

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 8, 2021

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session at the Hyatt Regency Houston West, 13210 Katy Freeway, Houston, Texas, 77079, with supplemental access provided for directors by videoconference and for the public by videoconference and teleconference, on the 8th day of September, 2021, and the roll was called of the members of the Board being present in person or by video:

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 except Director Janneck, thus constituting a quorum. Directors Hansen, Weppler, Struzick, Thornhill, Owens, Gorden, and Wheeler attended in person at the meeting location, constituting a quorum in-person, and Director Postle attended the meeting by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code.

Also attending the meeting either in person or by videoconference were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens and Melinda Silva of DEC; Frank Turner of EEPB; and Alia Vinson, Sanjay Bapat, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR"). Also present at the meeting were those persons included on the attached list.

Mr. Bapat reviewed certain recommended protocols for conducting the Authority's meeting in person with supplemental access by videoconference. He announced that the meeting was being recorded.

PUBLIC COMMENT

Director Hansen offered any members of the public attending the meeting 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 August 11, 2021, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the August 11, 2021, regular Authority Board meeting, as submitted. The motion was seconded by Director Wheeler, which passed unanimously.

DISCUSSION REGARDING RETURN TO IN-PERSON MEETINGS

Director Hansen reported that as of September 1, 2021, the Authority must conduct its public meetings in full compliance with the Texas Open Meetings, which requires an in-person quorum to conduct business. He stated tonight is the first hybrid in-person/videoconference Authority Board meeting and that the Authority may be holding its Board meetings in this format for the foreseeable future.

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 the Authority plans to hold a Fall Forum on the same day as the Authority's October Board meeting, and noted that more information about the event will be forthcoming.

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 August is approximately 94.79% 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 August, the Authority was 35.26% converted to surface water and that for the 2021 calendar year, the Authority was 35.95% 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

There was no discussion on this matter.

Director Postle 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, the Surface Water Supply Project ("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. She noted that coordination for start-up for Water Plant No. 2 for Harris County Municipal Utility District No. 105 and Water Plant No. 1 for Harris County Municipal Utility District No. 157 has commenced.

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

Ms. Silva reported that a Notice to Proceed was issued on September 9, 2021, for SWSP Segment 3-A3.

Ms. Silva recommended approval of: (1) Pay Estimate No. 12 in the amount of \$254,379.15 to Persons Services Corp., for Contract 36; (2) Pay Estimate Nos. 7 and 8 in the total amount of \$4,111,267.07 to S.J. Louis Construction, Inc., for SWSP Segment C1;

(3) Pay Estimate No. 8 in the amount of \$1,644,551.52 to Harper Brothers Construction, LLC for SWSP Segment C2; and (4) Pay Estimate No. 1 in the amount of \$493,740.00 to E.P. Brady, Ltd., for SWSP Segment 3-A2. Following review and discussion, Director Struzick made a motion to approve the above-mentioned pay estimates, as recommended. Director Gorden seconded the motion, which passed unanimously.

Ms. Silva then presented the attached SWSP Monthly Construction Status Report dated August 30, 2021.

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 with Houston Public Works and the regional water authorities is scheduled for September 14, 2021, to discuss the City of Houston's (the "City") 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 the Authority received bids for Contract 50. She stated the Authority's design engineer recommended that the Board award the contract to Persons Service Corp., the low bidder, in the amount of \$7,731,560.00 and that DEC concurs with the design engineer's recommendation. The Board concurred that, in its judgment, Persons Service Corp., 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 Weppler moved to award Contract 50 to Persons Service Corp., in the amount of \$7,731,560.00, 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, which passed unanimously.

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

Ms. Silva requested authorization to advertise for bids for Contract 32. Following discussion, Director Struzick moved to authorize advertisement for bids for

construction of Contract 32. Director Wheeler seconded the motion, which passed unanimously.

Ms. Silva reported that design plans, excluding the tunnel portions, being prepared by AECOM for SWSP Segment A are in internal quality control.

Ms. Silva then reported that final Segment B1/B2 drawings have been approved by all Harris County departments except for Harris County Flood Control District ("HCFCFCD") and that City approval is waiting on receipt of a Texas Department of Transportation permit for the crossing at US 290.

Ms. Silva reported that Segment B3 (Long Tunnel) drawings have been approved by all agencies.

Ms. Silva then reported she anticipates that 100% design plans for the RePump Station will be submitted by Freese & Nichols on September 15, 2021.

