

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

May 12, 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 12th day of May, 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"); Wayne Ahrens and Melinda Silva of DEC; Erin Garcia of Myrtle Cruz, Inc.; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC; Colette Garcia of McGrath & Co.; 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.

Mr. Bob Blumrick stated he is a director of Harris County Municipal Utility District No. 163 and discussed recent print media regarding proposed increases in City

of Houston (the "City") retail water and wastewater utility service fees. He inquired regarding potential ramifications of an increase of City retail water and wastewater utility service fees for the Authority and municipal utility district located within the Authority boundaries ("Retail Water Providers"). Director Hansen stated that the Authority is not a retail customer of the City and does not pay retail rates, therefore an increase in City retail rates will not impact the Authority or its wholesale customers.

Mr. Jerry Homan stated he is a director of Harris County Municipal Utility District No. 220 and an Association of Water Board Directors Trustee and discussed his opposition to House Bill 2525 and companion Senate Bill 1892 introduced in the 87th Texas Legislature, which relate to the creation of the Lake Houston Dredging and Maintenance District. Director Hansen stated that the Authority is aware of and following House Bill 2525 and Senate Bill 1892.

Mr. Gary Tober stated he is a director of Harris County Municipal Utility District No. 238 and requested that the Authority extend the July 1, 2021, deadline by which Retail Water Providers must submit a final accounting to the Authority to be eligible to receive Authority GRP Credits pursuant to the Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits adopted by the Authority.

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 April 14, 2021, Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the April 14, 2021, meeting, as revised. The motion was seconded by Director Owens. 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 stated the Authority will continue conducting its Board meetings via teleconference and videoconference for the foreseeable future and that the Authority is researching meeting places to give attendees the option to attend Authority meetings in person.

AUDIT REPORT FOR FISCAL YEAR END DECEMBER 31, 2020

Mr. Ellis reviewed the audit report for the fiscal year end December 31, 2020. Following review and discussion, Director Owens moved to approve the audit report

for the fiscal year end December 31, 2020. Director Wepler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

AGREED-UPON PROCEDURES REGARDING THE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2020

Ms. Collette Garcia reviewed the agreed-upon procedures report (the "Report") prepared by McGrath & Co., PLLC regarding the Authority audit for fiscal year end December 31, 2020. Following review and discussion, Director Wheeler moved to accept the Report and direct that it be 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."

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 Ms. Payne stated the following: (1) billing inserts regarding irrigation and water conservation can be ordered online through the Authority's website; and (2) residents are encouraged to sign up to use the Texas A&M AgriLife Extension Water My Yard program.

ENGINEERING MATTERS

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

Ms. Silva reviewed the monthly pumpage report. She pointed out that pumpage for 2021 through April is approximately 106.51% 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 reported that for April, the Authority was 37.85% converted to surface water and that for the 2021 calendar year, the Authority was 34.27% converted to surface water.

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

Ms. Silva also reported that the emergency preparedness workshop is scheduled for May 13, 2021 at 10:00 a.m. and will be held virtually.

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 discussed the 2020 Annual Groundwater Report presented by the Harris-Galveston Subsidence District at a virtual public hearing on April 29, 2021. She noted that a recording of the presentation has been posted to the Authority's website.

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 36, Contract 37, Surface Water Supply Project ("SWSP"), SWSP Segment A Casing Project, SWSP Segments C1 and C2, and SWSP Segment 3-A2.

Ms. Silva informed the Board that the contractor for Contract 36 is installing the 12-inch waterlines through neighborhoods, and she anticipates that the pipe installation will be complete in May 2021.

Regarding Contract 37, Ms. Silva reported that start-up of Harris County Municipal Utility District No. 157's Water Plant No. 1 and Harris County Municipal Utility District No. 165's Water Plant No. 1 commenced last week, and she anticipates the project will be closed out in June 2021.

Ms. Silva informed the Board that the installation of casing for the SWSP Segment A Casing Project has commenced and 400 linear feet is complete.

Ms. Silva reported that pipe installation for SWSP Segment C1 has commenced near Westfield Village.

Ms. Silva then reported that the contractor for SWSP Segment C2 is taking delivery of pipe and installation will start at Cape Hatteras Drive and work east.

Ms. Silva also reported that contract documents for construction of SWSP Segment 3-A2 are being executed and preparation for a project kickoff meeting is underway.

