

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

August 11, 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 11th day of August, 2021, 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 Directors Hansen and Wepler, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens and Melinda Silva of DEC; Frank Turner of EEPB; Troy Anthony of Project Surveillance, Inc.; Terrell Palmer of Post Oak Municipal Advisors LLC; 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 Struzick offered any members of the public attending the meeting by video or telephone the opportunity to make public comment.

Mr. Eric Worthington of Harris County Municipal Utility District No. 136 ("HC 136") made a statement regarding concerns of pedestrian access to Peggy Wilson Elementary School during the construction of Surface Water Supply Project ("SWSP") Segment C1 and coordination between the Authority and Harris County. Mr. Anthony provided an update on the status of construction of SWSP Segment C1. He reported that despite mobilizing a second crew to focus on completing pipe installation near Deerfield, installation will not be complete before the start of the school year, mainly due to weather-related delays. Mr. Anthony stated that representatives from the Authority attend weekly construction status meetings with the Deerfield Homeowners Association President and the HC 136 President, and he reported on the Authority's coordination efforts with Cypress-Fairbanks Independent School District and Harris County.

Mr. Neil Polansky of HC 136 stated Harris County recently completed a Windsong Road rehabilitation project and discussed concerns regarding coordination between Harris County and the Authority.

In response to an inquiry by Ms. Janet Meaux of Harris County Municipal Utility District No. 163 ("HC 163"), Ms. Vinson stated that the decision to hold tonight's Board meeting by videoconference and teleconference will be discussed later in the meeting under agenda item no. 3.

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

#### MINUTES OF PREVIOUS MEETINGS

The Board reviewed the minutes of the July 14, 2021, regular Authority Board meeting. Following review and discussion, Director Owens moved to approve the minutes of the July 14, 2021, regular Authority Board 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."

#### DISCUSSION REGARDING RETURN TO IN-PERSON MEETINGS

Ms. Vinson reported that Governor Abbott has set a termination date of September 1, 2021, for his directive suspending certain provisions of the Texas Open Meetings Act (the "Act") allowing for a quorum of a public meeting to be held via teleconference and videoconference and, therefore, as of September 1, 2021, the Authority must conduct its public meetings in full compliance with the Act as written in the statute, which requires an in-person quorum to conduct business.

Ms. Vinson reported that the Fry Road Municipal Utility building where the Authority Board meetings were held prior to the onset of the pandemic is closed due to

damage caused by Winter Storm Uri. Ms. Vinson reported that the Authority is researching meeting places to give attendees the option to attend Authority meetings either in person or via videoconference and that the location for the next Authority Board meeting will be posted on the Authority's website in advance of the September Board meeting.

#### 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 MAILINGS

There was no discussion on this matter.

#### 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 June is approximately 74.87% of the previous year at this date and that the average usage for 2021 is projected to be 64.37 MGD.

Ms. Silva reported that for July, the Authority was 37.23% converted to surface water and that for the 2021 calendar year, the Authority was 36.09% 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 the Authority Design Committee discussed reimbursement to Harris County Water Control and Improvement District No. 157 ("HC 157") in the amount of \$1,122,361.27 for conversion to chloramine for HC 157's Water Plant Nos. 1, 2, and 3. Following review and discussion, Director Thornhill moved to approve reimbursement in the amount of \$1,122,361.27 to HC 157, subject to execution of a Receipt and Release by HC 157. 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 also reported that Harris County Municipal Utility District No. 495 has a new well.

Director Gorden 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 36, Contract 37, the SWSP Segment A Casing Project, SWSP Segments C1 and C2, and SWSP Segments 3-A1, 3-A2, and 3-A3.

Regarding Contract 36, Ms. Silva reported that all pipe has been installed and tested and site restoration in underway.

Ms. Silva reported that construction for Contract 37 is complete and recommended acceptance of the project and seeking approval from the Texas Water Development Board ("TWDB") for the release of the final pay estimate for Contract 37. Following review and discussion, Director Postle made a motion to accept the project for Contract 37, as recommended, and authorize DEC to notify the TWDB and seek approval for the release of the final pay estimate. Director Janneck seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Silva informed the Board that the installation of casing for the SWSP Segment A Casing Project is complete and she anticipates the project will be closed out in September 2021.

Ms. Silva reported that pipe for SWSP Segment C1 is being tunneled under Fry Road.

Ms. Silva then reported that pipe for Segment C2 is being installed east of Bryant Pond Dr. and they are currently tunneling under N. Eldridge Pkwy.

