

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

October 9, 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 9th day of October, 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:

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| 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 Directors Weppler, Thornhill and Janneck, thus constituting a quorum.

Also present at the meeting were Roy Aristizabal of Inframark Water Infrastructure Operations ("Inframark"); Erin Garcia of Myrtle Cruz, Inc.; Wayne Ahrens and Melinda Silva of Dannenbaum Engineering Corp.; Terrell Palmer of Post Oak Municipal Advisors LLC; David Smalling of Robert W. Baird & Co. Incorporated; 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 September 11, 2019, meeting. Following discussion, Director Struzick moved to approve the minutes of the September 11, 2019, meeting, as revised. The motion was seconded by Director Owens 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.

Mr. Robert Blumrick discussed tap water and bottled water matters.

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. Wayne reported that Ms. Payne is working on the October 23, 2019, fall forum presentation to be held at the Fry Road Municipal Utility District Administration Building at 6:00 p.m.

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 August is approximately 97.8% of the previous year at this date. Ms. Silva reported that approximately 25.54 million gallons per day ("MGD") of surface water was purchased from the City of Houston during September, 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

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

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 Change Order No. 3 to the contract with Accurate Utility Supply, LLC for the automated meter reading system to increase the contract in the amount of \$86,284.50. The Board determined that Change Order No. 3 is beneficial to the Authority. After review and discussion, Director Struzick moved to approve Change Order No. 3 in the amount of \$86,284.50 as an increase to the contract with Accurate Utility Supply, LLC, based upon the Board's finding that the Change Order is beneficial to the Authority and the engineer's recommendation. Director Gorden seconded the motion, which passed by unanimous vote

Ms. Silva recommended approval of Pay Estimate No. 7 in the amount of \$27,832.50 to Hawkins Lease Service, Inc. for the Surface Water Supply Project Segment A clearing contract. Upon a motion made by Director Postle and seconded by Director Owens, the Board voted unanimously to approve the above mentioned pay estimate, as recommended.

Ms. Silva reported that the Authority received bids for Contract 35. She stated that the low bid in the amount of \$5,063,710.80 was submitted by Resicom, Incorporated and the second low bid in the amount of \$5,119,182.00 was submitted by Main Lane Industries, Ltd ("Main Lane"). She reported that the Authority's design engineer, KIT Professionals, Inc., stated that awarding a contract to Main Lane will be most advantageous to the Authority and will result in the most economical and timely completion of the project. 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 Owens moved to accept the second low bid in the amount of \$5,119,182.00 submitted by Main Lane and award a contract to Main Lane based on KIT Professionals, Inc.'s recommendation, subject to approval of construction plans, payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor and approval of the contract from the Texas Water Development Board. Director Struzick seconded the motion, which carried unanimously.

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, is addressing Harris County Flood Control District ("HCFCD") comments.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, is addressing HCFCD 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 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 and submitted 90% design plans for Segment B3 long tunnel.

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 to complete 90% design plans.

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, submitted 90% design plans.

Ms. Silva reported that Jones & Carter, Inc., the engineer for Kinder Morgan 5, submitted 60% design plans.

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

Ms. Silva reported that EHRA, the engineer for Kinder Morgan 7, submitted 30% design plans.

Ms. Silva then reported that Binkley & Barfield, Inc., the engineer for Segment 3 A1, submitted 60% design plans.

Ms. Silva reported that Kimley-Horn & Associates, Inc., the engineer for Segment 3 A2, is working on submittal of 90% design plans.

Ms. Silva also reported that Freese & Nichols, Inc., the engineer for Segment 3 A3, submitted 90% design plans.

Ms. Silva then reported that bids will be received on October 22, 2019, for Segment 3 A4.

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 Addendum No. 3 to the contract with Freese & Nichols, Inc. to perform additional Transient (Surge) Modeling for the RePump Station in the amount of \$63,516.00. Following review and discussion, Director Owens moved to approve the above-described addendum. Director Wheeler seconded the motion, which carried unanimously.

The Board then considered the following work authorizations: (1) Work

Authorization No. 136 to Rapid Research, Inc. in the amount of \$200.00; (2) Supplement No. 1 to Work Authorization No. 83 to Lupher, LLC to amend the surveying services of Work Authorization No. 83; (3) Work Authorization No. 105 to Lupher, LLC in the amount of \$11,400.00; (4) Work Authorization No. 106 to Lupher, LLC in the amount of \$2,900.00; (5) Work Authorization No. 15 to Jones & Carter, Inc. in the amount of \$8,106.00; (6) Work Authorization No. 2 to Arch Aerial LLC in the amount of \$1,740.00; (7) Supplement No. 2 to Work Authorization No. 38 to JLL Valuation & Advisory Services, LLC to amend the maximum amount payable from \$136,000 to \$150,000; (8) Supplement No. 2 to Work Authorization No. 40 to JLL Valuation & Advisory Services, LLC to amend the maximum amount payable from \$116,000 to \$140,000; (9) Work Authorization No. 52 to JLL Valuation & Advisory Services, LLC in the amount of \$9,000.00; (10) Work Authorization No. 1 to BGE, Inc. in the amount of \$27,494.50; (11) Work Authorization No. 2 to Binkley & Barfield, Inc. in the amount of \$6,108.25; (12) Supplement No. 2 to Work Authorization No. 7 to Kuo & Associates, Inc. to amend the maximum amount payable from \$60,000 to \$90,000; (13) Work Authorization No. 1 to Freese & Nichols, Inc. in the amount of \$10,376.30; (13) Work Authorization No. 137 to Rapid Research, Inc. in the amount of \$150.00; (14) Work Authorization No. 80 to Weisser Engineering Company, Inc. in the amount of \$400.00; (15) Work Authorization No. 44 to Cobb, Fendley & Associates, Inc. in the amount of \$2,870.00; (16) Work Authorization No. 45 to Cobb, Fendley & Associates, Inc. in the amount of \$800.00; (17) Work Authorization No. 103 to Abstract Services of Houston in the amount of \$1,750.00; (18) Work Authorization No. 105 to Lupher, LLC in the amount of \$11,400.00; (19) Work Authorization No. 106 to Lupher, LLC in the amount of \$2,900.00; (20) Work Authorization No. 107 to Lupher, LLC in the amount of \$15,500.00; and (21) Work Authorization No. 108 to Lupher, LLC in the amount of \$4,900.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and supplements to work authorizations. Director Wheeler seconded the motion, which carried by a vote of five for the motion, with Director Postle abstaining.