Ms. Silva recommended approval of: (1) Pay Estimate No. 8 in the amount of \$264,940.70 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 4 in the amount of \$234,893.24 to S.J. Louis Construction, Inc. for SWSP Segment C1; (3) Pay Estimate No. 4 in the amount of \$337,500.00 to Harper Brothers Construction, LLC for SWSP Segment C2; and (4) Pay Estimate No. 3 in the amount of \$394,513.20 to Garney Companies, Inc for the SWSP Segment A Casing Project. Following review and discussion, Director Wepler made a motion to approve the above-mentioned pay estimates, 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 reported that the Authority has requested information from Houston Public Works ("HPW") detailing what occurred at HPW water treatment and transmission facilities during Winter Storm Uri. She noted that a copy of a presentation regarding Winter Storm Uri given by HPW to the City Council TTI Committee last week will be posted to the Authority's website.

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 design plans being prepared by EHRA for the Kinder Morgan 7 Segment are progressing.

Ms. Silva also reported that EHRA, the design engineer for Contract 32, is focusing on finalizing the project manual and bid preparation.

Ms. Silva reported that the Authority Board elected to re-open submittals for pre-qualifications for contractors for SWSP Segments A1/A2 and B1/B2. She reported that representatives from DEC and the Joint Facilities Committee reviewed the statements of qualifications ("SOQ") received from potential contractors from the second request for SOQs for Segments A1/A2 and B1/B2. Ms. Silva stated that six contractors were recommended for approval and DEC and the Joint Facilities Committee recommends that the Board pre-qualify the following contractors with their subcontractors shown in the engineer's report: (1) S.J. Louis Construction; (2) Oscar Renda Contracting; (3) Garney Companies; (4) Five Companies; (5) Thalle Construction Co.; and (6) Harper Brothers Construction. Following discussion, Director Struzick moved to approve the following contractors to be pre-qualified to bid on construction of SWSP Segments A1/A2 and B1/B2: (1) S.J. Louis Construction; (2) Oscar Renda Contracting; (3) Garney Companies; (4) Five Companies; (5) Thalle Construction Co.; and (6) Harper Brothers Construction. Director Wepler seconded the motion. A roll call of the Board was taken and the motion passed unanimously.

Ms. Silva then reported that agency comments have been received on the 90% design plans for SWSP Segment A and AECOM, the design engineer for SWSP Segment A, is addressing the comments.

Ms. Silva reported that Black & Veatch, the design engineer for SWSP Segment B, submitted final drawings for Segment B1/B2 to Harris County on March 24, 2021, and is addressing Harris County Toll Road Authority comments on Segment B3 (Long Tunnel) drawings. She stated that a Texas Department of Transportation permit is needed for submittal of the Segment B1/B2 and the Segment B3 (Long Tunnel) drawings to the City.

Ms. Silva reported that Freese & Nichols, the design engineer for the RePump Station, is working on a separate drawing package to address the required drainage system upgrades in the public right of way along W. Little York.

Ms. Silva then reported that AECOM, the design engineer for the Central Pump Station, expects to receive approval from Harris County related to the Stormwater Quality Plan soon and discussed execution of a maintenance obligation form for the permit.

Ms. Silva also reported that Mbroh Engineering, Inc., the engineer for the wide area network, fiber optic, and incidental electrical design services, is coordinating work on the SWSP Segment A valve stations and providing construction phase services for SWSP Segment C.

Ms. Silva reported that the Authority received 10 bids for SWSP Segment 3-A1. She stated that the Authority's design engineer, Binkley & Barfield, recommended that the Board award the contract to R Construction, the low bidder, in the amount of \$8,863,780.00. The Board concurred that, in its judgment, R Construction was a responsible bidder who would be most advantageous to the Authority and would result in the best and most economical completion of the project. Following review and discussion, Director Struzick moved to award SWSP Segment 3-A1 to R Construction in the amount of \$8,863,780.00, based on the engineer's recommendation and subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. 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 Wepler voting against the motion.

Ms. Silva then reported that bids were received for construction of SWSP Segment 3-A3 on April 22, 2021, and that the bids are under review.

Ms. Silva provided an update on design of SWSP Segment 3-A5 and stated the design engineer is finalizing the drawings.

