

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

January 13, 2021

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 13th day of January, 2021, 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 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. There being no 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 December 9, 2020, Authority Board meeting. Following review and discussion, Director Owens moved to approve the minutes of the December 9, 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

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

Ms. Payne stated preparation of the Authority's newsletter has begun and she anticipates that it will be completed by the end of the month.

Ms. Payne reported that a videotape of the Water Is Life mobile lab is being prepared for use in virtual classrooms.

The Board considered authorizing attendance of its members at the virtual Association of Water Board Directors ("AWBD") winter conference and the Texas Water Conservation Association ("TWCA") annual conference in the Spring. After discussion, Director Wheeler moved to authorize attendance of the Board members at the virtual AWBD winter conference and the TWCA annual conference in the Spring. The motion was seconded by Director Gorden and carried by unanimous vote.

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 December is approximately 103.1% 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 from October

2020 through December 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.

Ms. Silva also reported that for December, the Authority was 38.43% converted to surface water and that for the 2020 calendar year, the Authority was 35.023% converted to surface water.

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.

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. 532 is a new district in Precinct 9.

Ms. Silva then reported that Harris County Municipal Utility District No. 465, Harris County Municipal Utility District No. 171, and Harris County Municipal Utility District No. 540 each have a new well.

Director Struzick joined the meeting.

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, and SWSP Segments C1 and C2.

Ms. Silva reported that the contractor for Contract 35 is working on punch-list items for the meter/flow control stations at Harris County MUD No. 165's ("HC MUD 165") water plants. She noted that HC MUD 165's Water Plant No. 2 and Water Plant No. 3 started receiving surface water on December 17, 2020, and January 4, 2021, respectively, and she anticipates that HC MUD 165's Water Plant No. 4 will start to receive surface water in approximately two weeks.

Ms. Silva informed the Board that the contractor for Contract 36 is installing the 24-inch pipeline and working on the meter/flow control station.

Regarding Contract 37, Ms. Silva reported that installation of the waterline is complete, the contractor is working on punch-list items, and coordination with HC MUD 165 to receive surface water for Water Plant No. 1 is on-going.

Ms. Silva reported that the pipeline has been installed for Contract 38 and the final walkthrough is being scheduled.

Ms. Silva then reported that the contractor for SWSP Segment 3-A4 is working on punch-list items for the final walkthrough in early February 2021.

Ms. Silva informed the Board that the contractor for the SWSP Segment A Casing Project is preparing to mobilize within the next 30 days.

Ms. Silva reported on the progress of SWSP Segments C1 and C2 and informed the Board that the notices to proceed for the projects have been issued and the contractors are doing submittals.

Ms. Silva recommended approval of: (1) Pay Estimate No. 4 in the amount of \$461,820.60 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 8 in the amount of \$115,449.53 to Persons Services Corp., for Contract 37; and (3) Pay Estimate No. 11 in the amount of \$872,184.37 to Garney Companies, Inc., for SWSP Segment 3-A4. Following review and discussion, Director Weppler made a motion to approve the above-mentioned pay estimates, as recommended. Director Janneck 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 a letter agreement with the City related to Authority projects located in the City's corporate limits and City approval of Authority design plans of the same was finalized in December 2020 and was approved by City Council on January 6, 2021. She stated that final plan approval can now be obtained from the City and projects can move forward. Ms. Silva noted Segments 3-A2 and 3-A3 along the CenterPoint corridor are the next projects being scheduled for advertising.

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 comments were returned to EHRA on 60% design plans for the Kinder Morgan 7 Segment.

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 then reported that submittals for qualifications for contractors for SWSP Segment B3 (the "Long Tunnel") are under review.

Ms. Silva also reported that Freese & Nichols, the engineer for the RePump Station, is addressing comments on the drainage impact analysis from Harris County Flood Control District and working on related site plan changes.

Ms. Silva reported that AECOM, the engineer for the Central Pump Station, is waiting on a response from the Texas Commission on Environmental Quality regarding

the location of the City's required air break and working on approval from Harris County related to the Stormwater Quality Plan.

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) Work Authorization No. 2 to Black & Veatch Corporation in the amount of \$20,000; (2) Work Authorization No. 42 to Hawkins Lease Service, Inc. in the amount of \$410,306.00; (3) Work Authorization No. 33 to Terracon Consultants, Inc. in the amount of \$9,100.00; (4) Work Authorization No. 137 to Lupher, LLC in the amount of \$6,650.00; (5) Work Authorization No. 138 to Lupher, LLC in the amount of \$3,220.00; (6) Work Authorization No. 139 to Lupher, LLC in the amount of \$17,545.00; (7) Work Authorization No. 156 to Rapid Research, Inc., in the amount of \$750.00; (8) Work Authorization No. 157 to Rapid Research, Inc., in the amount of \$200.00; (9) Work Authorization No. 161 to Rapid Research, Inc., in the amount of \$6,500.00; and (10) Work Authorization No. 162 to Rapid Research, Inc., in the amount of \$100.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations. Director Wepler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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.

Ms. Silva reported that the abandoned vehicles on the Authority property located at Hopper and Shady Lane have been removed and the property will be cleaned up and fenced as soon as possible.

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

The Board considered consenting to an encroachment by Cordoba Estates for a private road and an 8" sanitary sewer line crossing. Following review and discussion, Director Wepler moved to approve an Encroachment Agreement for Cordoba Estates and direct that it be filed appropriately and retained in the Authority's official records. Director Postle 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 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. Following review and discussion, Director Gorden moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. 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 Postle and Wepler abstaining in the vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board next considered accepting the annual disclosure statements of the bookkeeper and Investment Officer. Following review and discussion, Director Thornhill moved to accept the annual disclosure statements of the bookkeeper and Investment Officer. Director Struzick seconded the motion, which passed by unanimous 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.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Bapat reported on the Authority's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

ARBITRAGE REBATE REPORT FOR THE SERIES 2015 BONDS

Mr. Bapat reviewed with the Board the arbitrage rebate report prepared by OmniCap Group LLC for the Series 2015 Water System Junior Lien Revenue Bonds. He noted that OmniCap Group LLC determined that there was no rebate or yield reduction payment due on the Series 2015 Water System Junior Lien Revenue Bonds.

OPERATION OF AUTHORITY FACILITIES, BILLINGS, REPAIRS, INSPECTIONS, MAINTENANCE, CATHODIC PROTECTION, AUTOMATIC METER READING, REQUESTS FOR REIMBURSEMENT, 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 authorize Inframark to order a spare GE Multilins unit for the pump station no. 1 booster pumps in the amount of \$7,500.00. Following review and discussion, Director Janneck moved to authorize Inframark to order a spare GE Multilins unit for the pump station no. 1 booster pumps in the amount of \$7,500.00. Director Struzick 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



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
engineer's report	2
bookkeeper's report	7
operator's report.....	8