

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

January 8, 2020

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 8th day of January, 2020, 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, Directors Hansen, Thornhill, and Wheeler, 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.; Alia Vinson, Sanjay Bapat, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

PUBLIC COMMENT

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

Ms. Louise Hronas, President of Harris County Municipal Utility District No. 167 ("MUD 167"), stated that the residents of MUD 167 are not well informed regarding the Authority. Discussion ensued. Ms. Vinson stated that she will pass her comments on to Ms. Payne and request that Ms. Payne discuss the Authority's outreach initiatives at the next meeting.

Ms. Hronas stated that claims on social media reflect that the quality of water supplied by the Authority is comparable to bottled water. Director Weppler stated that the claims on social media came from a resident and not the Authority. Director

Wepler encouraged those in attendance to visit the Authority's website. Mr. Ahrens encouraged any resident of the Authority to subscribe to the Authority's newsletter.

#### MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the December 11, 2019, meeting. Following discussion, Director Janneck moved to approve the minutes of December 11, 2019, meeting, as submitted. The motion was seconded by Director Struzick and passed by unanimous vote.

#### 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. 2579 in the amount of \$490.00 payable to LJA Engineering, Inc. check no. 2580 in the amount of \$6,755.00 payable to Munsch Hardt, check no. 1001 in the amount of \$857.00 payable to Cusip Global Services. Ms. Garcia noted that check no. 2571 in the amount of \$537.34 payable to Norton Rose Fulbright and check no. 2575 in the amount of \$5,785.00 payable to Whitley Penn will be voided. She also noted that check no. 2558 in the amount of \$447,214.73 and check no. 10879 in the amount of \$6,089.33 payable to Jones & Carter, Inc. will be held for payment until the next meeting. Ms. Garcia then reviewed a cash call in the amount of \$4,021,749.00 due from the Authority to the Authority's account for the Joint Facilities Fund. Following review and discussion, Director Gorden moved to approve the bookkeeper's report, the above-described checks, the disbursements reflected in the bookkeeper's report, check nos. 2579, 2580, and 1001 and payment of such cash call. Director Struzick seconded the motion, which carried by a vote of five for the motion with Director Postle abstaining.

#### 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 a link for the Surface Water Supply Project has been added to the Authority's website homepage.

## ADOPT RESOLUTION ADOPTING RULES FOR 2018 APPOINTMENT PROCESS FOR DIRECTORS

The Board reviewed the terms of the Resolution Adopting Rules for 2018 Appointment Process for Directors ("Resolution"). Following discussion, Director Owens moved to adopt the Resolution as presented. Director Gorden seconded the motion, which carried unanimously.

## 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 November is approximately 105.0% of the previous year at this date. Ms. Silva reported that approximately 18.54 million gallons per day ("MGD") of surface water was purchased from the City of Houston during December, 2019.

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

Ms. Silva then reported that free training sessions for well owners and operators have been scheduled for January, 9, 23, and 30, 2020, on the AMR software capabilities.

## 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

Ms. Vinson reviewed the Agreement Regarding Credits for Alternative Water Supply Use with Harris County Municipal Utility District no. 500. Following review

and discussion, Director Owens moved to approve the Agreement Regarding Credits for Alternative Water Supply Use with Harris County Municipal Utility District No. 500. Director Janneck seconded the motion, which carried unanimously.

HARRIS-GALVESTON SUBSIDENCE DISTRICT (“HGSD”)

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.

Ms. Silva recommended approval of Pay Estimate No. 13 in the amount of \$43,198.92 to Accurate Utility Supply, LLC for the automated meter reading system and Pay Estimate No. 2 in the amount of \$312,583.95 to Main Lane Industries, Ltd. for Contract 38. Upon a motion made by Director Struzick and seconded by Director Gorden, the Board voted unanimously to approve the above mentioned pay estimates, 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.

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, received approval of plans signed by all agencies.

Ms. Silva then reported that Contract 37, Sander Engineering Corporation, will be advertised for bids on January 10 and 17, 2020. She noted that the bid opening is scheduled for January 30, 2020.

Ms. Silva then reported that IDS Engineering Group, Inc., the engineer for Contract 50, is working on City of Houston signatures.

Ms. Silva reported that EHRA, the engineer for Kinder Morgan 7, is working on submittal of 60% design plans that were submitted.

