

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

July 13, 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 13th day of July, 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
Karla Cannon	Director
Dennis Gorden	Director
John "Jay" Wheeler	Director

and all of the above were present except Director Struzick, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens and Chase Juhl of DEC; Troy Anthony of Project Surveillance, Inc.; Kevin Berry 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.

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 June 8, 2022, regular Authority Board meeting. Following review and discussion, Director Cannon moved to approve the minutes of the June 8, 2022, regular Authority Board meeting, as submitted. The motion was seconded by Director Thornhill, 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 reported that the Authority had an exhibit booth at the 2022 Association of Water Board Directors summer conference and information regarding ongoing surface water conversion projects . On behalf of the Authority, Director Hansen expressed appreciation to representatives from Hollaway Environmental + Communications, Inc., for staffing the booth.

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 2022 through June is approximately 115.94% of the previous year at this date and that the average usage for 2022 is projected to be 67.50 MGD.

Mr. Ahrens reported that for June, the Authority was 26.50% converted to surface water and that for the 2022 calendar year, the Authority was 35.75% 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.

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

Regarding Contract 36, Mr. Ahrens reported on additional work planned to address changes related to encroachment conditions.

Regarding Contract 50, Mr. Ahrens reported that the 36-inch pipe for Fry Road alignment has been received and work on the meter station has begun.

Regarding Contract 32, Mr. Ahrens reported that installation of pipe is complete and work on the meter station has begun.

Mr. Ahrens recommended approval of Change Order No. 1 to the contract for construction of the Surface Water Supply Project ("SWSP") Segment C1 with S.J. Louis Construction of Texas Ltd. ("S.J. Louis"), in the amount of \$300,000.00 for additional costs related to the reduced workspace due to the installation of above-ground facilities and equipment and the placement of excessive fill within an Authority easement for development of Grand Oaks, Section 14 located in Rolling Creek Utility District. He reported that NFBWA has reviewed this change order and recommends its approval. The Board determined that Change Order No. 1 is beneficial to the Authority. After review and discussion, Director Weppler moved to approve Change Order No. 1 to the contract for construction of the SWSP Segment C1 with S.J. Louis, based upon the Board's finding that the Change Order is beneficial to the Authority and the engineer's recommendation. Director Janneck seconded the motion, which passed unanimously.

Mr. Ahrens recommended approval of: (1) Pay Estimate No. 2 in the amount of \$113,041.80 to D.L. Elliott Enterprises for Contract 32; (2) Pay Estimate No. 7 in the amount of \$227,656.50 to Persons Services Corp., for Contract 50; (3) Pay Estimate No. 1 in the amount of \$3,600,000.00 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (4) Pay Estimate No. 1 in the amount of \$2,574,366.12 to Jay Dee Contractors, Inc., for SWSP Segment B3; (5) Pay Estimate No. 18 in the amount of \$2,458,023.48 to S.J. Louis for SWSP Segment C1; (6) Pay Estimate No. 18 in the amount of \$1,710,551.07 to Harper Brothers Construction, LLC for SWSP Segment C2; (7) Pay Estimate No. 7 in the amount of \$907,817.83 to R Construction Company for SWSP Segment 3-A1; (8) Pay Estimate No. 10 in the amount of \$164,357.37 to E.P. Brady, Ltd. for SWSP Segment 3-A2; and (9) Pay Estimate No. 9 in the amount of \$983,688.88 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 Janneck 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 the next meeting of the Water Supply Contract Advisory Committee is scheduled for September, 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

Mr. Ahrens reported that EHRA, the design engineer for the Kinder Morgan sub-segment 7 submitted design plans for the alignment change on June 30, 2022, and the plans are under review.

Mr. Ahrens then reported that AECOM, the design engineer for SWSP Segment A, is finalizing design plans for final approvals and preparing the Project Manual for advertisement for bids for the project.

