

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 9, 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 9th day of September, 2020, and the roll was called of the members of the Board being present by video and/or telephone:

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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 Director Thornhill, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations (“Inframark”); 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.

PUBLIC COMMENT

Director Hansen offered any members of the public attending the meeting by video or telephone the opportunity to make public comment. No members of the public requested to make public comment.

MINUTES OF PREVIOUS MEETING

The Board reviewed the minutes of the August 12, 2020, Authority Board meeting. Following discussion, Director Struzick moved to approve the minutes of the August 12, 2020, meeting, as submitted. The motion was seconded by Director Wheeler. 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

There was no discussion on this matter.

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 reported that Barbara Payne is working on the presentation for the virtual fall forum scheduled for October 28, 2020.

ENGINEERING MATTERS

Ms. Silva reviewed an engineer’s report, a copy of which is attached.

Ms. Silva reviewed with the Board a monthly pumpage report. She pointed out that the pumpage for 2020 through August is approximately 102.8% of the previous year at this date. Ms. Silva also reported that approximately 25.39 million gallons per day (“MGD”) of surface water was purchased from the City of Houston (the “City”) during August, 2020.

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

Ms. Silva also reported that a video of the Authority’s virtual presentation at the Association of Water Board Directors virtual summer conference has been posted to the Authority website.

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

There was no discussion on this matter

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 SWSP Segment 3-A4, the SWSP Segment A casing project, and Contract 36.

Ms. Silva recommended closing out and authorizing final acceptance of the contract for the SWSP Segment A clearing project. Discussion ensued and she informed the Board that the project is being closed out due to access issues with certain parcels along the SWSP Segment A alignment and that clearing of those parcels will be included as part of the bid package for the SWSP Segment A construction contract.

Ms. Silva then recommended approval of (1) Pay Estimate No. 12 in the amount of \$49,278.25 to Hawkins Lease Service, Inc., for the SWSP Segment A clearing contract; (2) Pay Estimate No. 10 in the amount of \$564,107.85 to Main Lane Industries, Ltd., for Contract 38; (3) Pay Estimate No. 8 in the amount of \$275,359.95 to Main Lane Industries, Ltd., for Contract 35; (4) Pay Estimate No. 1 in the amount of \$57,150.00 to Persons Services, Corp., for Contract 36; (5) Pay Estimate No. 7 in the amount of \$280,020.96 to Garney Companies, Inc., for SWSP Segment 3-A4; (6) Pay Estimate No. 4

in the amount of \$626,005.53 to Persons Services, Corp., for Contract 37; and (7) Pay Estimate No. 2 in the amount of \$113,850.00 to Garney Companies, Inc., for the SWSP Segment A casing package. Following review and discussion, Director Weppler made a motion to close out the contract for the SWSP Segment A clearing project and authorize acceptance of the project, and approve the above-mentioned pay estimates, as recommended. Director Owens 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 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 then reported that EHRA, the engineer for the Kinder Morgan 7 Segment and Contract 32, resubmitted 60% design plans.

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

Ms. Silva reported that Black & Veatch, the engineer for SWSP Segment B, 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 has been released and responses are due in September 2020.

Ms. Silva then reported that the contract for construction of SWSP Segment C-1 was awarded to S.J. Louis and the contract for construction of SWSP Segment C-2 was awarded to Harper Brothers.

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. She noted that the land survey and pipeline location probing for the additional property has been completed.

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 and a response to the TCEQ. She noted that AECOM completed the Storm Water Quality Management Plan required for Harris County plan review.

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.

Director Struzick reported on the efforts of the Authority Board and consultants to resolve the issues with obtaining City approval on design plans for the SWSP and other Authority projects.

The Board then considered approving the following: (1) Addendum No. 11 to the contract with V&A Consulting Engineers, Inc., for cathodic protection services to increase the overall contract amount by \$100,000.00 to \$1,150,000.00 and revise Exhibit B-1 Rate Schedule to 2020 Rates; (2) Addendum No. 2 to the contract with V&A Consulting Engineers, Inc., for construction phase services for SWSP Segments C-1 and C-2 to increase the contract amount from \$700,000.00 to \$800,000.00; and (3) Addendum No. 2 to the Master Service Agreement with Prime Controls, LP to increase the work authorization from \$50,000.00 to \$100,000.00. Following review and discussion, Director Wheeler moved to approve the above-described addenda. Director Weppler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

