

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 13, 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 13th day of November, 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, 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 31, October 9, October 23, and October 28, 2019, meetings. Ms. Vinson stated that the October 23, 2019, minutes have been revised to include attendance by Barbara Payne and Russell Lambert. Following discussion, Director Weppler moved to approve the minutes of the July 31, October 9, and October 28, 2019, meetings, as submitted and the minutes of the October 23, 2019, meeting, as revised. The motion was seconded by Director Postle and passed by unanimous vote.

## PUBLIC COMMENT

Director Hansen requested that any questions or comments be presented during the "public comment" agenda item.

Mr. Jonathan Cowen asked when the Authority's website would be updated. Director Hansen reported that the Authority is in the process of updating the functions of the website to enhance participation by the public.

In response to a question from Ms. Pamela Brandenburg regarding who received the Authority's recent newsletter, Ms. Payne stated that the information was sent to the districts' attorneys.

In response to a question from Mr. Robert Blumrick regarding the Authority's role in flood prevention, Mr. Ahrens stated that the Authority is not involved with drainage issues.

## 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 video from the fall forum presentation will be made available.

Ms. Payne then reported that the mobile teaching lab will be at the Katy Independent School District STEAM event on December 6, 2019. She also reported on Cypress-Fairbanks Independent School District's use of the mobile teaching lab

Ms. Payne also reported that she is working on the waterworks newsletter and the Rising Cost of Water brochure.

## 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 September is approximately 101.0% of the previous year at this date. Ms. Silva reported that approximately 24.89 million gallons per day ("MGD") of surface water was purchased from the City of Houston during October, 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, Contract 35, Contract 38, and the Contract for Segment 3-A4.

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 reported that RPS Consultants, the engineer for Contract 36, addressed Harris County Flood Control District ("HCFCD") comments and resubmitted plans to Harris County and HCFCD for approvals.

Ms. Silva then reported that Sander Engineering Corporation, the engineer for Contract 37, is working on City of Houston signatures.

Ms. Silva also reported that new letters regarding conversion timelines for the districts associated with the current CIP design packages have been sent.

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 EHRA, the engineer for Kinder Morgan 7, submitted 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 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, resubmitted 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 plans and addressing revised floodplain criteria.

Ms. Silva reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, submitted 60% design plans for the operation building and submitted 90% design plans for the balance of the pump station.

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, is working on submittal of 90% design plans.

Ms. Silva then reported that Garver, the engineer for Kinder Morgan 3, is working on submittal of 90% 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, is working on submittal of 90% design plans.

Ms. Silva also reported that Black & Veatch Corporation, the engineer for Kinder Morgan 6, is working on submittal of 90% 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 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, is working on submittal of 90% design plans.

The Board considered authorizing advertisement for bids for the analyzer replacement package for Pump Station No. 1. Following discussion, Director Struzick moved to authorize advertisement for bids for the analyzer replacement package for Pump Station No. 1. Director Thornhill seconded the motion, which carried unanimously.

Ms. Silva reported that DEC is continuing to work on obtaining right of entry agreements for the remaining wells to complete the AMR project.

The Board then considered approving a Master Services Agreement for appraisal services with Edward B. Schulz & Co., LLC (a Texas limited liability company doing business as Integra Realty Resources - Houston), Addendum No. 10 to the contract with V&A Consulting Engineers, Inc. to perform cathodic protection services, and Addendum No. 4 to the contract with AECOM to provide design updates related to alignment modifications, schedule extension, and a separate bid package for the installation of casing for the crossing of a planned railroad spur on the Alamo property. Following review and discussion, Director Weppler moved to approve the Master Services Agreement with Edward B. Schulz & Co., LLC, and the above-described addenda. 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. 2 to Work Authorization No. 27 to Terracon Consultants, Inc. to amend the termination date to December 31, 2019; (2) Work Authorization No. 29 to V&A Consulting Engineers, Inc. in the amount of \$68,250.00; and (3) Work Authorization No. 2 to FNI in the amount of \$50,815.00. Following review and discussion, Director Weppler moved to approve the above-described work authorizations and the supplement to work authorization. Director Gorden seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

Ms. Vinson reviewed a legal conflicts waiver regarding representation of the Authority and Harris County Municipal Utility District No. 71 regarding the preparation and review of a right of entry agreement. Following review and discussion, Director Weppler moved to approve the legal conflicts waiver. Director Owens 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. Vinson reported that the West Harris County Regional Water Authority Water System Junior Lien Revenue Bonds, Series 2019A and the West Harris County Regional Water Authority Water System Revenue Bonds, Series 2019B are scheduled to close on November 22, 2019.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS, REVIEW OF INVESTMENTS, AUTHORITY FEES AND CHARGES, AND DRAFT BUDGET FOR FISCAL YEAR END DECEMBER 31, 2020

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. 2488 in the amount of \$5,700.00 payable to Daniel Martinez and check no. 2489 in the amount of \$3,000.00 payable to Britt H. Benton, Trustee. Ms. Garcia noted that check no. 2404 has been corrected to be in the amount of \$997,921.00. Following review and discussion, Director Struzick moved to approve the bookkeeper's report, the above-described checks, and the disbursements reflected in the bookkeeper's report. Director Thornhill seconded the motion, which carried by a vote of seven for the motion with Directors Postle and Wepler abstaining.

Ms. Garcia reviewed the proposed operating budget and joint facilities budget for fiscal year ending December 31, 2020.

APPROVE LETTER OF CREDIT AMENDMENT WITH CENTRAL BANK

The Board considered approving a Letter of Credit amendment with Central Bank. Following discussion, Director Postle moved to approve the Letter of Credit amendment with Central Bank. Director Struzick seconded the motion, which carried unanimously.

APPROVE BOND ACCOUNTING AND SAFEKEEPING SERVICES AGREEMENT WITH BBVA USA

The Board considered approving a Bond Accounting and Safekeeping Services Agreement with BBVA USA. Following review and discussion, Director Owens moved

to approve the Bond Accounting and Safekeeping Services Agreement with BBVA USA. Director Wheeler seconded the motion, which carried unanimously.

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 then requested that the Board authorize Inframark to renew its agreement for a two-year term with Schneider Electric for annual SCADA maintenance and support in the amount of \$61,975.28. Mr. Thomas then requested that the Board authorize Inframark to install conduit and wiring at the Harris County Municipal Utility District No. 500 metering station in the amount of \$5,475.00. Following discussion, Director Wepler moved to approve the agreement with Schneider Electric, as a subcontractor to Inframark, and authorize Inframark to install conduit and wiring at the Harris County Municipal Utility District No. 500 metering station. Director Gorden seconded the motion, which carried unanimously.

ADOPT AMENDED RATE ORDER AND AUTHORIZE DISTRIBUTION OF NOTICE OF RATE INCREASE

Ms. Vinson reviewed an Amended Rate Order and the notice of fee increase. Following review and discussion, Director Thornhill moved to adopt the Amended Rate Order and to authorize distribution of a notice of the \$0.25 fee increase set forth in the Amended Rate Order. Director Wepler 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)

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Secretary, Board of Directors

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