Mr. Ahrens also reported that Freese & Nichols, the design engineer for the RePump Station, is addressing additional comments on the 100% design plans from Harris County. He provided an update on the plat for the overall site and stated that the plat is almost complete.

Mr. Ahrens reported that AECOM, the design engineer for the Central Pump Station, is finalizing the bid documents for advertisement for the project. He noted that the plans have been approved by the City of Houston (the "City"), and he anticipates that advertisement for bids for construction will commence by the end of July.

Mr. Ahrens then 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 related to 408 permit clarification.

Mr. Ahrens provided an update regarding meters at the Northeast Meter Station and comments received from the City on the the final installation package for the butterfly valve are being addressed.

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

The Board considered approving: (1) a Master Service Agreement with Mbroh Engineering, Inc., in the amount of \$60,250.00 to update surface water meter station standard designs relating to electrical, instrumentation, and control system interface for CIP projects; (2) Addendum No. 2 to the contract with Baseline Corporation, Inc., to increase the contract amount to \$300,000.00; and (3) Addendum No. 6 to the contract with Title Houston Holdings, Ltd. dba Abstract Services of Houston to increase the contract amount to \$300,000.00. Following review and discussion, Director Janneck moved to approve the above-described agreement and addenda. Director Wheeler seconded the motion, which carried by a vote of six for the motion, with Director Postle abstaining.

The Board then considered approving the following work authorizations: (1) Supplement No. 1 to Work Authorization No. 32 to Terracon Consultants, Inc. to extend the termination date until project completion; (2) Work Authorization No. 14 to Kuo & Associates, Inc., in the amount of \$15,265.00; (3) Work Authorization No. 191 to Rapid Research, Inc., in the amount of \$570.00; (4) Work Authorization No. 112 to Title Houston Holdings Ltd., dba Abstract Services of Houston in the amount of \$10,500.00; (5) Work Authorization No. 162 to Luper, LLC in the amount of \$5,900.00; and (6) Work Authorization No. 9 to Baseline Corporation, Inc., in the amount of \$67,300.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorizations. Director Thornhill seconded the motion, which carried by a vote of six for the motion, with Director Postle abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Mr. Ahrens provided a report on the update to the SWSP Nationwide Permit ("NWP") from NWP 12 to NWP 58.

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, AND APPROVE INTERLOCAL AGREEMENTS WITH HARRIS COUNTY AND HARRIS COUNTY FLOOD CONTROL DISTRICT

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

CONSTRUCTION UPDATES

Mr. Anthony presented the attached SWSP Monthly Construction Status Report dated June 30, 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, AND ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

Mr. Berry 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.

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officer.

Following review and discussion, Director Wepler moved to: (1) approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report; and (2) accept the annual disclosure statements of the bookkeeper and investment officer. Director Wheeler seconded the motion, which carried by a vote of five for the motion, with Directors Postle and Thornhill 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.

INTERLOCAL AGREEMENT WITH HARRIS GALVESTON SIBSIDENCE DISTRICT ("HGSD")

Ms. Vinson reviewed an Interlocal Agreement with the HGSD regarding the sponsorship of 5,000 conservation kits. Following review and discussion, Director

Thornhill moved to approve the Interlocal Agreement. Director Wheeler seconded the motion, which passed unanimously.

RISK MANAGEMENT SERVICE AGREEMENT WITH MCGRIFF INSURANCE SERVICES, INC.

The Board considered approving the Risk Management Service Agreement with McGriff Insurance Services, Inc. Following review and discussion, Director Wepler moved to approve the Risk Management Service Agreement. Director Janneck seconded the motion, which passed unanimously.

Director Gorden joined the meeting.

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.

Ms. Vinson reported that the Authority has implemented Stage 1 of the Authority's Drought Contingency Plan and a notice requesting voluntary reductions will be sent out to districts, cities, and well owners within the Authority's Groundwater Reduction Plan reflecting this implementation tomorrow.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.072 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.

(SEAL)




Secretary, Board of Directors

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