Ms. Silva also reported that submittals are ongoing for SWSP Segment 3-A2 and that pipe is expected late October or November.

Ms. Silva reported that a Notice to Proceed was issued on August 4, 2021, for SWSP Segment 3-A1.

Ms. Silva then reported that approval from the TWDB is required before a Notice to Proceed for SWSP Segment 3-A3 can be issued.

Ms. Silva recommended approval of: (1) Pay Estimate No. 11 in the amount of \$157,046.40 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 10 and Final in the amount of \$346,412.59 to Persons Services Corp., for Contract 37; (3) Pay Estimate No. 7 in the amount of \$354,843.60 to Harper Brothers Construction, LLC for SWSP Segment C2; and (4) Pay Estimate No. 6 in the amount of \$111,294.27 to Garney Companies, Inc., for the SWSP Segment A Casing Project. Following review and discussion, Director Postle 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 meeting via teleconference with Houston Public Works and the regional water authorities was held on August 4, 2021, to discuss the City of Houston's request for additional capacity in the NEWPP Expansion Project.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS AND CRISIS MANAGEMENT, AUDIO/VISUAL TECHNOLOGY, WEBSITE, ACCOUNTING AND SOFTWARE, INVESTMENT ADVISORY SERVICES, 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 bid opening for construction of Contract 50 is scheduled for August 12, 2021.

Ms. Silva then reported that design plans being prepared by EHRA for the SWSP Kinder Morgan 7 Segment are progressing.

Ms. Silva also reported that EHRA, the design engineer for Contract 32, is preparing the project manual for bidding and that plans have been submitted to agencies for review. She noted Contract 32 is the next project being scheduled for advertising.

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

Ms. Silva then reported that final Segment B1/B2 and Segment B3 (Long Tunnel) drawings have been approved by all Harris County departments except for Harris County Flood Control District. She noted final Segment B3 drawings were submitted to the City of Houston (the "City") for review and that a Texas Department of Transportation permit needs to be obtained for the crossing at US 290 to submit to the City for Segment B1/B2.

Ms. Silva also reported that Freese & Nichols, the design engineer for the RePump Station, and KIT, the subcontractor, are preparing the separate drawing package to address the required drainage system upgrades in the public right of way along W. Little York.

Ms. Silva reported that AECOM, the design engineer for the Central Pump Station, finalized the Storm Water Quality Plan with Harris County and is revising the plans to coordinate the electrical service for back-up power generation.

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 provided an update on design of SWSP Segment 3-A5 and stated that the project manual was received and is under review.

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 reported that 408 permit clarification for Segment 3-A5 and Segment 3-B1 from the United States Army Corps of Engineers is required for Harris County Flood Control District plan approval.

Ms. Silva provided an update regarding meters at the Northeast Meter Station and the installation of a butterfly valve immediately upstream of the meter station.

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

The Board then considered approving the following: (1) Addendum No. 2 to the contract with Arch Aerial, LLC to increase the work authorization amount from \$40,000 to \$90,000; (2) Addendum No. 2 to the contract with KUO & Associates, Inc., to increase the work authorization amount from \$200,000 to \$250,000; (3) Addendum No. 2 to the contract with Mbroh Engineering, Inc., to increase the work authorization amount from \$397,010 to \$700,050 for electrical support related to Enchanted Rock submittals for back-up power generators for the Central Pump Station and the Repump Station; and (4) Addendum No. 6 to the contract for Heidaker Land Services, Inc., to increase the work authorization amount from \$1,000,000 to \$1,100,000. Following review and discussion, Director Owens moved to approve the above-described addenda. Director Gorden 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.

The Board then considered the following work authorizations: (1) Work Authorization No. 172 to Rapid Research, Inc., in the amount of \$543.68; (2) Work Authorization No. 173 to Rapid Research, Inc., in the amount of \$350.00; (3) Work Authorization No. 84 to Weisser Engineering Company, Inc., in the amount of \$3,600.00; and (4) Work Authorization No. 150 to Lupher, LLC in the amount of \$5,400.00. Following review and discussion, Director Janneck moved to approve the above-described work authorizations. 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.

#### 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.

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

Ms. Vinson discussed the proposed timetable for the Authority's expected issuance of Water System Junior Lien Revenue Bonds, Series 2021A to the TWDB in the fourth quarter of 2021.

WATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021 ("SERIES 2021 BONDS")

Mr. Palmer discussed the proposed sale of the Series 2021 Bonds and the potential savings from refunding bonds. He reviewed with the Board the Preliminary Official Statement for the Series 2021 Bonds.

