

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

May 11, 2022

The Board of Directors (the "Board") of the West Harris County Regional Water Authority (the "Authority") met in regular session, open to the public, on the 11th day of May, 2022, at the Fry Road Municipal Utility District Administration Building, 20111 Saums Road, Katy, Texas 77449, inside the boundaries of the Authority, and the roll was called of the members of the Board:

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 Director Thornhill, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Melinda Silva, Wayne Ahrens, Chase Juhl, and Nancy Collins of DEC; Troy Anthony of Project Surveillance, Inc.; Frank Turner of EEPB; Fred Junkin of Phelps Dunbar LLP; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC; 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.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, AND SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in executive session at 5:01 p.m. pursuant to Section 551.071, Texas Government Code to conduct a private consultation with their special counsel Mr. Junkin. The Board determined that the presence of Mr. Ahrens, Ms. Silva, and Ms. Collins in this executive session was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board concurred to have them present. Present at the closed meeting were Directors Hansen, Postle, Struzick, Janneck, Gorden, Owens, and Wheeler, Mr. Junkin, Mr. Ahrens, Ms. Silva, and Ms. Collins. Director Wepler and representatives from ABHR were not present during the executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 5:59 p.m., the Board reconvened in open session. The Board took no action related to the executive session in open session.

PUBLIC COMMENT

Director Hansen offered any members of the public attending the meeting the opportunity to make public comment.

Mr. Leonard Spearman introduced himself to the Board and stated he has been elected President of the Board of Harris County Municipal Utility District No. 157.

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 April 13, 2022, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the April 13, 2022, regular Authority Board meeting, as submitted. The motion was seconded by Director Gorden, which passed unanimously.

Director Hansen reported effective May 16, 2022, Director Owens' term as director of the Authority Board expires. He commended Director Owens for his service and the contributions he has made as a member of the Authority Board for the past four years.

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 obtained an exhibit booth at the 2022 Association of Water Board Directors summer conference and information regarding ongoing and future Authority and Surface Water Supply Project ("SWSP") construction projects will be presented at the booth.

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 2022 through April is approximately 100.14% of the previous year at this date and that the average usage for 2022 is projected to be 60.88 MGD.

Ms. Silva reported that for April, the Authority was 39.48% converted to surface water and that for the 2022 calendar year, the Authority was 40.57% 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 on the proposed creation of Harris County Municipal Utility District No. 586 to be located within the boundaries of the Authority.

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 50, Contract 32, SWSP Segment B3, SWSP Segments B1 and B2; SWSP Segments C1 and C2, and SWSP Segments 3-A1, 3-A2, and 3-A3.

Regarding Contract 36, Ms. Silva reported that closeout of the project is pending resolution of encroachment issues.

Regarding Contract 50, Ms. Silva reported that the contractor is working on tunnels along Fry Road and Morton Road and boring across Morton Road into the plant.

Regarding Contract 32, Ms. Silva stated that submittals for the project are ongoing.

Ms. Silva reported that the contract for Segment B3 is ready for execution.

Ms. Silva recommended approval of: (1) Pay Estimate No. 5 in the amount of \$170,622.00 to Persons Services Corp., for Contract 50; (2) Pay Estimate No. 16 in the amount of \$2,649,868.86 to S.J. Louis Construction of Texas, Ltd. for SWSP Segment C1; (3) Pay Estimate No. 5 in the amount of \$1,019,133.35 to R Construction Company for SWSP Segment 3-A1; (4) Pay Estimate No. 8 in the amount of \$456,684.07 to E.P. Brady, Ltd. for SWSP Segment 3-A2; and (5) Pay Estimate No. 7 in the amount of \$1,287,532.35 to Main Lane Industries, Ltd., for SWSP Segment 3-A3. Following review and discussion, Director Weppler made a motion to approve the above-described pay estimates, as recommended. Director Struzick 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

Ms. Silva reported that the next meeting of the Water Supply Contract Advisory Committee is scheduled for June 3, 2022.

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 survey and geotechnical investigation along the new alignment for the Kinder Morgan sub-segment 7 is being scheduled in May 2022.

Ms. Silva then reported that AECOM, the design engineer for SWSP Segment A is finalizing design plans for submittal to the City of Houston (the "City") for final approvals and preparing the Project Manual for advertisement for bids for the project.

Ms. Silva reported that Freese & Nichols, the design engineer for the RePump Station is addressing additional comments on the 100% design plans from Harris County.

Ms. Silva then reported that AECOM, the design engineer for the Central Pump Station, is finalizing the bid documents for the project.

Ms. Silva also reported that the design engineer for Segment 3-A5 and Segment 3-B1 is waiting on a response from the United States Army Corps of Engineers ("USACE") related to 408 permit clarification.

Ms. Silva provided an update regarding meters at the Northeast Meter Station and reported that the final submittal to the City is being prepared for the butterfly valve installation package.