Ms. Silva provided an update on design of SWSP Segment 3-B1 and stated the design engineer is finalizing the drawings and the project manual and coordinating with property owners.

Ms. Silva provided an update on correspondence with the City regarding meters at the Northeast Meter Station. She noted that installation of a butterfly valve immediately upstream of the meter station is being evaluated at the City's request.

Ms. Silva provided an update on design and schedule matters concerning the SWSP Kinder Morgan segments.

The Board then considered approving Addendum No. 2 to the Master Services Agreement with Integra Realty Resources to increase the work authorization amount from \$250,000 to \$500,000. Following review and discussion, Director Postle moved to approve the above-described addendum. Director Gorden seconded the motion. A roll call of the Board was taken and the motion carried unanimously.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 15 to Integra Realty Resources to increase the maximum payable amount under this work authorization to \$74,000.00; (2) Supplement No. 1 to Work Authorization No. 8 to Integra Realty Resources to extend the work period until services under Work Authorization No. 8 are complete; (3) Work Authorization No. 146 to Luper, LLC in the amount of \$8,400.00; (4) Work Authorization No. 167 to Rapid Research, Inc., in the amount of \$4,000.00; and (5) Work Authorization No. 168 to Rapid Research, Inc., in the amount of \$100.00. Following

review and discussion, Director Struzick moved to approve the above-described work authorizations and supplements to work authorizations. 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.

The Board considered approving an engagement letter with EEPB to provide phase 3 accounting services. Following review and discussion, Director Postle moved to approve the engagement letter with EEPB and direct that it be filed appropriately and retained in the Authority's official records. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion carried unanimously.

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, RELOCATION AGREEMENTS, APPROVE PURCHASE AND SALE AGREEMENTS, APPROVE INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT, AND AGREEMENTS WITH UNION PACIFIC RAILROAD

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. Vinson reviewed two Pipeline Crossing Agreements (the "UPRR Agreements") with Union Pacific Railroad Company ("UPRR") and stated the agreements are required for UPRR to permit multiple SWSP segments to cross UPRR property. She noted that the license fees in the amounts of \$12,820.00 and \$9,500.00, which will be presented for approval during the bookkeeper's report, are associated with the UPRR Agreements. Following review and discussion, Director Owens moved to approve the UPRR Agreements. Director Wepler 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

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 then reviewed check no. 1402 payable to DEC in the amount of \$337.50 and check nos. 1403 and 1404 payable to UPRR in the amounts of \$12,820.00 and \$9,500.00, respectively, which were not listed in the report. Following review and discussion, Director Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report, and check nos. 1402, 1403, and 1404. Director Gorden 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.

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, AUTOMATIC METER READING, REQUESTS FOR REIMBURSEMENT, REPAIRS, INSPECTIONS, MAINTENANCE, CATHODIC PROTECTION, RIGHT OF WAY MAINTENANCE, AND WATER SUPPLY ISSUES, APPROVAL OF CONTRACTS FOR RELATED WORK, CHANGE ORDERS, WORK AUTHORIZATIONS, AMENDMENTS TO AND ASSIGNMENTS OF CONTRACTS, AND TERMINATIONS, AND WINTER STORM RECOVERY MATTERS

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

Mr. Thomas requested that the Board approve a proposal from Inframark to install a transmitter for Ground Storage Tank No. 2 at Harris County Municipal Utility District No. 196's Water Plant No. 2 in the amount of \$11,300.00.

Mr. Thomas stated that a copy of a presentation regarding Winter Storm Uri given by HPW to the City Council TTI Committee last week is attached to the operator's report.

Following review and discussion, Director Wheeler moved to approve the proposal from Inframark to install a transmitter for Ground Storage Tank No. 2 at Harris County Municipal Utility District No. 196's Water Plant No. 2 in the amount of

\$11,300.00. Director Struzick seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES

The Board considered the critical load spreadsheet for the Authority's facilities. Following review and discussion, Director Struzick made a motion to authorize filing of the critical load spreadsheet. Director Postle seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

REVIEW DROUGHT CONTINGENCY PLAN

The Board reviewed the Authority's current Drought Contingency Plan ("DCP"). The Board concurred that no changes were necessary to the current DCP and took no further action.

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	3
bookkeeper's report	9
operator's report.....	9