

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

October 13, 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 in accordance with Section 551.127 of the Texas Government Code and for the public by videoconference and teleconference, on the 13th day of October, 2021, and the roll was called of the members of the Board:

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 attended in person at the meeting location except Director Janneck, thus constituting a quorum.

Also attending the meeting either in person or by videoconference were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens of DEC; Troy Anthony of Project Surveillance, Inc.; Frank Turner of EEPB; Terrell Palmer of Post Oak Municipal Advisors; Dan Jackson of Willdan Financial Services ("Willdan"); Barbara Payne of Payne Communications; and Alia Vinson, Sanjay Bapat, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR"). Also attending the meeting were those persons included on the attached list and members of the public present via video and/or telephone.

Mr. Bapat reviewed certain recommended protocols for conducting the Authority's meeting in person with supplemental access by videoconference.

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 September 8, 2021, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the September 8, 2021, regular Authority Board meeting, as revised. The motion was seconded by Director Wheeler, which passed unanimously.

DISCUSSION REGARDING RETURN TO IN-PERSON MEETINGS

Director Hansen reported that the Fry Road Municipal Utility District ("Fry Road MUD") administrative building where the Authority Board meetings were held prior to the onset of the pandemic will be available for Authority Board meetings beginning in November 2021. He noted that the location for the next Authority Board meeting will be posted on the Authority's website in advance of the November Board meeting, and he anticipates that the Authority will be holding in-person/videoconference Board meetings for the foreseeable future at the Fry Road MUD administrative building beginning with the November 10, 2021 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 MAILOUTS

Ms. Payne discussed Surface Water Supply Project ("SWSP") outreach materials that can be used by homeowners associations for community outreach opportunities.

Ms. Payne also discussed a featured course on composting in the Water U virtual classroom, which can be accessed from the Authority's website.

Ms. Payne informed the Board that preparation of an updated Rising Cost of Water brochure is in progress.

Ms. Payne also stated that preparation of the Authority's newsletter has begun and suggestions for content to be included in the newsletter should be directed to her.

Director Hansen discussed the postponed Fall Forum and noted that more information about the event will be forthcoming.

ENGINEERING MATTERS

Mr. Ahrens reviewed the engineer's report, a copy of which is attached.

Mr. Ahrens reviewed the monthly pumpage report. He pointed out that pumpage for 2021 through September is approximately 92.28% of the previous year at this date and that the average usage for 2021 is projected to be 64.37 MGD.

Mr. Ahrens reported that for September, the Authority was 38.17% converted to surface water and that for the 2021 calendar year, the Authority was 36.27% 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

Mr. Ahrens reported that Katy Manor Residential Community LLC has a new well.

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

Mr. Ahrens reported on the status of construction for Contract 36, the SWSP Segment A Casing Project, SWSP Segments C1 and C2, and SWSP Segments 3-A1, 3-A2, and 3-A3.

Regarding Contract 36, Mr. Ahrens reported 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.

Mr. Ahrens recommended approval of: (1) Pay Estimate No. 13 in the amount of \$71,253.90 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 9 in the amount of \$3,037,878.82 to S.J. Louis Construction, Inc., for SWSP Segment C1; (3) Pay Estimate No. 9 in the amount of \$746,240.54 to Harper Brothers Construction, LLC for SWSP Segment C2; and (4) Pay Estimate No. 2 in the amount of \$756,672.98 to E.P. Brady, Ltd., for SWSP Segment 3-A2. Following review and discussion, Director Weppler made a motion to approve the above-mentioned pay estimates, as recommended. Director Struzick seconded the motion, which passed unanimously.

Mr. Anthony presented the attached SWSP Monthly Construction Status Report dated October 1, 2021.

Mr. Ahrens requested authorization to advertise SWSP Segment B3 (Long Tunnel) for bid. Mr. Ahrens then requested authorization to advertise SWSP Segments B1 and B2 for bid, subject to final approval of the plans by Harris County Flood Control District ("HCFCD"). Following discussion, Director Struzick moved to authorize advertisement for bids for construction of: (i) SWSP Segment B3; and (ii) Segments B1 and B2, subject to approval of the plans by HCFCD. Director Thornhill seconded the motion, which passed unanimously.

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

Mr. Ahrens reported that discussions with Houston Public Works and the regional water authorities regarding the City of Houston's (the "City") request for additional capacity in the NEWPP Expansion Project are ongoing.

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

Mr. Ahrens reported that authorization from the Texas Water Development Board is needed before the notice to proceed can be issued for Contract 50.

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

Mr. Ahrens also reported that advertisement for bids for Contract 32 has commenced and that bids will be opened in October 2021.

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

Mr. Ahrens then reported he anticipates that 100% design plans for the RePump Station will be submitted by Freese & Nichols by mid-October 2021.

Mr. Ahrens also reported that AECOM, the design engineer for the Central Pump Station, is revising the plans to coordinate the electrical service for back-up power generation.

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

Mr. Ahrens 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.

Mr. Ahrens also provided an update on design and schedule matters concerning the SWSP Kinder Morgan segments.