The Board considered approving a Relocation Agreement with D.R. Horton – Texas, Ltd. Following review and discussion, Director Postle moved to approve the Relocation Agreement with D.R. Horton – Texas, Ltd. Director Struzick 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

There was no discussion on this matter.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2019A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION OF A SEVENTEENTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE AUTHORITY; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT ("SERIES 2019A BOND RESOLUTION")

Ms. Vinson reviewed with the Board the Series 2019A Bond Resolution and the various documents authorized and approved by the Series 2019A Bond Resolution. Mr. Palmer recommended issuance of the West Harris County Regional Water Authority Water System Junior Lien Revenue Bonds, Series 2019A to the Texas Water Development Board. After review and discussion, Director Wheeler moved that the Board adopt the Series 2019A Bond Resolution. Director Gorden seconded the motion, which was approved by unanimous vote.

AUTHORIZE THE AUTHORITY'S ATTORNEY AND THE FINANCIAL ADVISORS TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2019A ("SERIES 2019A BONDS")

Ms. Vinson next explained that there will be various documents related to delivery of the Series 2019A Bonds requiring execution by the directors prior to closing. The Board then considered authorizing the President and Secretary to execute documents necessary in connection with the transaction and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Series 2019A Bonds to the purchaser. Director Wheeler moved that the Board authorize execution of documents related to the sale and delivery of the Series 2019A Bonds, and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Bonds. Director Gorden seconded the motion, which was approved by unanimous vote.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice regarding the Series 2019A Bonds. After review and discussion, Director Wheeler moved to authorize execution of the Certificate Regarding Provision of Financial Advice and direct that it be filed appropriately and retained in the District's official records. Director Gorden seconded the motion, which passed by unanimous vote.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO PERFORM PLEDGED REVENUES ANALYSIS

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

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM REVENUE BONDS, SERIES 2019B; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION OF A EIGHTEENTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE AUTHORITY; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT ("SERIES 2019B BOND RESOLUTION")

Ms. Vinson then reviewed with the Board the Series 2019B Bond Resolution and the various documents authorized and approved by the Series 2019B Bond Resolution. Mr. Palmer recommended issuance of the West Harris County Regional Water Authority Water System Revenue Bonds, Series 2019B to the Texas Water Development Board. After review and discussion, Director Wheeler moved that the Board adopt the Series 2019B Bond Resolution. Director Gorden seconded the motion, which was approved by unanimous vote.

AUTHORIZE THE AUTHORITY'S ATTORNEY AND THE FINANCIAL ADVISORS TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM REVENUE BONDS, SERIES 2019B ("SERIES 2019B BONDS")

Ms. Vinson next explained that there will be various documents related to delivery of the Series 2019B Bonds requiring execution by the directors prior to closing. The Board then considered authorizing the President and Secretary to execute documents necessary in connection with the transaction and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Series 2019B Bonds to the purchaser. Director Wheeler moved that the Board authorize execution of documents related to the sale and delivery of the Series 2019B Bonds, and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Series 2019B Bonds. Director Gorden seconded the motion, which was approved by unanimous vote.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice regarding the Series 2019B Bonds. After review and discussion, Director Wheeler moved to authorize execution of the Certificate Regarding Provision of Financial Advice and direct that it be filed appropriately and retained in the District's official records. Director Gorden seconded the motion, which passed by unanimous vote.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO PERFORM PLEDGED REVENUES ANALYSIS

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis for the Series 2019B Bonds. After review, Director Wheeler moved to authorize McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis. Director Gorden 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. 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 five for the motion with Director 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. Aristizabal presented copies of the operator's report and reviewed it with the Board, a copy of which is attached.

Mr. Aristizabal requested that the Board approve the service agreement with Specific Energy, a subcontractor of Inframark, in an amount not to exceed \$10,200.00. Following discussion, Director Struzick moved to approve the service agreement with Specific Energy, a subcontractor of Inframark, in an amount not to exceed \$10,200.00. Director Postle seconded the motion, which carried unanimously

INSURANCE COVERAGE, INCLUDING RENEWAL PROPOSAL

The Board reviewed the insurance renewal proposals from McDonald & Wessendorff. Following review and discussion, Director Postle moved to accept the proposals for directors bond, public employee blanket crime, business travel, and cyber liability coverage from McDonald & Wessendorff. Director Gorden seconded the motion, which carried unanimously.

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

LIST OF ATTACHMENTS TO MINUTES

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