

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

February 10, 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 10th day of February, 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 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. 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 January 13, 2021, Authority Board meeting. Following review and discussion, Director Owens moved to approve the minutes of the January 13, 2021 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

Director Hansen reported that the Authority will continue conducting its Board meetings via teleconference and videoconference for the foreseeable future.

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 discussed a recent security breach at a municipal water treatment plant in Oldsmar, Florida via its Supervisory Control and Data Acquisition (SCADA) system and discussed the systems in place that would prevent a similar attack from occurring at the Authority's facilities.

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 the "Rising Cost of Water" brochure can be ordered online through the Authority's website and noted that the brochure is available in Spanish for downloading.

Ms. Payne reported that there are six new billing inserts regarding irrigation that can be ordered online through the Authority's website.

Ms. Payne then reported that the 2021 edition of the "Partners in Progress" newsletter is available online.

Ms. Payne also reported that a video and publications regarding preparing pipes for freezing weather have been posted to the Authority's website and noted that the materials can be made available for posting to district websites.

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 2021 through January is approximately 105.8% of the previous year at this date and that the average usage for 2021 is projected to be 64.37 MGD compared to 66.53 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 for January and thus far for the 2021 calendar year, the Authority was 38.21% converted to surface water.

Ms. Silva also 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.

JOINT WATER LINE PROJECTS

The Board considered authorizing the bookkeeper to prepare and issue the quarterly cash call in the amount of \$13,924,000 for the SWSP, of which 55.1% is payable by Authority and 44.9% is payable by the North Fort Bend Water Authority ("NFBWA") in accordance with the Joint Facilities Agreement. Following discussion, Director Struzick moved to authorize the bookkeeper to prepare and issue the quarterly cash call for the SWSP in the amount of \$13,924,000. Director Weppler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 DEC submitted the annual groundwater pumpage report due to the Harris-Galveston Subsidence District.

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, SWSP Segment 3-A4, SWSP Segment A Casing Project, and SWSP Segments C1 and C2.

Regarding Contract 35, Ms. Silva reported that Harris County MUD No. 165's ("HC MUD 165") Water Plant Nos. 2, 3, and 4 are now receiving surface water.

Ms. Silva informed the Board that the contractor for Contract 36 is installing the 24-inch and 12-inch waterlines and working on the meter/flow control station.

Regarding Contract 37, Ms. Silva reported that coordination with Harris County Municipal Utility District No. 157 to receive surface water for Water Plant Nos. 2 and 3 is ongoing and she anticipates that HC MUD 165's Water Plant No. 1 will start to receive surface water in February.

Ms. Silva reported that construction for Contract 38 is complete and recommended acceptance of the project and notifying the Texas Water Development Board ("TWDB"). She noted that the final pay estimate for Contract 38 cannot be released to the contractor until the Authority receives approval from the TWDB. Following review and discussion, Director Gorden made a motion to accept the project for Contract 38, as recommended, and authorized DEC to notify the TWDB. Director Thornhill seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Silva then reported that the contractor for SWSP Segment 3-A4 is working on punch-list items for the final walkthrough in 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 draft schedules have been received, the contractors are doing submittals, and the Dispute Review Board candidates have been identified.

Ms. Silva recommended approval of: (1) Pay Estimate No. 11 in the amount of \$161,576.41 to Main Lane Industries, Ltd., for Contract 35; (2) Pay Estimate No. 5 in the amount of \$359,933.40 to Persons Services Corp., for Contract 36; (3) Pay Estimate No. 9 in the amount of \$13,913.91 to Persons Services Corp., for Contract 37; (4) Pay Estimate No. 12 and Final in the amount of \$281,431.87 to Main Lane Industries, Ltd., for Contract 38, subject to TWDB approval; (5) Pay Estimate No. 12 in the amount of \$97,327.50 to Garney Companies, Inc., for SWSP Segment 3-A4; (6) Pay Estimate No. 1 in the amount of \$2,198,775.60 to S.J. Louis Construction, Inc. for SWSP Segment C1; and (7) Pay Estimate No. 1 in the amount of \$897,940.80 to Harper Brothers Construction, LLC for SWSP Segment C2. Following review and discussion, Director Struzick made a motion to approve the above-mentioned pay estimates, as recommended. Director Thornhill 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 approved by City Council on January 6, 2021.

Director Janneck joined the meeting.

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 necessary easements for Contract 50 are being acquired.

Ms. Silva then reported that 60% design plans submitted by EHRA for the Kinder Morgan 7 Segment are under review.

Ms. Silva also reported that comments were returned to EHRA on the latest design plans for Contract 32 and that EHRA is focusing on finalizing the project manual.

Ms. Silva reported that 90% design plans for SWSP Segment A were submitted by AECOM on February 5, 2021.

