

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 12, 2020

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session by teleconference and videoconference, with access by video or telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's directive suspending certain open-meeting requirements due to the COVID-19 public health emergency, dated March 16, 2020, on the 12th day of August, 2020, and the roll was called of the members of the Board being present by video and/or telephone:

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 attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Barbara Payne of Payne Communications & Associates; Wayne Ahrens and Melinda Silva of Dannenbaum Engineering Corp. ("DEC"); Erin Garcia of Myrtle Cruz, Inc.; and Alia Vinson, Sanjay Bapat, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR"). Also attending the meeting were members of the public present via video and/or telephone.

Mr. Bapat reviewed certain recommended protocols for conducting the Authority's meeting via teleconference and videoconference. He announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/whcrwa.

Mr. Hansen reported that Sheryl Bookman of DEC passed away recently. The Board and persons present at the meeting observed a moment of silence in memory of Ms. Bookman.

PUBLIC COMMENT

Director Hansen offered any members of the public attending the meeting by video or telephone the opportunity to make public comment.

Ms. Crystal Kirby stated she is a resident who serves as a director of Trail of the Lakes Municipal Utility District ("TOTL") and she sent a letter to the Authority (the "Letter") requesting that the Authority reduce its pumpage and surface water fees. Discussion ensued and Ms. Kirby clarified that she sent the letter individually and not on behalf of TOTL. Following discussion, the Board concurred to follow up with its financial advisors regarding its pumpage and surface water fees.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the July 8, 2020, Authority Board meeting. Following discussion, Director Wheeler moved to approve the minutes of the July 8, 2020, meeting, as submitted. The motion was seconded by Director Struzick. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

UPDATE ON COVID-19 EPIDEMIC EMERGENCY AND CONSIDER OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC

Director Hansen reported that the Authority Board meetings will continue to be conducted via teleconference and videoconference during the pendency of the COVID-19 epidemic, so long as Governor Abbott's directive suspending certain provisions of the Texas Open Meetings Act, allowing meetings to be held via teleconference and videoconference, remains in place.

Mr. Thomas confirmed that there were no adverse Authority service impacts resulting from the COVID-19 epidemic.

CUSTOMER APPEALS

No customer appeals were presented.

TOWNHALL MEETINGS AND WORKSHOPS, WEBSITE, SOCIAL MEDIA, WATER CONSERVATION PROGRAM AND TRAILERS, ATTENDANCE AT CONFERENCES AND MEMBERSHIP IN ORGANIZATIONS, NEWSLETTERS AND MAILOUTS

Director Hansen discussed the Authority's virtual presentation at the Association of Water Board Directors virtual summer conference and stated that a video of the presentation has been posted to the Authority website.

Ms. Payne discussed the Texas A&M AgriLife Extension Water My Yard program and stated Water My Yard program bill inserts can be ordered. She noted that brochures on the rising cost of water and water conservation can also be ordered.

Ms. Payne discussed Authority social media initiatives. She reported on the preparation of a video that will include the new Water My Yard mascot, Irry Gator, and Miz Waterlady.

ENGINEERING MATTERS

Ms. Silva reviewed an engineer's report, a copy of which is attached, with the Board.

Ms. Silva reviewed with the Board a monthly pumpage report. She pointed out that the pumpage for 2020 through July is approximately 105.6% of the previous year at this date. Ms. Silva also reported that approximately 25.06 million gallons per day ("MGD") of surface water was purchased from the City of Houston (the "City") during July, 2020.

Ms. Silva reported that a representative from DEC attended the Coastal Water Authority virtual meeting.

REQUESTS FOR SURFACE WATER CONVERSION

There was no discussion on this matter.

WATER TRUNKLINE FINANCING AGREEMENTS AND 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, SUBSIDENCE DISTRICT AND GROUNDWATER REDUCTION REGULATIONS, WELL PERMITS, PURCHASE AND SALE OF CONSERVATION/GROUNDWATER CREDITS, AUTHORITY REQUIREMENTS FOR CONVERSION TO SURFACE WATER AND CHLORAMINES DISINFECTION AND AGREEMENTS REGARDING CREDITS FOR ALTERNATIVE WATER SUPPLY USE

Ms. Silva reported that each of Harris County Municipal Utility District No. 418 and Harris County Municipal Utility District No 171 have a new well.