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

The Board considered approving the following work authorizations: (1) Work Authorization No. 184 to Rapid Research, Inc., in the amount of \$50.00; and (2) Supplement No. 1 to Work Authorization No. 9 to Integra Realty Resources-Houston to increase the maximum payable amount under this work authorization from \$9,000.00 to \$15,000.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations. Director Postle seconded the motion, which passed unanimously.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Ms. Silva reported that the SWSP Nationwide Permit ("NWP") is being updated from NWP 12 to NWP 58 due to changes to the USACE NWP Program. She noted that the RePump Station NWP 7 for Outfall Structures has been obtained for the additional property being acquired for the RePump Station site.

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 ("HCFCD"), 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 reviewed an Agreement Regarding Relocation of Water Line between the Authority and BGM Land Investments, Ltd., and Woodmere Development Co., Ltd.

The Board considered consenting to an encroachment by IDIL Northwest Houston DC, L.P., for a sanitary sewer force main line that encroaches on the Authority's easement.

Following review and discussion, Director Wheeler moved to approve the Agreement Regarding Relocation of Water Line between the Authority and BGM Land Investments, Ltd., and Woodmere Development Co., Ltd., and the Consent to Encroachment for IDIL Northwest Houston DC, L.P., and direct that these documents be filed appropriately and retained in the Authority's official records. Director Owens seconded the motion, carried by a vote of seven for the motion, with Director Weppeler abstaining.

CONSIDERATION OF THE USE OF EMINENT DOMAIN TO CONDEMN PROPERTY AND REQUEST BOARD APPROVAL OF RESOLUTIONS AUTHORIZING ACQUISITION OF REAL PROPERTY INTERESTS TO CONFIRM THE EXISTENCE OF A PUBLIC NECESSITY FOR THE AUTHORITY TO ACQUIRE CERTAIN PROPERTIES AND PROPERTY INTERESTS ALONG THE CONTRACT 63 AND KINDER MORGAN 7 ROUTES, AND AUTHORIZING THE INITIATION OF CONDEMNATION PROCEEDINGS TO ACQUIRE SUCH PROPERTIES AND PROPERTY INTERESTS

Director Owens moved that the Board of Directors of the West Harris County Regional Water Authority, in a record vote applying to all units of property to be condemned, adopt two Resolutions Authorizing Acquisition of Real Property Interests which authorize the use of the power of eminent domain to acquire properties and property interests for the construction, installation, operation, and maintenance of facilities and appurtenances thereto necessary and convenient for the transportation and delivery of water at the general location and along the general routes established for Contract 63 and Kinder Morgan 7, as shown on Exhibit A to the respective Resolutions, and delegates to the Authority's Chief Administrative Official for land and property acquisition the authority to supervise such acquisitions and, as necessary, to initiate condemnation proceedings to acquire such properties and property interests. Director Struzick seconded the motion. A roll call vote of the Board was taken and the motion passed unanimously, with all directors voting "yea."

CONSTRUCTION UPDATES

Mr. Anthony presented the attached SWSP Monthly Construction Status Report dated April 29, 2022.

TEXAS WATER DEVELOPMENT BOARD FUNDING

There was no discussion on this matter.

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 Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Owens seconded the motion, which carried by a vote of seven for the motion, with Director Postle abstaining.

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 reported that the Booster Pump No. 3 soft-start is in need of repair. He requested approval from the Board to purchase and install one Benshaw MX3 retrofit kit ("Kit") and purchase one spare parts Kit for the booster pump starter.

Mr. Thomas reported that Nottingham Country Municipal Utility District ("Nottingham MUD") requested a one-time waiver of late fees in the amount of \$2,981.47 due to a payment being received after the due date. He then reported that Katy Independent School District ("Katy ISD") also requested a one-time waiver of late

fees from the Authority to waive late fees in the amount of \$573.31 due to a payment being received after the due date.

Following review and discussion, Director Owens made a motion to: (1) approve the purchase and install one Kit and the purchase of one spare parts Kit for Booster Pump No. 3; and (2) approve one-time waivers of late fees for Nottingham MUD in the amount of \$2,981.47 and Katy ISD in the amount of \$573.31. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva reported that the emergency preparedness workshop will be held virtually via Microsoft Teams tomorrow at 10:00 a.m.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES

The Board considered the critical load spreadsheet for the Authority's facilities. Following review and discussion, Director Struzick made a motion to authorize filing of the critical load spreadsheet. Director Wepler seconded the motion, which passed unanimously.

AUDIT REPORT FOR FISCAL YEAR END DECEMBER 31, 2021

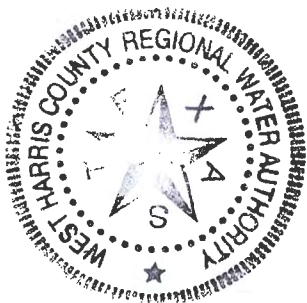
Mr. Ellis reviewed the audit report for the fiscal year end December 31, 2021. Following review and discussion, Director Wheeler moved to approve the audit report for the fiscal year end December 31, 2021. Director Gorden seconded the motion, which passed unanimously.

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



Secretary, Board of Directors

(SEAL)



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