Ms. Silva reported that Black & Veatch, the engineer for SWSP Segment B, is revising the design plans to resolve issues related to the Inwood Forest Detention project, which is sponsored by Harris County Flood Control District, in order to move forward with agency approval.

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

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

Ms. Silva reported that AECOM, the engineer for the Central Pump Station, received approval on the air break variance from the Texas Commission on Environmental Quality and is 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.

Ms. Silva reported that bids for construction of the SWSP Segment 3-A2 project are due February 18, 2021.

Ms. Silva provided an update on design and schedule matters concerning the SWSP Kinder Morgan and Segment 3 segments and stated Segment 3-A1 is the next project being scheduled for advertising.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 7 to Integra Realty Resources to increase the maximum amount payable under this work authorization to \$44,000.00; (2) Supplement No. 1 to Work Authorization No. 4 to Arch Aerial, LLC to extend the termination date to December 31, 2023; (3) Supplement No. 1 to Work Authorization No. 6 to Integra Realty Resources to increase the maximum amount payable under this work authorization to \$120,000.00 and to extend the termination date until project completion; (4) Supplement No. 1 to Work Authorization No. 3 to KIT Professionals, Inc. to extend the termination date until project completion; (5) Work Authorization No. 164 to Rapid Research, Inc., in the amount of \$100.00; (6) Work Authorization No. 163 to

Rapid Research, Inc., in the amount of \$150.00; (7) Supplement No. 1 to Work Authorization No. 139 to Lupher, LLC to amend the scope and to increase the maximum amount payable under this work authorization to \$21,545.00; (8) Work Authorization No. 140 to Lupher, LLC in the amount of \$4,200.00; (9) Work Authorization No. 141 to Lupher, LLC in the amount of \$1,500.00; and (10) Work Authorization No. 142 to Lupher, LLC in the amount of \$2,700.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations and supplements to work authorizations. Director Weppler 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 considered approving an engagement letter with Hunton Andrews Kurth LLP to provide legal services related to acquisition of property interests for the Authority. Following review and discussion, Director Wheeler moved to approve the engagement letter with Hunton Andrews Kurth LLP and direct that it be filed appropriately and retained in the Authority's official records. Director Owens 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

Ms. Silva provided an update on the cultural survey conducted for the additional property being acquired for the RePump Station site and stated that no artifacts were found on the property and the report is under review.

REALTY INTEREST ACQUISITION AND CONVEYANCE, INCLUDING ACCEPT, CONVEY, AMEND, APPROVE OR RELEASE EASEMENTS, EASEMENT AGREEMENTS, ASSIGNMENTS OF EASEMENTS, DEEDS, PLATS, RIGHT OF ENTRY AGREEMENTS, RELOCATION 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.

AUTHORIZE PREPARATION OF GROUNDWATER PUMPAGE REPORT DUE TO HGSD UNDER SECTION 6.2(B) OF SUBSIDENCE DISTRICT RULES

Director Hansen reported that DEC submitted the annual groundwater pumpage report due to the Harris-Galveston Subsidence District under Section 6.2(b) of Subsidence District Rules and that no Board action is needed.

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 noted that check no. 1099 to Main Lane Industries, Ltd., in the amount of \$281,431.87 for Contract 38 will not be released until approval from the TWDB is received. Ms. Vinson discussed Cash Call 10 for the Northeast Water Purification Plant Expansion Project in the amount of \$91,626,431.99. Following review and discussion, Director Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report and approve the payment of Cash Call 10 in the amount of \$91,626,431.99. 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.

ARBITRAGE REBATE REPORT FOR THE SERIES 2015A BONDS

Ms. Vinson reviewed with the Board the arbitrage rebate report prepared by OmniCap Group LLC for the Series 2015A Water System Revenue and Revenue Refunding Bonds. She noted that OmniCap Group LLC determined that there was no rebate or yield reduction payment due on the Series 2015A Water System Revenue and Revenue Refunding Bonds.

APPROVE ENGAGEMENT LETTER WITH WILLDAN FINANCIAL SERVICES

The Board considered approving an engagement letter with Willdan Financial Services to update the Authority rate study. Following review and discussion, Director Struzick moved to approve the engagement letter with Willdan Financial Services LLP 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."

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, 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 (Continued)

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

Mr. Thomas reported that Harris County Municipal Utility District No. 127 ("HC MUD 127") requested a billing adjustment from the Authority to waive late fees in the amount of \$6,663.82 due a payment being received after the due date. He noted the HC MUD 127 bookkeeper said a payment was mailed timely and was lost in the mail. Following review and discussion, Director Wheeler moved to approve the operator's report and approve a one-time waiver of late fees for HC MUD 127 in the amount \$6,663.82. 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



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