

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 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 December, 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](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.

Mr. Robert Blumrick stated he serves as Secretary of Harris County Municipal Utility District No. 163, and he posed follow-up questions regarding Director Hansen's

comments from the last Board meeting related to the Authority's ability to meet its debt service obligations without increasing its pumpage and surface water fees in 2021. Mr. Blumrick noted that due to the COVID-19 public health emergency, municipal utility districts ("MUD") in Harris County were requested by the Harris County Judge to temporarily suspend water service disconnections and that the MUDs are having to work out payment plans with their customers, but can offer no relief on the Authority fees. Director Hansen stated that each Authority Board member has served on a MUD Board and understands the uncertainty and financial hardship of the effect of the COVID-19 pandemic on MUD customers, but that use of Authority cash reserves to meet debt service obligations in 2021 (in lieu of a rate increase) could have an adverse effect on Authority bond ratings and lead to an increase in interest rates for future Authority bond issues.

There being no additional members of the public requesting to make public comment, Director Hansen moved to the next agenda item.

#### MINUTES OF PREVIOUS MEETINGS

The Board reviewed the minutes of the November 11, 2020 Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the November 11, 2020 meeting, as submitted. The motion was seconded by Director Janneck. 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

Mr. Hansen reported that the Authority will continue conducting its Board meetings via teleconference and videoconference while Governor Abbott's emergency disaster declaration is still in place.

#### 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 reported that the recording of the virtual 2020 Fall Forum is available for viewing on the Authority's website. Ms. Payne stated suggestions for content to be added to the Water U virtual classroom should be directed to her.



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.

Ms. Payne reported that Rising Cost of Water brochures can be advance ordered online through the Authority's website.

#### 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 November is approximately 103.5% of the previous year at this date and that the average usage for 2020 is projected to be 55.69 MGD compared to 64.10 MGD used in the financial projections. Ms. Silva then reported that during October 2020 and November 2020, one of the City of Houston's (the "City") meters stopped reading and that the reported water usage for those months are readings from the Authority's meters.

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 the application for the 2021 well permit was submitted to the Harris Galveston Subsidence District.

Ms. Silva then reported that Harris County Municipal Utility District No. 540 and Lake Forest of Kelliwood each have a new well. She noted that the new well for Lake Forest of Kelliwood is a replacement 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 35, Contract 36, Contract 37, Contract 38, Surface Water Supply Project ("SWSP") Segment 3-A4, SWSP Segment A Casing Project, SWSP Segments C1 and C2, and the Pump Station No. 1 Security Camera Upgrades project.

She reported that Contract 35 is nearing completion and that the contractor is working on punch-list items for the meter/flow control stations at Harris County MUD No. 165's water plants and that start up to receive surface water is anticipated after the holidays.

She informed the Board that the contractor is installing the 24-inch pipeline for Contract 36.

She then reported that the contractor has completed installation of the waterline and is working on punch list items for Contract 37.

She also reported that the pipeline has been installed and the contractor is disinfecting the line for Contract 38.

Ms. Silva informed the Board that the Security Camera upgrades for Pump Station No. 1 have been completed and she recommends that the Board accept the project and begin the warranty period.

Ms. Silva then reported that SWSP Segment 3-A4 is close to completion and that the contractor is grouting tunnels, piping out valves and restoring the surface.



Ms. Silva informed the Board that access to the parcel for the SWSP Segment A Casing Project has been obtained, and the project is moving forward.

Ms. Silva reported on the progress of SWSP Segments C1 and C2 and informed the Board that the Texas Water Development Board ("TWDB") has authorized issuance of notice to proceed for those contracts. She stated that construction notices are being prepared for affected property owners, residents, and businesses along the route and that mobilization will occur after the holidays. Discussion ensued regarding construction noticing of residents, appropriate entities, and public agencies that will be impacted by construction of the SWSP Segments C1 and C2.

Ms. Silva then recommended approval of Amendment No. 1 to the Contract for SWSP Segment C2 with Harper Brothers to address insurance requirements related to allowing a letter of credit in lieu of certain deductible thresholds. She reported that the proposed Amendment No. 1 will not affect the monetary amount of the contract or the schedule. She also reported that Amendment No. 1 will require TWDB approval. The Board determined that Amendment No. 1 is beneficial to the Authority. After review and discussion, Director Weppler moved to approve Amendment No. 1 to the Contract for the SWSP Segment C2 with Harper Brothers to address insurance requirements related to letter of credit agreements, based upon the Board's finding that the Amendment is beneficial to the Authority and the engineer's recommendation and subject to approval of the Amendment from the TWDB. Director Owens seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Silva then recommended approval of (1) Pay Estimate No. 3 in the amount of \$1,146,095.10 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 7 in the amount of \$494,843.40 to Persons Services Corp., for Contract 37; (3) Pay Estimate No. 10 in the amount of \$108,946.55 to Garney Companies, Inc., for SWSP Segment 3-A4; and (4) Pay Estimate No. 1 and Final to Today's Integration Inc., in the amount of \$84,636.96 and acceptance of the project for the Pump Station No. 1 Security Camera Upgrades. Following review and discussion, Director Weppler made a motion to approve the above-mentioned pay estimates and acceptance of the project for the Pump Station No. 1 Security Camera Upgrades, as recommended. Director Wheeler 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 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. She stated that a meeting with the City was held and DEC is addressing the required comments and expects that the projects can move forward and approval signatures can be obtained from the City.

