

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 11, 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 11th day of November, 2020, and the roll was called of the members of the Board being present by video and/or telephone:

Eric Hansen	President
Larry Wepler	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 Wepler, 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](http://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 MEETINGS

The Board reviewed the minutes of the October 14, 2020 Authority regular Board meeting and the October 28, 2020 Authority special Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the October 14, 2020 meeting and the October 28, 2020 meeting, as submitted. The motion was seconded by Director Gorden. 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 will continue conducting its Board meetings via teleconference and videoconference until further notice.

## 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

Ms. Payne discussed the Water U virtual classroom and the virtual Fall Forum held on October 28, 2020.

Ms. Payne reported that billing inserts can be ordered online through the Authority's website.

Ms. Payne stated that preparation of the Authority's newsletter has begun and suggestions for content to be included in the newsletter should be directed to her.

## ENGINEERING MATTERS

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

Ms. Silva reviewed the monthly pumpage report. She pointed out that the pumpage for 2020 through October is approximately 102.1% of the previous year at this date. Ms. Silva reported that during October 2020, one of the City of Houston's (the "City) meters stopped reading and that City operators are trouble shooting to determine the problem and updated readings will be provided as soon as the information is available.

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 Harris County Municipal Utility District No. 569 is a new district in Precinct 9.

Ms. Silva then reported that Harris County Municipal Utility District No. 465 has 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 Contract 38, Contract 37, Contract 35, the Contract for the Surface Water Supply Project ("SWSP") Segment 3-A4, the SWSP Segment A casing project, and Contract 36.

Ms. Silva recommended approval of (1) Pay Estimate No. 11 in the amount of \$79,173.31 to Main Lane Industries, Ltd., for Contract 38; (2) Pay Estimate No. 10 in the amount of \$39,786.00 to Main Lane Industries, Ltd., for Contract 35; (3) Pay Estimate No. 2 in the amount of \$65,053.80 to Persons Services, Corp., for Contract 36; (4) Pay Estimate No. 9 in the amount of \$839,251.03 to Garney Companies, Inc., for SWSP

Segment 3-A4; and (5) Pay Estimate No. 6 in the amount of \$666,751.50 to Persons Services, Corp., for Contract 37. Following review and discussion, Director Struzick made a motion to 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

Ms. Silva reported that the Authority has accepted the true-up reports from the City for the operation and maintenance costs of the East Water Purification Plant for the fiscal years 2014 through 2019 and the Authority will receive a credit from the City in the approximate amount of \$3,500,000 for future invoices for operations and maintenance costs of the East Water Purification Plant.

Ms. Silva then 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.

Mr. Ahrens reviewed the attached photographs of the Capers Ridge Pump Station and reported on construction of the Luce Bayou Interbasin Transfer Project .

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 advertisement for bids for construction of Contract 50 will occur after the necessary easements for the project have been acquired.

Ms. Silva then reported that EHRA, the engineer for the Kinder Morgan 7 Segment is working on resubmittal of 60% design plans.

Ms. Silva also reported that comments were returned to EHRA on 90% design plans for Contract 32.

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

Ms. Silva reported that DEC sent response letters to the City regarding the plan review letters provided for SWSP Segments B1 and B2 and Segment 3. She also reported that the Authority will revise the criteria and re-advertise the request for qualifications for SWSP Segment B3 (the "Long Tunnel") to ensure an adequate number of qualified bidders are available for the Long Tunnel project.

Ms. Silva then reported that the contracts for construction of SWSP Segments C-1 and C-2 will be submitted to the Texas Water Development Board for approval. She noted that insurance information is still under review for the contract for construction of SWSP Segment C-2.

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

Ms. Silva reported that AECOM, the engineer for the Central Pump Station, is working on the response to City comments on the 100% design plans and a response to the Texas Commission on Environmental Quality regarding the location of the City's required air break.

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.

The Board then considered the following work authorizations: (1) Supplement No. 2 to Work Authorization No. 6 to KDM acquisition Services, Inc., to extend the termination date until project completion; (2) Work Authorization No. 132 to Luper, LLC in the amount of \$16,500.00; (3) Work Authorization No. 133 to Luper, LLC in the amount of \$5,200.00; (4) Work Authorization No. 158 to Rapid Research, Inc., in the amount of \$2,800.00; and (5) Work Authorization No. 159 to Rapid Research, Inc., in the amount of \$400.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and the supplement to work authorization. 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 Director 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.

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 (Continued)

Ms. Vinson reviewed an Agreement for Investment Advisory Services with Hilltop Securities Asset Management, LLC. Following review and discussion, Director Owens made a motion to approve to approve the Agreement for Investment Advisory Services and direct that the agreement 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."

Ms. Vinson then reviewed Change Order No. 3 to the Website Development and Management Agreement for the SWSP with The Texas Network. Following review and discussion, Director Struzick made a motion to approve Change Order No. 3 to the Website Development and Management Agreement for the SWSP and direct that it be filed appropriately and retained in the Authority's official records. Director Thornhill seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 FINANCING MATTERS, INCLUDING  
UPDATE ON SERIES 2020 WATER SYSTEM JUNIOR LIEN REVENUE BONDS AND  
SERIES 2020A WATER SYSTEM REVENUE BONDS

Ms. Vinson reported that the Junior Lien Water System Revenue Bonds, Series 2020 and the Water System Revenue Bonds, Series 2020A are scheduled to close on November 24, 2020.

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

Mr. Hansen provided an overview of proposed changes to the Authority's Rate Order to reflect increased fees, account for the new automated meter reading system, and provide for additional payment options, among other things. He also noted that a letter was sent out to all Authority customers informing them of the proposed rate increase and that the proposed rate increase has been discussed at prior Authority Board meetings and the Authority's virtual Fall Forum. Ms. Vinson then reviewed the Amended Rate Order and the notice of fee increases (the "Notice"). Following review and discussion, Director Struzick moved to adopt the Amended Rate Order and to authorize distribution of the Notice. 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. She then reviewed check no. 1195 payable to Cherry Demolition in the amount of \$12,718.00. Following review and discussion, Director Owens moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report, and check no. 1195. Director Thornhill seconded the motion. A roll call of the Board was taken and the motion carried by a vote of six for the motion with Director Postle abstaining and Director Wheeler not being able to participate in the vote.

APPROVE AMENDMENT TO LETTER OF CREDIT WITH CENTRAL BANK

The Board considered approving an amendment to the Letter of Credit with Central Bank. Following discussion, Director Owens moved to approve the Letter of Credit amendment with Central Bank. Director Postle seconded the motion. A roll call of the Board was taken and the motion carried by a vote of seven for the motion with Director Wheeler not being able to participate in the vote.

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.

Mr. Thomas requested that the Board approve a proposal from Yellowstone Landscape, a subcontractor of Inframark, for tree trimming services at Eldridge and Tanner Road in the amount of \$8,225.00.

Mr. Thomas then requested that the Board approve payment of an invoice from Schneider Electric, a subcontractor of Inframark, in the amount of \$63,752.94 for annual SCADA maintenance and repair service.

Following review and discussion, Director Gorden moved to (1) approve the proposal from Yellowstone Landscape for tree trimming services at Eldridge and Tanner Road in the amount of \$8,225.00, as a subcontractor of Inframark; and (2) approve payment of the invoice from Schneider Electric, as a subcontractor of Inframark, in the amount of \$63,752.94. Director Janneck 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.



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



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