Mr. Palmer requested that the Board authorize engaging rating companies to perform credit rating analyses for the Series 2021 Bonds.

The Board next considered the Resolution Authorizing the Issuance of the Authority's Series 2021 Bonds; Authorizing the Authorized Representative to Take Certain Actions on Behalf of the Authority; Authorizing the Form, Execution and Delivery of a Twenty-First Supplemental Indenture of Trust relating to such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject (the "Resolution"). Ms. Vinson reviewed with the Board the Resolution and the various documents authorized and approved by the Resolution.



Ms. Vinson next explained that there will be various documents related to delivery of the Series 2021 Bonds requiring execution by the directors prior to closing.

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate").

The Board considered approving payment to the Attorney General relating to bond issue transcript review.

Following review and discussion, Director Gorden moved: (1) that the Preliminary Official Statement for the Series 2021 Bonds be deemed final and be authorized for release, subject to final review; (2) to engage rating companies to perform credit rating analyses for the Series 2021 Bonds; (3) that the Board adopt the Resolution, authorizing the President (or if he is unavailable, the Vice President) to effect the sale of the Series 2021 Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents, so long as with respect to the refunding portion of the Series 2021 Bonds there is a net present value savings in debt service payable by the Authority of at least 3.00% of the principal amount of the refunded bonds and so long as the total principal amount of the Series 2021 Bonds does not exceed \$230,000,000; (4) authorize the President and Vice President and Secretary and Assistant Secretary to execute documents necessary in connection with the transaction and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Series 2021 Bonds to the purchaser; (5) to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records; and (6) approve the payment to the Attorney General related to the bond issue transcript review. Director Thornhill 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 AND APPROVE DEPOSITORY PLEDGE AGREEMENTS, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS, IF APPROPRIATE

Mr. Turner reviewed the bookkeeper's report, a copy of which is attached. Director Struzick welcomed Mr. Turner and EEPB, on behalf of the Board, to the Authority consultant team and noted that EEPB will be providing a list of checks for payment at the next Authority Finance Committee meeting.

Ms Vinson reported that due to a merger between BBVA Compass and PNC Bank, EEPB is recommending that the Authority's operating accounts be transferred from BBVA Compass to Frost Bank. She then reviewed a Bank Depository Agreement with Frost Bank. Following discussion, Director Postle moved to: (1) authorize transfer

of Authority funds to Frost Bank; and (2) approve the Bank Depository Agreement with Frost Bank 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 passed unanimously, with all directors voting "yea." Ms. Vinson noted that Frost Bank is already included on the Authority's list of established authorized depository institutions.

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, CREDITS, OR WAIVERS, 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, WINTER STORM RECOVERY MATTERS, AND INSURANCE MATTERS

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

Mr. Thomas reported that Kings Crossing Homeowners Association requested a refund from the Authority in the amount of \$9,358.00 for an overpayment.

Mr. Thomas reported that Harris County Municipal Utility District No. 171 ("HC 171") requested a one-time waiver of late fees in the amount of \$3,824.67 due to a payment being received after the due date. He then reported that Dril-Quip also requested a one-time waiver of late fees from the Authority to waive late fees in the amount of \$141.44 due to a payment being received after the due date.

Mr. Thomas discussed a request from HC 163 for credits from the Authority for 2.9 million gallons of water lost due to a failure of drain valves caused by Winter Storm Uri. He noted that the HC 163 operator was physically unable to access the facility to isolate the leak because of the extreme weather event.

Following review and discussion, Director Thornhill made a motion to: (1) authorize the bookkeeper to issue a refund to Kings Crossing Homeowners Association in the amount of \$9,358.00; (2) approve one-time waivers of late fees for HC 171 in the amount of \$3,824.67 and Dril-Quip in the amount of \$141.44; and (3) authorize Inframark to grant a one-time adjustment in the form of a credit to HC 163 in the amount of \$5,002.50 representing fifty percent (50%) of the amount of excess usage due

to the leak. Director Wheeler seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Director Owens reported the Authority established a data security committee and the committee is receiving assistance related to cybersecurity from McDonald & Wessendorff Insurance.

CONVENE EXECUTIVE SESSION TO CONSULT WITH ATTORNEY PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT CODE

The Board did not convene in executive session.

There being no further matters to come before the Authority, the meeting was adjourned.

(SEAL)



*[Handwritten Signature]*  
Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
engineer's report .....	3
bookkeeper's report .....	9
operator's report.....	10