AUTHORIZE ENGINEER TO NOTIFY CITY OF HOUSTON OF THE AUTHORITY'S ANTICIPATED DEMAND FOR UPCOMING FISCAL YEAR

The Board considered authorizing DEC to notify the City of the Authority's anticipated demand for the upcoming fiscal year. Following discussion, Director Gorden moved to authorize DEC to notify the City of Houston of the Authority's anticipated demand for the City's upcoming fiscal year. Director Thornhill seconded the motion, which carried unanimously.

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, resubmitted 60% design plans.

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

Ms. Silva reported that submittal by AECOM of 90% design plans for SWSP Segment A is scheduled for February 1, 2021.

Ms. Silva reported that Black & Veatch, the engineer for SWSP Segment B, is finalizing plans for final submittal to agencies.

Ms. Silva reported that submittals for qualifications for contractors for SWSP Segment B3 (the "Long Tunnel") are due December 17, 2020.

Ms. Silva also reported that Freese & Nichols, the engineer for the RePump Station, received comments on the Drainage Impact Analysis from Harris County Flood Control District ("HDFCD") and a meeting with HCFCFCD has been requested for comment clarification.

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 waiting on Segment A plan progress to continue work on the Segment A valve stations.

The Board then considered the following work authorizations: (1) Supplement No. 2 to Work Authorization No. 7 to Integra Realty Resources to increase the maximum amount payable under this work authorization to \$49,000.00; (2) Supplement No. 18 to Work Authorization No. 4 to Fugro USA Land, Inc., in the amount of \$7,840.00; (3) Work Authorization No. 136 to Lupher, LLC in the amount of \$5,300.00; (4) Work Authorization No. 135 to Lupher, LLC in the amount of \$3,225.00; (5) Work Authorization No. 134 to Lupher, LLC in the amount of \$18,000.00; (6) Work Authorization No. 160 to Rapid Research, Inc., in the amount of \$285.00; (7) Supplement No. 1 to Work Authorization No. 8 to Texas American Title Company to increase the maximum payable amount to \$3,000.00 and extend the termination date until project completion; and (8) Work Authorization No. 107 to Title Houston Holdings Ltd. dba Abstract Services of Houston in the amount of \$350.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations and supplements to work authorization. Director Janneck 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.

#### 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.



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 (CONTINUED)

Ms. Vinson reviewed the Agreement Regarding Credits for Alternative Water Supply Use with Harris County Municipal Utility District Nos. 374 and 433. Following review and discussion, Director Owens moved to approve the Agreement Regarding Credits for Alternative Water Supply Use with Harris County Municipal Utility District Nos. 374 and 433. Director Gorden seconded the motion. A roll call of the Board was taken and the motion carried unanimously.

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

There was no discussion on this matter.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2020; ENGAGE MCGRATH & CO., PLLC TO PREPARE AGREED UPON PROCEDURES REPORT REGARDING THE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2020, AND TERMINATE PREVIOUS ENGAGEMENT LETTER WITH MCGRATH & CO., PLLC TO PREPARE AUTHORITY'S FINANCIAL STATEMENTS FOR AUDIT

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to conduct the audit for the fiscal year ending December 31, 2020. The Board then considered engaging McGrath & Co., PLLC to prepare the agreed-upon procedures regarding the audit for the fiscal year ending December 31, 2020, and terminating the prior engagement letter with McGrath & Co., PLLC to prepare the Authority's financial statements for audit. Following discussion, Director Struzick moved to authorize McCall Gibson Swedlund Barfoot PLLC to conduct the audit for the fiscal year ending December 31, 2020, engage McGrath & Co., PLLC to prepare the agreed-upon procedures regarding the audit for fiscal year ending December 31, 2020, and terminate the engagement letter with McGrath & Co., PLLC, dated January 9, 2019, to prepare the



Authority's financial statements for audit. Director Thornhill seconded the motion. A roll call of the Board was taken and the motion carried unanimously.

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. Ms. Garcia noted that check no. 1230 in the amount of \$54,275.28 payable to Norton Rose Fulbright will be voided. She then reviewed check no. 1238 payable to Norton Rose Fulbright in the amount of \$31,363.06. Following discussion, the Board concurred to not approve payment to Norton Rose Fulbright at this time. Following review and discussion, Director Owens moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report, except check no 1230 and 1238 payable to Norton Rose Fulbright. Director Janneck 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 in the vote.

OPERATING BUDGET AND JOINT FACILITIES OPERATING BUDGET FOR FISCAL YEAR END DECEMBER 31, 2021

Ms. Garcia reviewed the proposed operating budget and joint facilities operating budget for fiscal year ending December 31, 2021. Following review and discussion, Director Struzick moved to approve the operating budget and joint facilities operating budget for fiscal year ending December 31, 2021. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

ANNUAL LETTER TO NORTH FORT BEND WATER AUTHORITY ("NFBWA") REGARDING ANNUAL DEBT SERVICE PAYMENTS DUE UNDER THE JOINT FACILITIES AGREEMENT

The Board considered authorizing the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2021 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Following discussion, Director Struzick moved to authorize the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2021 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

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.

AUTHORIZE OPERATOR TO READ GROUNDWATER METERS

The Board considered authorizing Inframark to read all of the well meters at calendar year end, to comply with Harris Galveston Subsidence District rules. Following discussion, Director Wheeler moved to authorize Inframark to read all meters at calendar year end. Director Gorden seconded the motion, which carried unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

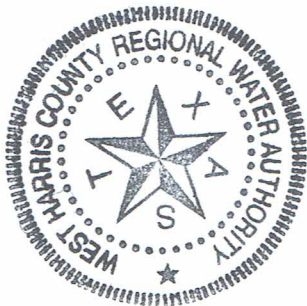
Ms. Vinson reported that ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas.

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)



/s/ Douglas C. Postle  
Secretary, Board of Directors



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