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

Ms. Silva provided an update regarding meters at the Northeast Meter Station and the design package for 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. 6 to the contract with AECOM to for work related to the Emergency Generator Lease Program for the Central Pump Station in the amount of \$40,834.00; and (2) Addendum No. 1 to the contract with Freese & Nichols, Inc., for SWSP Segment 3-A3 to increase the basic design services fee by \$65,820.38 to \$850,708.38 based upon actual bids received for the project. Following review and discussion, Director Thornhill moved to approve the above-described addenda. Director Struzick seconded the motion and the motion carried by a vote of seven for the motion, with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 85 to Weisser Engineering Company, Inc., in the amount of \$1,215.00; (2) Work Authorization No. 151 to Luper, LLC in the amount of \$3,370.00; (3) Work Authorization No. 174 to Rapid Research, Inc., in the amount of \$150.00; (4) Work

Authorization No. 175 to Rapid Research, Inc., in the amount of \$700.00; (5) Supplement No. 1 to Work Authorization No. 9 to Heidaker Land Services, Inc., to extend the termination date until services under Work Authorization No. 9 are complete and to increase the maximum payable amount under this work authorization to \$105,000.00; (6) Supplement No. 2 to Work Authorization No. 10 to Heidaker Land Services, Inc., to extend the termination date until services under Work Authorization No. 10 are complete; (7) Supplement No. 2 to Work Authorization No. 1 to Integra Realty Resources to increase the maximum payable amount under this work authorization to \$70,000; and (8) Work Authorization No. 31 to V&A Consulting Engineers, Inc., to provide annual and quarterly surveys for the cathodic protection systems associated with Authority transmission pipelines in an amount not to exceed \$173,923.00. Following review and discussion, Director Weppler moved to approve the above-described work authorizations and supplements to work authorizations. Director Wheeler seconded the motion, which carried by a vote of seven 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 FUNDING

Ms. Vinson reviewed the Financing Agreement with the Texas Water Development Board for the Series 2021A Water System Junior Lien Revenue Bonds (the "Financing Agreement"). Following review and discussion, Director Gorden moved to approve the Financing Agreement. Director Wheeler seconded the motion, which passed unanimously.

WATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021

Ms. Vinson gave an update on the Series 2021 Water System Revenue and Revenue Refunding Bonds.

DISCUSS PROPOSED RATE INCREASE AND AUTHORIZE DISTRIBUTING NOTICE OF PROPOSED RATE INCREASE

The Board considered authorizing distribution of a notice regarding a proposed \$0.25 increase in its pumpage fee and surface water fee to be considered by the Board at its November 10, 2021, meeting. Following review and discussion, Director Owens moved to authorize distribution of such notice. Director Thornhill seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS, REVIEW OF INVESTMENTS, AND AUTHORITY FEES AND CHARGES

Mr. Turner reviewed the bookkeeper's report, a copy of which is attached, and the disbursements in the bookkeeper's report submitted for the Authority's review. Mr. Turner noted that the checks payable to Lazer Energy Company, Inc., in the total amount of \$17,504.43 will be voided. Following review and discussion, Director Struzick moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report, except the checks payable to Lazer Energy Company, Inc. Director Gorden seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining in the vote.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY; REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE AUTHORITY MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board conducted an annual review of the Authority's Investment Policy. The Board concurred that no changes were necessary to the current policy. Ms. Vinson reviewed a Resolution Regarding Annual Review of Investment Policy with the Board.

The Board considered a Resolution Establishing Authorized Depository Institutions and List of Broker/Dealers with Whom the District May Engage in Investment Transactions. Ms. Vinson explained that the bookkeeper has updated the list of authorized depository institutions and Hilltop Securities Asset Management has updated the list of qualified broker/dealers with whom the Authority may engage in investment transactions.

Following review and discussion, Director Wheeler made a motion to: (1) adopt the Resolution Regarding Annual Review of Investment Policy; and (2) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Owens seconded the motion, which 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, 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

Mr. Thomas reviewed the operator's report, a copy of which is attached. He reviewed a list of three additional retail water providers (the "List") that submitted certifications of amounts forgiven to customers pursuant to the Resolution Adopting Policy and Procedures for February 2021 Freeze Event Fee Adjustment Credits. A copy of the list is included in the operator's report. Following review and discussion, Director Weppler made a motion to grant Authority GRP credits to the three additional retail water providers in the amounts indicated on the List. Director Thornhill seconded the motion, which passed unanimously.

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

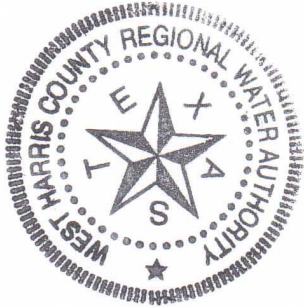
The Board did not convene in executive session.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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