

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

February 12, 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 12th day of February, 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, 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 Linda Sotirake of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

PUBLIC COMMENT

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

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the January 8, 2020, meeting. Following discussion, Director Struzick moved to approve the minutes of January 8, 2020, meeting, as submitted. The motion was seconded by Director Gorden and passed by unanimous vote.

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 "Rising Cost of Water" brochure is available and can be ordered online.

Ms. Payne then reported that the second edition of the "Partners in Progress" newsletter is available online.

Ms. Payne also reported that she is working on an operator workshop and would appreciate any requests of topics for discussion at the workshop.

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 December is approximately 105.4% of the previous year at this date. Ms. Silva reported that approximately 16.60 million gallons per day ("MGD") of surface water was purchased from the City of Houston during January, 2020.

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

The Board considered authorizing the bookkeeper to prepare and issue the quarterly cash call for the Surface Water Supply Project due April 1, 2020, which is prorated between the Authority and the North Fort Bend Water Authority ("NFBWA") in accordance with the Joint Facilities Agreement. The Board then considered authorizing issuance of the cash call for Segment C. Following discussion, Director Weppler moved

to authorize the bookkeeper to prepare and issue the quarterly cash call for the Surface Water Supply Project due April 1, 2020, and issuance of a cash call for Segment C. Director Janneck 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 ("HGSD")

Ms. Silva reported that DEC is working on the annual Permit Reconciliation Process which is due in March.

Ms. Silva then reported that Harris-Waller Counties Municipal Utility District No. 4 is a new district in Precinct 9.

Ms. Silva also reported that Harris County Municipal Utility District No. 62 has a new well.

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. 14 in the amount of \$51,979.03 to Accurate Utility Supply, LLC for the automated meter reading system, Pay Estimate No. 9 in the amount of \$35,844.30 to Hawkins Lease Services, Inc. for the Surface Water Supply Project Segment A clearing contract, Pay Estimate No. 3 in the amount of \$139,482.00 to Main Lane Industries, Ltd. for Contract 38, and Pay Estimate No. 1 in the amount of \$170,214.75 to Main Lane Industries, Ltd, for Contract 35. Upon a motion made by Director Owens and seconded by Director Wheeler, 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

Ms. Silva requested that the Board approve the payment of Cash Call 9 for the Northeast Water Purification Plant Expansion Project in the amount of \$35,441,112.35. Following discussion, Director Wepler moved to approve the payment of Cash Call 9 in the amount of \$35,441,112.35. Director Struzick seconded the motion, which carried unanimously.

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 bid opening for Contract 36 is schedule for March 5, 2020.

Ms. Silva reported that the Authority received bids for Contract 37. She stated that the low bid in the amount of \$3,729,939.86 was submitted by Persons Services Corp ("Persons"). She reported that the Authority's design engineer, Sander Engineering Corporation, stated that awarding a contract to Persons 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, Persons 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 accept the low bid in the amount of \$3,729,939.86 submitted by Persons and award a contract to Persons based on Sander Engineering Corporation'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 Wepler seconded the motion, which carried unanimously.

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.

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

Ms. Silva reported that AECOM Technical Services, Inc., the engineer for Segment A of the Surface Water Supply Project, is finalizing the separate casing design and is working on submittal of 90% design plans. She then requested that the Board authorize advertisement for bids for the Segment A casing project. Following discussion, Director Weppler moved to authorize advertisement for bids for the Segment A casing project. Director Thornhill seconded the motion, which carried unanimously.

Ms. Silva also reported that Black & Veatch, the engineer for Segment B of the Surface Water Supply Project, received comments on the design plans west of I-45 and is working on submittal of 100% design plans for Segment B3 long tunnel.

Ms. Silva then reported that Freese & Nichols, the engineer for the Segment C of the Surface Water Supply Project, submitted plans to the City of Houston for signatures. She then requested that the Board authorize advertisement for bids for Segment C of the Surface Water Supply Project. Following discussion, Director Weppler moved to authorize advertisement for bids for Segment C of the Surface Water Supply Project. Director Gorden seconded the motion, which carried unanimously.

Ms. Silva also reported that Freese & Nichols, the engineer on the RePump Station, is working on a revised site plan to address revised floodplain criteria. She stated that Freese & Nichols anticipates submittal to Harris County in April 2020.