AUTHORITY CONSTRUCTION PROJECTS AND CONTRACTS, AWARD CONSTRUCTION CONTRACTS, AUTHORIZE NEGOTIATION OF CONSTRUCTION CONTRACTS, PRE-QUALIFICATION OF CONTRACTS, APPROVE CHANGE ORDERS AND PAY ESTIMATES, ACCEPT PROJECTS, AND AUTHORIZE ANY NECESSARY TERMINATION

Ms. Silva reported on the status of construction for the Surface Water Supply Project ("SWSP") Segment A clearing contract, Contract 38, Contract 37, Contract 35, the Contract for Segment 3-A4, the Segment A casing project, and Contract 36.

Ms. Silva recommended approval of (1) Pay Estimate No. 9 in the amount of \$587,431.35 to Main Lane Industries, Ltd., for Contract 38; (2) Pay Estimate No. 7 in the amount of \$429,924.60 to Main Lane Industries, Ltd., for Contract 35; (3) Pay Estimate No. 6 in the amount of \$339,980.56 to Garney Companies, Inc., for SWSP Segment S3-A4; and (4) Pay Estimate No. 3 in the amount of \$321,456.60 to Persons Services, Corp., for Contract 37. Following review and discussion, Director Wepler made a motion to approve the above-mentioned pay estimates, as recommended. Director Struzick seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

CITY OF HOUSTON WATER SUPPLY CONTRACT AND SUPPLEMENTS THERETO, INCLUDING AMENDMENTS THERETO, CHARGES FOR OPERATION AND MAINTENANCE EXPENSES, AND CASH CALLS, NORTHEAST WATER PLANT ("NEWPP") 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, AUDIO/VISUAL TECHNOLOGY, WEBSITE, BOOKKEEPING AND ACCOUNTING, 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 IDS Engineering Group, Inc., the engineer for Contract 50, is waiting on the City's comments to the 100% design submittal.

Ms. Silva reported that EHRA, the engineer for Kinder Morgan 7 and Contract 32, is working on submittal of 90% design plans.

Ms. Silva reported that AECOM, the engineer for Segment A of the SWSP, is working on submittal of 90% design plans.

Ms. Silva also reported that Black & Veatch, the engineer for Segment B of the SWSP, submitted the "pre-100%" plans to the City for Segments B1/B2 and B3 and is working on the final 100% design plans. She noted that the Request for Qualifications for the Segment B3 Long Tunnel construction project will be released on CivCast on Friday, August 14, 2020.

Ms. Silva then reported that bids were received for Segment C of the SWSP on August 6, 2020, and are under review.

Ms. Silva also reported that Freese & Nichols, the engineer for the RePump Station, is working on the Drainage Impact Analysis for submittal to Harris County Flood Control District.

Ms. Silva reported that AECOM, the engineer for the Central Pump Station, completed 100% design plans and is working on the response to City comments.

Ms. Silva then reported that Mbroh Engineering, Inc., the engineer for the wide area network, fiber optic, and incidental electrical design services, is working on Segment A valve stations.

Ms. Silva also reported that the design engineers for each of the Kinder Morgan Segments is waiting on the City's comments to complete their designs.

Ms. Silva then reported that the design engineers for each of the Segment 3 Segments is waiting on the City's comments to complete their designs.

The Board then considered approving the following: (1) Change Order No. 1 to the demolition contract with Cherry Demolition Company in the amount of \$2,218.00 for property located at 2601 Warwick Road; (2) Change Order No. 1 to the demolition contract with Cherry Demolition Company in the amount of \$3,177.00 for property located at 2605 Warwick Road; (3) Addendum No. 4 to the contract with Freese and Nichols, Inc., for the design of the Repump Station in the amount of \$35,876.00 for additional professional surveying services; (4) Addendum No. 5 to the contract with Freese and Nichols, Inc., for the design of the Repump Station to add a contract time extension to July 31, 2021, and increase the overall contract amount by \$171,700.00 to comply with Atlas 14 requirements and additional design work for off-site drainage facilities not included in the original scope of work; (5) Addendum No. 1 to the contract with Mbroh Engineering, Inc., for Segment C for electrical and I&C bidding and construction phase services and actuated BFVs including sump pumps, vault lighting, PLC control panels, and cellular WAN for an amount not to exceed \$30,000 which will increase the contract amount to \$397,010.00; (6) Addendum No. 16 to the Master Service Agreement with Lupher, LLC to increase the work authorization to \$3,550,000.00 and revise Exhibit B-1 Hourly Billing Rate Schedule; (7) Addendum No. 5 to the Master Service Agreement with Heidaker Land Services, Inc., to increase the work authorization to \$1,000,000.00; (8) Addendum No. 5 to Master Service Agreement with AECOM Technical Services, Inc., in the amount of \$304,218.75 to address contract time extension and scope of services modification; and (9) Addendum No. 11 to the Master Service Agreement with Terracon Consultants, Inc., to revise Exhibit B-1 Hourly Rate Schedule. Following review and construction, Director Janneck moved to approve the above-described change orders and addenda. Director Struzick seconded the motion. A roll call of the Board was taken and the motion carried by a vote of eight for the motion with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 101 to Abstract Services of Houston to increase the maximum payable amount to \$16,000.00 and to amend the termination date to December 31, 2020; (2) Work No. 125 to Lupher, LLC in the amount of \$1,525,00; (3) Work Authorization No. 126 to Lupher, LLC in the amount of \$2,400,00; (4) Work Authorization No. 32 to Terracon Consultants, Inc., in the amount of \$32,990.00, which voids and replaces Work Authorization No. 2 to Terracon Consultants, Inc.; and (5) Work Authorization No. 2 to Mbroh Engineering Inc., in the not to exceed amount of \$30,000.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations and the supplements to work authorizations. Director Gorden seconded the motion. A roll call of the Board was taken and the motion 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. 504 ("HC MUD 504") regarding the preparation and review of a Consent to Encroachment. Following review