The Board then considered approving the following: (1) Addendum No. 1 to the Master Services Agreement with Crouch Environmental Services, Inc., d/b/a Hollaway Environmental + Communications Services, Inc. ("Hollaway"), for crisis management planning and coordination services to increase the work authorization from \$68,775.00 to \$270,000.00 and revise Exhibit B-1 Rate Schedule; and (2) Addendum No. 12 to the contract with V&A Consulting Engineers, Inc., for cathodic protection services to increase the overall contract amount by \$174,000.00 to \$1,324,000.00 and revise Exhibit B-1 Rate Schedule to 2021 Rates. Following review and discussion, Director Owens moved to approve the above-described addenda. Director Weppeler seconded the motion, which passed unanimously.

The Board then considered the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 14 to Integra Realty Resources to increase the maximum payable amount under this work authorization to \$150,000.00; (2) Work Authorization No. 2 to Hollaway to continue to provide crisis management planning and coordination services in the amount of \$200,000.00; (3) Work Authorization No. 4 to LJA Engineering, Inc., in the amount of \$25,000.00; (4) Work Authorization No. 176 to Rapid Research, Inc., in the amount of \$50.00; (5) Work Authorization No. 177 to Rapid Research, Inc., in the amount of \$50.00; (6) Work Authorization No. 178 to Rapid Research, Inc., in the amount of \$100.00; (7) Work Authorization No. 87 to Weisser Engineering Company, Inc., in the amount of \$3,175.00; and (8) Work Authorization No.

152 to Luper, LLC in the amount of \$4,270.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations and supplement to work authorization. Director Gorden 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

Mr. Ahrens 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, INCLUDING UPDATE ON SERIES 2021A WATER SYSTEM JUNIOR LIEN REVENUE BONDS

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2021A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION OF A TWENTY-SECOND SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE AUTHORITY; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT ("SERIES 2021A BOND RESOLUTION")

Ms. Vinson reviewed with the Board the Series 2021A Bond Resolution and the various documents authorized and approved by the Series 2021A Bond Resolution.

AUTHORIZE THE AUTHORITY'S ATTORNEY AND THE FINANCIAL ADVISORS TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2021A ("SERIES 2021A BONDS")

Ms. Vinson next explained that there will be various documents related to delivery of the Series 2021A Bonds requiring execution by the directors prior to closing. The Board then considered authorizing the President or Vice President and Secretary or 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 2021A Bonds to the purchaser.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice regarding the Series 2021A Bonds.

AUTHORIZE MCCALL GIBSON SWEDLUND BARFOOT PLLC TO PERFORM PLEDGED REVENUES ANALYSIS

The Board considered authorizing McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis for the Series 2021A Bonds to ensure the Authority meets the additional bonds test under its Indenture of Trust.

After review and discussion, Director Postle made a motion to: (1) adopt the Series 2021A Bond Resolution and direct that it be filed appropriately and retained in the Authority's official record; (2) authorize execution of documents related to the sale and delivery of the Series 2021A Bonds, and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Bonds; (3) authorize execution of the Certificate Regarding Provision of Financial Advice regarding the Series 2021A Bonds and direct that it be filed appropriately and retained in the District's official records; and (4) authorize McCall Gibson Swedlund Barfoot PLLC to perform a pledged revenues analysis for the Series 2021A Bonds. Director Struzick seconded the motion, which passed unanimously.

WATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021

Ms. Vinson and Mr. Palmer gave an update on the Series 2021 Water System Revenue and Revenue Refunding Bonds, which closed on October 7, 2021.

RATE STUDY UPDATE

Mr. Jackson reviewed the attached presentation on the Authority's 2021 rate study (the "Rate Study") and financial forecast.

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. Following review and discussion, Director Owens moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Wheeler seconded the motion, which carried by a vote of seven for the motion with Director Postle abstaining in the vote. The Board requested that Mr. Turner attend the next Authority Finance Committee and present the new format of the bookkeeping report for review and comment.

RATE STUDY UPDATE (Continued)

Ms. Vinson reported that a notice regarding a proposed \$0.25 increase in the Authority's Groundwater Reduction Plan fee and surface water fee (effective January 1, 2022) would be considered by the Board at its November 10, 2021, meeting, along with the draft Amended Rate Order.

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.

Mr. Thomas requested that the Board approve the annual asset management and optimization license fee with Specific Energy, a subcontractor of Inframark, at a cost of \$10,344.00. Following review and discussion, Director Struzick made a motion to approve the annual asset management and optimization license fee with Specific

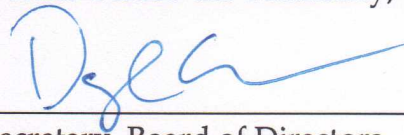
Energy at a cost of \$10,344.00. Director Gorden seconded the motion, which passed unanimously.

Discussion ensued regarding issues the City was experiencing with the operation of their incoming meter (the "Meter") beginning October 2020. Following discussion, the Board requested that Mr. Thomas attend the next Authority Design Committee meeting and discuss whether the Meter overestimated or underestimated the Authority's water usage during the time that it was not working.

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)



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