Ms. Silva reported that AECOM Technical Services, Inc., the engineer on the Central Pump Station, submitted final plans and specifications representing 90% of the operations building and 100% of 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, has completed Segment C and the Central Pump Station.

Ms. Silva also reported that Half 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, submitted 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, submitted 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 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. received 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, is working on submittal of 90% design plans. She stated that DEC will be meeting with the Harris County Flood Control District to discuss the variance package for right-of-way alignment.

Ms. Silva reported that a pre-construction meeting will be scheduled with Hartwell Environmental Corporation for the analyzer replacement package for Pump Station No. 1.

The Board then considered approving Amendment No. 1 to the contract with Arch Aerial to increase the total authorized amount to \$40,000, Addendum No. 15 with Weisser Engineering to increase the total authorized amount to \$1,950,000, demolition contract with Cherry Demolition Company in the amount of \$11,700.00 for property located at 2609 Warwick Road, demolition contract with Cherry Demolition Company in the amount of \$18,600.00 for property located at 2617 Warwick Road, demolition contract with Cherry Demolition Company in the amount of \$15,900.00 for property located at 2614 Hopper Road, demolition contract with Cherry Demolition Company in the amount of \$12,200.00 for property located at 2618 Hopper Road, and authorizing approval to enter into demolition contracts with Cherry Demolition in amounts not to exceed \$15,000 per contract, as remaining properties described in the attached report become available. Following review and discussion, Director Weppeler moved to approve the above-described amendment, addenda and demolition contracts and authorize approval to enter into demolition contracts with Cherry Demolition as remaining properties described in the attached report become available in an amount

not to exceed \$15,000.00 for each contract. Director Gorden seconded the motion, which carried unanimously.

The Board then considered the following work authorizations: (1) Work Authorization No. 4 to Arch Aerial LLC in the amount of \$30,000.00; (2) Work Authorization No. 115 to Lupher, LLC in the amount of \$4,900.00; (3) Work Authorization No. 116 to Lupher, LLC in the amount of \$36,200.00; (4) Work Authorization No. 117 to Lupher, LLC in the amount of \$4,100.00; (5) Work Authorization No. 81 to Weisser Engineering Company, Inc. in the amount of \$59,940.00; and (6) Work Authorization No. 144 to Rapid Research, Inc. in the amount of \$850.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and the supplements to work authorizations. Director Weppler seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

Mr. Bapat reviewed a legal conflicts waiver regarding representation of the Authority and Harris County Municipal Utility District No. 374 regarding the preparation and review of an agreement regarding credits for alternative water supply use. Following review and discussion, Director Owens moved to approve the legal conflicts waiver. Director Wheeler 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.

AUTHORIZE ENGINEER TO PERFORM INSPECTION REQUIRED BY SECTION 701(C) OF INDENTURE OF TRUST

Ms. Vinson reported that the Indenture of Trust requires an inspection of the Authority's system every five years. Following review and discussion, Director Struzick moved to authorize DEC to conduct an inspection of the Authority's system and prepare an inspection report for same. Director Thornhill seconded the motion, which carried unanimously.

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 pointed out check no. 10924 in the amount of \$407.80 payable to Chimney Hill Municipal Utility District and check no. 10925 in the amount of \$5,912.36 payable to Lattimore Materials Corporation. Following review and discussion, Director Struzick moved to approve the bookkeeper's report, the above-described checks, the disbursements reflected in the bookkeeper's report. Director Gorden seconded the motion, which carried by a vote of seven for the motion with Directors Postle and Wepler abstaining.

FINAL ARBITRAGE REBATE ANALYSIS

Mr. Bapat reviewed with the Board the final arbitrage rebate analysis prepared by OmniCap Group LLC for the Series 2009 Water System Revenue Bonds. He noted that OmniCap Group LLC determined that there was no rebate or yield reduction payment due on the Series 2009 Water System Revenue Bonds.

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 requested that the Board authorize refunds to Chimney Hill Municipal Utility District in the amount of \$407.80 and Lattimore Materials Corp in the amount of \$5,912.36. Following review and discussion, Director Struzick moved to authorize refunds to Chimney Hill Municipal Utility District in the amount of \$407.80 and Lattimore Materials Corporation in the amount of \$5,912.36. 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)

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
list of persons present at the February 12, 2020, meeting	1
engineer's report	2
bookkeeper's report	8
operator's report.....	9