and discussion, Director Owens moved to approve the legal conflicts waiver. Director Weppler seconded the motion, which carried unanimously.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Ms. Silva reported that a draft Phase I Environmental Site Assessment related to acquisition of additional property for the Repump Station has been received.

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 attached engineer's report.

ENCROACHMENTS OF EASEMENTS OR OTHER REALTY INTERESTS, INCLUDING ACCEPT, CONVEY, AMEND, OR RELEASE ENCROACHMENT AGREEMENTS

The Board considered consenting to an encroachment by Monument Pipeline for a portion of the Kinder Morgan 4 segment and by HC MUD 504 for a force main crossing. Following review and discussion, Director Postle moved to approve an Encroachment Agreement with Monument Pipeline and a Consent to Encroachment for HC MUD 504 and direct that they be filed appropriately and retained in the Authority's official records. Director Janneck seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

TEXAS WATER DEVELOPMENT BOARD FINANCING MATTERS

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS, REVIEW OF INVESTMENTS, AND AUTHORITY FEES AND CHARGES

Ms. Garcia reviewed the bookkeeper's report, a copy of which is attached, a budget comparison, and the disbursements in the bookkeeper's report submitted for the Authority's review. She then reviewed check no. 11131 payable to Encore Printstore in the amount of \$901.36 and check no. 11132 to AT&T in the amount of \$52.31. 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, and

check nos. 11131 and 11132. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion carried by a vote of seven for the motion with Directors Weppler and Postle abstaining.

TEXAS WATER DEVELOPMENT BOARD FINANCING MATTERS

Ms. Vinson reviewed the Financing Agreement with the Texas Water Development Board for the Series 2020 Water System Junior Lien Revenue Bonds and the Financing Agreement with the Texas Water Development Board for the Series 2020A Water System Revenue Bonds (the "Financing Agreements"). Following review and discussion, Director Wheeler moved to approve the Financing Agreements. Director Janneck seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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.

INTERLOCAL AGREEMENT WITH HARRIS GALVESTON SUBSIDENCE DISTRICT

Ms. Vinson reviewed an Interlocal Agreement with the Harris Galveston Subsidence District regarding the sponsorship of 5,000 conservation kits. Following review and discussion, Director Owens moved to approve the Interlocal Agreement. Director Wheeler seconded the motion, which carried by a vote of eight for the motion with Director Weppler voting against the motion.

RISK MANAGEMENT SERVICE AGREEMENT WITH MCGRUFF, SEIBELS & WILLIAMS, INC.

The Board considered approving the Risk Management Service Agreement with McGriff, Seibels & Williams, Inc. Following review and discussion, Director Wheeler moved to approve the Risk Management Service Agreement. Director Weppler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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

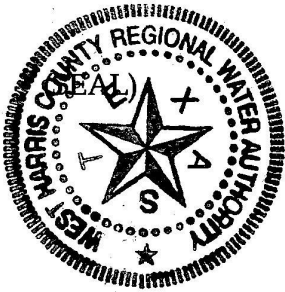
Mr. Thomas reviewed the operator's report, a copy of which is attached.

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.

/s/ Douglas (Cam) Postle
Secretary, Board of Directors



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