Ms. Silva also reported that EHRA, the engineer for Contract 32, is working on submittal of 60% design plans that were submitted.

Ms. Silva reported that AECOM Technical Services, Inc., the engineer for Segment A of the Surface Water Supply Project, is working on the separate casing design and surveying new development.

Ms. Silva also reported that Black & Veatch, the engineer for Segment B of the Surface Water Supply Project, submitted 100% design plans west of I-45, including the update for White Oak Bayou and Hollister Detention Pond Reroute and is working on submittal of 100% 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, received approval from Harris County and submitted plans to the City of Houston for signatures.

Ms. Silva also reported that Freese & Nichols, the engineer on the RePump Station, is working on submittal of 90% electrical and controls plans and addressing revised floodplain criteria.

Ms. Silva reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, received comments on the 90% design plans that were submitted for the balance of the pump station and is working on submittal of 90% design plans for the operations 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 the design plans. She noted that Segment C and the Central Pump Station are complete.

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 design plans to the agencies and is working on submittal of 100% 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, is working on submittal of 90% design plans.

Ms. Silva reported that Kimley-Horn & Associates, Inc., the engineer for Segment 3-A2, is working on submittal of 90% design plans. She reported that Kimley-Horn & Associates, Inc. is waiting on feedback from CenterPoint Energy regarding the substation alignment.

Ms. Silva also reported that Freese & Nichols, Inc., the engineer for Segment 3-A3, 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, will be meeting with the Harris County Flood Control District to discuss the ultimate right-of-way alignment.

Ms. Silva stated that bids were received for the analyzer replacement package for Pump Station No. 1. She recommended that the Board award the contract to Hartwell Environmental Corporation ("Hartwell") in the amount of \$99,835.00. The Board concurred that, in its judgment, Hartwell 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 Struzick moved to award the analyzer replacement package for Pump Station No. 1 to Hartwell in the amount of \$99,835.00, based upon the engineer's recommendation. Director Owens seconded the motion, which carried by unanimously.

The Board then considered approving Addendum No. 3 to the contract with KIT Professional, Inc. to adjust the basic design services fee and Addendum No. 15 to the contract with Luper, LLC to adjust the maximum amount that may be earned from all work authorizations from \$3,000,000 to \$3,350,000. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Janneck seconded the motion, which carried by a vote of five for the motion with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 3 to Arch Aerial LLC in the amount of \$3,040.00; (2) Work Authorization No. 112 to Lupher, LLC in the amount of \$21,500.00; (3) Work Authorization No. 113 to Lupher, LLC in the amount of \$13,100.00; (4) Work Authorization No. 114 to Lupher, LLC in the amount of \$23,300.00; (5) Work Authorization No. 11 to Edward B. Schulz & Co., LLC (doing business as Integra Realty Resources - Houston) in the amount of \$60,000.00; (6) Work Authorization No. 143 to Rapid Research, Inc. in the amount of \$950.00; (7) Supplement No. 2 to Work Authorization No. 48 to JLL Valuation & Advisory Services, LLC to amend the maximum amount payable from \$40,000.00 to \$60,000.00; (8) Supplement No. 3 to Work Authorization No. 7 to KDM Acquisition Services, Inc to amend the termination date to December 31, 2020; (9) Supplement No. 1 to Work Authorization No. 17 to Texas American Title Company to amend the maximum amount payable from \$15,400.00 to \$21,400.00 and the termination date to December 31, 2020; and (10) Supplement No. 1 Work Authorization No. 14 to Berg Oliver Associates, Inc to amend the maximum amount payable from \$46,505.00 to \$51,505.00. Following review and discussion, Director Gorden moved to approve the above-described work authorizations and the supplements to work authorizations. Director Janneck seconded the motion, which carried by a vote of five for the motion, with Director Postle abstaining.

Mr. Bapat reviewed a legal conflicts waiver regarding representation of the Authority and Harris County Improvement District No. 13 regarding the preparation and review of a right of entry agreement. Following review and discussion, Director Owens moved to approve the legal conflicts waiver. Director Janneck 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.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officer. Following review, Director Postle moved to accept the annual disclosure statements of the bookkeeper and investment officer. Director Janneck seconded the motion, which passed by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Bapat reported on the Authority's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

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)

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Secretary, Board of Directors

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