

MINUTES  
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 8, 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 8th day of December, 2021, and the roll was called of the members of the Board:

Eric Hansen	President
Larry Weppeler	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 and Thornhill, who did not attend in person or via videoconference, 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, Wayne Ahrens, and Chase Juhl of DEC; 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 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.

Mr. Bob Blumrick stated he is a director of Harris County Municipal Utility District No. 163 ("HC MUD 163") and provided a report regarding HC MUD 163's winterization process and requested an update on the Authority's winterization

procedures including winterization of the City of Houston water treatment facilities which provide surface water to the Authority. He discussed the current supply chain issues and noted that a control valve ordered by HC MUD 163 in April is on backorder. Mr. Blumrick then discussed recent print media regarding the detection of the Omicron variant of the virus that causes COVID-19 in the City of Houston's (the "City") wastewater.

Director Hansen noted that winterization for the City's Northeast Water Purification Plant Expansion Project is being evaluated.

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 November 10, 2021, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the November 10, 2021, regular Authority Board meeting, as submitted. The motion was seconded by Director Wepler, which passed unanimously.

#### 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 stated that preparation of the Authority's newsletter is in progress and that billing inserts can be ordered online through the Authority's website.

#### 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 November is approximately 92.79% 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 November, the Authority was 42.58% converted to surface water and that for the 2021 calendar year, the Authority was 37.20% 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

Ms. Silva reported the Authority received a letter from Harris County Municipal Utility District No. 371 requesting an agreement with the Authority for surface water supply and that the letter is under review.

## 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 payment of an invoice from the Harris-Galveston Subsidence District ("HGSD") in the amount of \$372,000 for the 2022 permit renewal fee is included in the bookkeeper's report for Board approval.

Ms. Silva reported that the Authority received the Over-Conversion Credit Certificate from HGSD and will be issuing credit letters to municipal utility districts that entered into Alternative Water Use Supply Agreements with the Authority and earned credits related to alternative water usage.

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 HGSD.

## 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, 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.

Regarding Contract 50, Ms. Silva reported that submittals by the contractor are underway.

Ms. Silva reported that payment and performance bonds submitted by the contractor for Contract 32 are under review. She noted she anticipates that a notice to proceed for the project will be issued in January 2022 and approval from the Texas Water Development Board to issue the notice to proceed is required.

Ms. Silva recommended approval of: (1) Pay Estimate No. 15 in the amount of \$148,283.10 to Persons Services Corp., for Contract 36; (2) Pay Estimate No. 11 in the amount of \$681,271.35 to Harper Brothers Construction, LLC for SWSP Segment C2; (3) Pay Estimate No. 4 in the amount of \$156,950.91 to E.P. Brady, Ltd., for SWSP Segment 3-A2; and (5) Pay Estimate No. 2 in the amount of \$918,567.99 to Main Lane Industries, Ltd., for SWSP Segment 3-A3. Following review and discussion, Director Weppler made a motion to approve the above-mentioned pay estimates, as recommended. Director Owens seconded the motion, which passed unanimously.

Mr. Juhl reported that S.J. Louis Construction, Inc., submitted Pay Estimate No. 11 in the amount of \$2,342,147.48 for SWSP Segment C1 yesterday and it is under review. Following discussion, Director Weppler made a motion to approve Pay Estimate No. 11 to S.J. Louis Construction, Inc., in the amount of \$2,342,147.48 for SWSP Segment C1, subject to review and approval by DEC. Director Struzick seconded the motion, which passed unanimously.

Mr. Juhl then presented the attached SWSP Monthly Construction Status Report dated December 2, 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

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 agency comments on the initial design plans for the SWSP Kinder Morgan 7 Segment are being addressed, and she anticipates that final plans will be submitted before the end of the year.

Ms. Silva then reported that final design plans for SWSP Segment A are under review and that the design engineer, AECOM, is obtaining utility plan approval signatures.

Ms. Silva also reported that a pre-bid meeting for SWSP Segments B1 and B2 was held on December 8, 2021, and opening of bids for the project is scheduled for January 19, 2022.

Ms. Silva reported that that a pre-bid meeting for SWSP Segment B3 (Long Tunnel) was held on November 9, 2021, and opening of the bids for the project has been moved to January 12, 2022, at the contractors' request.

Ms. Silva then reported that a building workshop was held for the RePump Station and the design engineer, Freese & Nichols, is working on suggested modifications to the design plans.

