

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 10, 2021

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session at the Fry Road Municipal Utility District Administration Building, 20111 Saums Road, Katy, Texas 77449, inside the boundaries of the Authority, 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 10th day of November, 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, thus constituting a quorum.

Also attending the meeting either in person or by videoconference were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Melinda Silva and Wayne Ahrens of DEC; Troy Anthony of Project Surveillance, Inc.; Frank Turner of EEPB; 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.

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.

Mr. Jonathan Cowen stated that he is a director of Harris County Municipal Utility District No. 501 and was recently elected to fill a vacancy on the Harris County Appraisal District ("HCAD") Board with a term ending December 31, 2021. He stated he has been nominated as a candidate to serve in a position on the HCAD Board

representing municipal utility districts for a new term and requested that municipal utility districts participating in HCAD cast a vote for him as their candidate of choice to fill a position to be filled by the conservation and reclamation districts on the HCAD Board.

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 October 13, 2021, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the October 13, 2021, regular Authority Board meeting, as submitted. The motion was seconded by Director Janneck, which passed unanimously.

DISCUSSION REGARDING RETURN TO IN-PERSON MEETINGS

Director Hansen reported he anticipates that the Authority will continue to hold in-person/videoconference Board meetings at the Fry Road Municipal Utility District administrative building 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 discussed the upcoming Forum and noted that when a date is selected, the public will be informed.

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 October is approximately 90.93% 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 October, the Authority was 40.47% converted to surface water and that for the 2021 calendar year, the Authority was 36.70% 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 Harris County Municipal Utility District No. 570 is a new Municipal Utility District which will be located within the boundaries of the Authority.

Ms. Silva then reported that Harris County Municipal Utility District No. 171 has a new well which has been approved by 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 36, the SWSP Segment A Casing Project, SWSP Segments C1 and C2, and SWSP Segments 3-A2 and 3-A3.

Regarding Contract 36, Ms. Silva reported that 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 are now online and that the contractor is working on pavement restoration.

Ms. Silva recommended approval of: (1) Pay Estimate No. 14 in the amount of \$100,864.80 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 10 in the amount of \$3,183,975.78 to S.J. Louis Construction, Inc., for SWSP Segment C1; (3) Pay Estimate No. 10 in the amount of \$230,806.17 to Harper Brothers Construction, LLC for

SWSP Segment C2; (4) Pay Estimate No. 3 in the amount of \$282,766.06 to E.P. Brady, Ltd., for SWSP Segment 3-A2; (5) Pay Estimate No. 1 in the amount of \$333,167.40 to Main Lane Industries, Ltd., for SWSP Segment 3-A3; and (6) Pay Estimate No. 7 in the amount of \$197,657.38 to Garney Companies, Inc. for the SWSP Segment A Casing Project. Following review and discussion, Director Weppeler made a motion to approve the above-mentioned pay estimates, as recommended. Director Owens 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

There was no discussion on this matter.

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 notice to proceed for Contract 50 was issued last week and a request for authorization to release construction funds for the project was made to the Texas Water Development Board.

Ms. Silva then reported that initial design plans for the SWSP Kinder Morgan 7 Segment have been submitted by EHRA to all agencies, and she anticipates that final plans will be submitted before the end of the year.

Ms. Silva also reported that Contract 32 has been awarded to D.L. Elliott Enterprises, Inc., and the contractor is preparing insurance documents for submittal.

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

Ms. Silva then reported that advertisement for bids for SWSP Segments B1 and B2 commenced on November 12, 2021.

Ms. Silva also reported that advertisement for bids for SWSP Segment B3 (Long Tunnel) has commenced and opening of the bids is scheduled for December 15, 2021.

Ms. Silva reported that a building workshop was held for the RePump Station

and the Central Pump Station and a follow-up meeting on November 11, 2021, has been scheduled. She noted that coordination related to back-up power generation for the RePump Station and the Central Pump Station is ongoing.

Ms. Silva then 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 design package for installation of a butterfly valve immediately upstream of the meter station.

Ms. Silva 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. 3 to the contract with Kuo & Associates, Inc., to increase the contract amount from \$250,000 to \$300,000 and revise the Rate Schedule; and (2) Addendum No. 3 to the contract with Integra Realty Resources - Houston to increase the contract amount from \$500,000 to \$600,000. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Thornhill seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

The Board then considered the following work authorizations: (1) Work Authorization No. 13 to Crouch Environmental Services, Inc., d/b/a Hollaway Environmental + Communications Services, Inc. to continue to provide professional public communication services necessary to implement outreach strategy and support for the SWSP in the amount of \$200,000.00; (2) Work Authorization No. 179 to Rapid Research, Inc., in the amount of \$700.00; (3) Work Authorization No. 180 to Rapid Research, Inc., in the amount of \$100.00; (4) Work Authorization No. 181 to Rapid Research, Inc., in the amount of \$100.00; (5) Work Authorization No. 86 to Weisser Engineering Company, Inc., in the amount of \$5,575.00; (6) Work Authorization No. 153 to Lupher, LLC in the amount of \$5,530.00; (7) Work Authorization No. 154 to Lupher, LLC in the amount of \$5,410.00; (8) Work Authorization No. 155 to Lupher, LLC in the amount of \$5,310.00; and (9) Work Authorization No. 17 to Integra Realty Resources in the amount of \$18,000.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and supplement to work authorization. Director Gorden seconded the motion, which carried by a vote of eight for the motion, with Director Postle abstaining.

