11, 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 11th day of September, 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 and Melinda Silva of Dannenbaum Engineering Corp.; Barbara Payne of Payne Communications & Associates; Alia Vinson and Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

Director Hansen suggested a moment of silence in memory of the lives lost on September 11, 2001.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the August 14, 2019, meeting. Following discussion, Director Struzick moved to approve the minutes of the August 14, 2019, meeting, as submitted. The motion was seconded by Director Gorden 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.

In response to questions and concerns from the audience regarding the proposed rate increase, Director Hansen explained that the Board is sensitive to the residents' concerns. He reported that the proposed rate increase, including the ongoing projects under construction by the Authority, will be discussed at the fall forum.

In response to a question regarding the schedule for the pump station on Fry Road, Mr. Ahrens reported that the construction of the project should begin in about a year.

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 she is working on the October 23, 2019, fall forum presentation to be held at the Fry Road Municipal Utility District Administration Building.

Ms. Payne then reported on the status of water related programs in the Katy Independent School District.

Ms. Payne then reported that the mobile teaching lab is available to districts, schools, and homeowners associations.

Ms. Payne reported that the "Partners in Progress" newsletter will be available online and the "Rising Cost of Water" brochures will be available in January.

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 July is approximately 96.5% of the previous year at this date. Ms. Silva reported that approximately 28.27 million gallons per day ("MGD") of surface water was purchased from the City of Houston during August, 2019.

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

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

Ms. Silva reported that Costello, Inc., the engineer for Segment 3 #4A, is working on final signatures. Ms. Silva then requested that the Board authorize advertisement for bids for Segment 3 #4A. Following discussion, Director Weppler moved to authorize advertisement for bids for Segment 3 #4A. Director Thornhill 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

Ms. Silva reported that Chelford Municipal Utility District No. 1 is replacing well no. 1716 with new well no. 14692.

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 stated that bids were received for Contract 35.

Ms. Silva then reported on the status of the automated meter reading system, the Surface Water Supply Project Segment A clearing contract, and Contract 38.

Ms. Silva recommended approval of Pay Estimate No. 12 in the amount of \$12,610.08 to Accurate Utility Supply, LLC for the automated meter reading system. Upon a motion made by Director Struzick and seconded by Director Weppler, the Board voted unanimously to approve the above mentioned pay estimate, as recommended.

CITY OF HOUSTON 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

There was no discussion on this matter.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS AND CRISIS MANAGEMENT, WEBSITE, OPERATING SERVICES, 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 then reported that RPS Consultants, the engineer for Contract 36, resubmitted plans to Harris County.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, resubmitted plans to Harris County.

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, including the update for White Oak Bayou and Hollister Detention Pond Reroute.

Ms. Silva then reported that Freese & Nichols, the engineer for Segment C of the Surface Water Supply Project, submitted plans to Harris County for signatures.

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, submitted 60% design plans for the operation building.

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 100% design plans.

Ms. Silva reported that Jones & Carter, Inc., the engineer for Kinder Morgan 5, is submitted 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, is working on submittal of 100% 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. 4 to the contract with AECOM Technical Services, Inc. for time extension for the Central Pump Station; and (2) Addendum No. 1 to the Master Services Agreement with JLL Valuation & Advisory Services, LLC to adjust the appraisal services amount from \$1,000,000 to \$1,200,000. Following review and discussion, Director Struzick moved to

approve the above-described addenda. Director Weppler 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. 135 to Rapid Research, Inc. in the amount of \$200.00; (2) Supplement No. 1 to Work Authorization No. 50 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020; (3) Supplement No. 1 to Work Authorization No. 52 to JLL Valuation & Advisory Services, LLC to amend the termination date to December 31, 2020; and (4) Supplement No. 1 to Work Authorization No. 1 to Lockwood, Andrews & Newnam, Inc., to amend the maximum payable under Work Authorization No. 1 to an amount not to exceed \$17,105.00. Following review and discussion, Director Weppler 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.

The Board considered approving an engagement letter with Phelps Dunbar LLP. Following review and discussion, Director Struzick moved to approve the engagement letter with Phelps Dunbar LLP. Director Owens seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

The Board considered approving an Amended and Restated Services Agreement with Inframark. Following review and discussion, Director Thornhill moved to approve the Amended and Restated Services Agreement with Inframark. 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 ("TWDB") FUNDING, INCLUDING APPLICATIONS AND FINANCING AGREEMENTS

Ms. Silva reported that the escrow release approval has been received from the TWDB for Contract 38 construction costs.

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. 10713 in the amount of \$191.73 payable to Mark Janneck, check no. 10714 in the amount of \$1,239.71 payable to EDP, and check no. 2393 in the amount of \$1,500.00 payable to Texas American Title. Ms. Garcia noted that check no. 2393 replaces lost check no. 2345. Following review and discussion, Director Janneck moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and check nos. 10713, 10714, and 2393. Director Owens seconded the motion, which carried by a vote of seven for the motion with Directors Weppler and Postle abstaining.

AUTHORIZE DISTRIBUTION OF NOTICE REGARDING PROPOSED RATE INCREASE

The Board then considered authorizing distribution of a notice regarding a proposed \$0.25 increase in its pumpage fee, surface water fee, and imported water fee to be considered by the Board at its November 13, 2019, meeting. Following discussion, Director Weppler moved to authorize distribution of such notice. Director Thornhill seconded the motion, which carried unanimously.

ANNUAL REVIEW OF AUTHORITY'S INVESTMENT POLICY

The Board reviewed the Authority's Investment Policy to determine if any amendments were necessary. After discussion, the Board determined to make no amendments at this time. Upon a motion made by Director Postle and seconded by Director Gorden, the Board voted unanimously to adopt a Resolution Regarding Annual Review of Investment Policy.

REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE AUTHORITY MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board then considered adopting a resolution that approves a list of authorized depository institutions and a list of qualified broker/dealers with whom the Authority may engage in investment transactions. Upon a motion made by Director Postle and seconded by Director Gorden, the Board voted unanimously to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.

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.

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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