Ms. Silva also reported that a building workshop was held for the Central Pump Station and a follow-up meeting was held today.

Ms. Silva reported that a pre-bid meeting for the request for qualifications to pre-qualify contractors for the Central Pump Station and RePump Station was held on December 1, 2021, and opening of submittals is scheduled for January 7, 2022.

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 Addendum No. 4 to the contract with Kuo & Associates, Inc. ("Kuo"), to increase the contract amount from \$300,000 to \$450,000 and Work Authorization No. 13 to Kuo in the amount of \$149,702.50. Following review and discussion, Director Struzick moved to approve the above-described addendum and work authorization. Director Weppler seconded the motion, which 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

The Board considered consenting to an encroachment by Harris County Municipal Utility District No. 64 ("HC MUD 64") and Lakecrest Homeowner's Association, Inc., for a park facility that encroaches on the Authority's easement. Following review and discussion, Director Postle moved to approve a Consent to Encroachment for HC MUD 64 and Lakecrest Homeowner's Association, Inc., and direct that it be filed appropriately and retained in the Authority's official records. Director Owens seconded the motion, which passed unanimously.

#### AUTHORIZE ENGINEER TO NOTIFY CITY OF HOUSTON OF THE AUTHORITY'S ANTICIPATED DEMAND FOR UPCOMING FISCAL YEAR

The Board considered authorizing DEC to notify the City of the Authority's anticipated demand for the upcoming fiscal year. Following discussion, Director Weppler moved to authorize DEC to notify the City of the Authority's anticipated



demand for the City's upcoming fiscal year. Director Gorden seconded the motion, which passed unanimously.

#### TEXAS WATER DEVELOPMENT BOARD FUNDING

There was no discussion on this matter.

#### AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2021

Ms. Vinson stated that the Authority has engaged McCall Gibson Swedlund Barfoot PLLC ("MGSB") to provide auditing services to the Authority for each fiscal year and reviewed a letter from MGSB requesting authorization to conduct the audit for the fiscal year ending December 31, 2021, at a cost not to exceed \$75,000. Following discussion, Director Struzick moved to authorize MGSB to conduct the audit for the fiscal year ending December 31, 2021. Director Wheeler 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. He then reviewed an additional payment to S.J. Louis Construction, Inc., in the amount of \$2,342,147.48. 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 S.J. Louis Construction, Inc. Director Owens seconded the motion, which carried by a vote of six for the motion with Director Postle abstaining in the vote.

#### OPERATING BUDGET AND JOINT FACILITIES OPERATING BUDGET FOR FISCAL YEAR END DECEMBER 31, 2021

Mr. Turner reviewed the proposed operating budget and joint facilities operating budget for fiscal year ending December 31, 2022. Following review and discussion, Director Struzick moved to approve the operating budget and joint facilities operating budget for fiscal year ending December 31, 2022. Director Wheeler seconded the motion, which passed unanimously.

#### ANNUAL LETTER TO NORTH FORT BEND WATER AUTHORITY ("NFBWA") REGARDING ANNUAL DEBT SERVICE PAYMENTS DUE UNDER THE JOINT FACILITIES AGREEMENT

The Board considered authorizing the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2022 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Following discussion, Director Postle



moved to authorize the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2022 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Director Gorden 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.

Mr. Thomas then discussed a proposal from ABC Pest Control Service ("ABC"), a subcontractor of Inframark, to service the metering stations in the annual amount of \$26,400.00. Following review and discussion, Director Owens moved to approve the proposal from ABC, as a subcontractor of Inframark, to service the metering stations in the annual amount of \$26,400.00. Director Weppler seconded the motion, which passed by unanimous vote.

Mr. Thomas discussed the Authority's emergency preparedness plan, including winterization of Authority facilities. Director Hansen discussed the importance of the municipal utility districts maintaining their groundwater wells and interconnects, in the event that the City's delivery of surface water to the Authority is interrupted.

NOTICE OF 2022 APPOINTMENT PROCESS FOR AUTHORITY DIRECTORS

Ms. Vinson reported that terms for five directors of the Authority Board for Precincts 1, 2, 4, 5, and 9 expire in May, 2022, and she reviewed a notice of the 2022 appointment process for the Authority Directors and 2021 water usage reporting (the "Notice"). Following review and discussion, Director Struzick moved to authorize distribution of the Notice to all municipal utility districts and municipalities within the Authority. Director Owens 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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