The Board then considered the following work authorizations: (1) Work Authorization No. 30 to V&A Consulting Engineers, Inc., in the not to exceed amount of \$82,017.00; (2) Work Authorization No. 9 to V&A Consulting Engineers, Inc., in the not to exceed amount of \$33,371.00; (3) Supplement No. 2 to Work Authorization No. 101 to Abstract Services of Houston to amend the New Title Certificates at \$350.00 per report and Update Title Reports at \$100.00 per report; (4) Work Authorization No. 106 to Abstract Services of Houston in the amount of \$250.00; (5) Work Authorization No. 155 to Rapid Research in the amount of \$200.00; (6) Work Authorization No. 15 to Integra Realty Resources - Houston in the amount of \$29,000.00; (7) Work Authorization No. 13 to Integra Realty Resources - Houston in the amount of \$3,850.00; (8) Supplement No. 1 to Work Authorization No. 21 to PAS Property Acquisition Services, LLC to extend the termination date to March 15, 2019; (9) Supplement No. 1 to Work Authorization No. 9 to KUO & Associates, Inc., to extend the termination date to December 31, 2020; (10) Work Authorization No. 127 to Lupher, LLC in the amount of \$5,200.00; (11) Work Authorization No. 19 to Jones & Carter, Inc., in the amount of \$1,663.00; and (12) Work Authorization No. 3 to Prime Controls, LP in the amount of \$36,752.00. Following

review and discussion, Director Struzick moved to approve the above-described work authorizations and the supplements to work authorizations. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion carried by a vote of six for the motion with Directors Wepler and Postle abstaining.

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 attached 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.

APPROVE EMERGENCY RESPONSE PLAN AND FILING OF CERTIFICATION OF SAME WITH THE ENVIRONMENTAL PROTECTION AGENCY

Ms. Vinson reported on certain certification obligations that the Authority must meet under the America's Water Infrastructure Act of 2018 (the "Act"). She stated that, pursuant to the Act, the Authority must certify to the Environmental Protection Agency that its community water system has completed an Emergency Response Plan (the "Plan"). Ms. Silva discussed the Authority's Plan. After review and discussion, Director Owens moved to approve the Emergency Response Plan subject to final review by the Board and Authority consultants, authorize the filing of certification of the Plan with the Environmental Protection Agency, and direct (1) the Plan to be filed confidentially in the Authority's official records; and (2) confirmation of certification to be filed in the Authority's official records. Director Gorden seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVE SYSTEM INSPECTION REPORT REQUIRED BY SECTION 701(C) OF THE
INDENTURE OF TRUST

Ms. Vinson reported that the Indenture of Trust requires an inspection of the Authority's system every five years, which has been completed by Lockwood, Andrews & Newnam, Inc. Following review and discussion, Director Struzick complimented the report for its thoroughness and moved to accept the system inspection report and authorize filing of the report with the Trustee. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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. Following review and discussion, Director Owens moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Struzick seconded the motion. A roll call of the Board was taken and the motion carried by a vote of six for the motion with Directors Wepler and Postle abstaining.

DISCUSS PROPOSED RATE INCREASE AND AUTHORIZE DISTRIBUTION OF
NOTICE REGARDING PROPOSED RATE INCREASE

The Board considered authorizing distribution of a notice regarding a proposed \$0.25 increase in its pumpage fee and surface water fee to be considered by the Board at its November 11, 2020, meeting. Following review and discussion, Director Wheeler moved to authorize distribution of such notice. 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

Director Hansen and Ms. Vinson gave an update on the proposed Series 2020 Water System Junior Lien Revenue Bonds and the Series 2020A 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 reviewed the operator's report, a copy of which is attached. He reported that the West Harris County Municipal Utility District No. 7 requested a billing adjustment in the amount of \$34,105.60 based on testing results for over-reported gallons.

Mr. Thomas then presented a letter from Inframark stating that the annual CPI increase results in a 2.9% increase in the manual meter read fee and equipment rates for 2020. He noted that Inframark will increase the rates starting with the September 2020 billing period.

Following review and discussion, Director Wheeler moved to (1) approve a billing adjustment in the amount of \$34,105.60 for the West Harris County Municipal Utility District No. 7; and (2) authorize execution of the CPI Letter and direct that it be filed appropriately and retained in the Authority's official records. Director Wepler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 C. Postle
Secretary, Board of Directors



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