Ms. Vinson reviewed an Integrated Reliability On Call Master Service Agreement (the "Agreement") between the Authority and Generate ER-NG, LLC (referred to herein as "Enchanted Rock") for back-up power generator services for the Central Pump Station and Repump Station as well as the related exhibits to the Agreement, including

the Site Addendum and Ground Lease for the Central Pump Station and the Site Addendum and Ground Lease for the Repump Station. She stated that, pursuant to the Agreement, the Authority will make one-time payments for customer contribution costs to Enchanted Rock in the amount of \$3,269,471.00 for the Central Pump Station and \$4,703,767.00 for the Repump Station. She further explained that all costs for these back-up power generator services will be shared between the Authority and the North Fort Bend Water Authority (the "NFBWA") pursuant to the Joint Facilities Agreement, the Authority's pro-rata share of the customer contribution costs pursuant to the Joint Facilities Agreement is 55.1%, and the Authority is paying its pro-rata share of all costs related to the Agreement from its available operating funds.

Following review and discussion, Director Weppler moved to: (i) approve the Agreement, the Site Addendum for the Central Pump Station, the Ground Lease for the Central Pump Station, the Site Addendum for the Repump Station, and the Ground Lease for the Repump Station, all with Generate ER-NG, LLC; (ii) authorize payment to the Joint Facilities Operation Fund from the Authority's Improvement Fund for 55.1% of the customer contribution costs due pursuant to the Agreement for the Central Pump Station and Repump Station; and (iii) authorize the one-time payments to Generate ER-NG, LLC of customer contribution costs in the amount of \$3,269,471.00 for the Central Pump Station and \$4,703,767.00 for the Repump Station from the Joint Facilities Operation Fund once funds are received from the NFBWA for the NFBWA's 44.9% share of such costs. Director Wheeler seconded the motion, which passed 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.

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

Ms. Vinson provided an update on the \$41,470,000 Series 2021A Water System Junior Lien Revenue Bonds (the "Series 2021A Bonds") and reported that the Series 2021A Bonds are scheduled to close on November 23, 2021.

ADOPT AMENDED RATE ORDER AND AUTHORIZE DISTRIBUTION OF NOTICE OF RATE INCREASE

Director Hansen provided an overview of proposed changes to the Authority's Rate Order. He noted that a letter was sent out to all Authority customers informing them of a proposed rate increase and that the proposed rate increase has been discussed at prior Authority Board meetings. Ms. Vinson then reviewed the Amended Rate Order, including certain revisions related to rate order violations, and the notice of rate increase (the "Notice"). Following review and discussion, Director Struzick moved to adopt the Amended Rate Order and to authorize distribution of the Notice. Director Janneck seconded the motion, which passed by unanimous vote.

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. He then reviewed an additional payment to AT&T in the amount of \$419.10. Following review and discussion, Director Wheeler moved to approve the bookkeeper's report, the disbursements reflected in the bookkeeper's report, and the additional check to AT&T. Director Thornhill seconded the motion, which carried by a vote of eight for the motion with Director Postle abstaining in the vote.

APPROVE LETTER OF CREDIT AMENDMENT WITH CENTRAL BANK

The Board considered approving a Letter of Credit amendment with Central Bank. Following discussion, Director Struzick moved to approve the Letter of Credit amendment with Central Bank. Director Owens seconded the motion, which passed by unanimous vote.

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 then reviewed a proposal from Schneider Electric ("Schneider"), a subcontractor of Inframark, in the amount of \$102,505.00, a copy of which is attached to the operator's report, for the renewal of repair and maintenance services for the Pump Station SCADA System for a three-year term. He noted that the proposal includes optional services, including five days of on-site technical services and quarterly "Patching" service for the SCADA software.

Mr. Thomas then presented a letter from Inframark stating that the annual CPI increase results in a 2.9% increase in Inframark's manual meter read fee and equipment rates for 2021. He noted that Inframark will increase the rates starting with the November 2021 billing period.

Following review and discussion, Director Janneck moved to: (1) approve the proposal from Schneider for the renewal of repair and maintenance services, including optional services, for the Pump Station SCADA System for a three-year term and payment to Schneider, as a subcontractor of Inframark, in the amount of \$102,505.00; and (2) authorize execution of the CPI Letter and direct that it be filed appropriately and retained in the Authority's official records. Director Weppler seconded the motion, which passed by unanimous vote.

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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