

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 14, 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 14th day of September, 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 Wepler, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations; Wayne Ahrens and Melinda Silva of DEC; Troy Anthony of Project Surveillance, Inc.; Frank Turner of EEPB; Francine Stefan of Post Oak Municipal Advisors; David Smalling of Robert W. Baird & Co. Incorporated; 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.

Mr. Russ Appelget stated he is a member of the Board of Harris County Municipal Utility District No. 264 and inquired regarding changes to the Authority's drought stage. Ms. Vinson reported that drought conditions will be discussed later in the meeting during the operator's report.

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 August 10, 2022, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the August 10, 2022, regular Authority Board meeting, as submitted. The motion was seconded by Director Janneck, 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 schedule and presentation for the next forum will be discussed during upcoming Authority committee meetings.

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 August is approximately 121.99% 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 August, the Authority was 31.15% converted to surface water and that for the 2022 calendar year, the Authority was 33.09% 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 the new well permit list was submitted to the Harris-Galveston Subsidence District this month.

Ms. Silva also reported on new well nos. 16129 and 14652 to serve Aurora and Quadvest, respectively.

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, Surface Water Supply Project ("SWSP") Segments B1 and B2, SWSP Segment B3, SWSP Segments C1 and C2, and SWSP Segments 3-A1, 3-A2, and 3-A3.

Ms. Silva reported that construction for Contract 36 is complete and recommended acceptance of the project and notifying the Texas Water Development Board ("TWDB"). She noted that the final pay estimate for Contract 36 cannot be released to the contractor until the Authority receives approval from the TWDB.

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

Regarding Contract 32, Ms. Silva reported that work continues on the meter station.

She recommended approval of Change Order No. 2 to the contract for construction of SWSP Segment 3-A1 with R Construction Company in the amount of \$99,725.00 to address an adjustment due to an unanticipated sanitary line and to address the addition of 60 days to the contract duration. The Board determined that Change Order No. 2 is beneficial to the Authority.

Ms. Silva recommended approval of: (1) Pay Estimate No. 4 in the amount of \$85,500.00 to D.L. Elliott Enterprises for Contract 32; (2) Pay Estimate No. 18 and Final in the amount of \$540,553.22 to Persons Services Corp., for Contract 36, subject to approval from the TWDB; (3) Pay Estimate No. 9 in the amount of \$1,418,520.52 to Persons Services Corp., for Contract 50; (4) Pay Estimate No. 2 in the amount of

\$229,511.22 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (5) Pay Estimate No. 3 in the amount of \$1,549,720.62 to Jay Dee Contractors, Inc., for SWSP Segment B3; (6) Pay Estimate No. 20 in the amount of \$701,280.32 to S.J. Louis Construction of Texas Ltd., for SWSP Segment C1; (7) Pay Estimate No. 20 in the amount of \$2,453,824.74 to Harper Brothers Construction, LLC for SWSP Segment C2; (8) Pay Estimate No. 9 in the amount of \$594,036.51 to R Construction Company for SWSP Segment 3-A1; (9) Pay Estimate No. 12 in the amount of \$951,132.46 to E.P. Brady, Ltd. for SWSP Segment 3-A2; and (10) Pay Estimate No. 11 in the amount of \$1,649,564.03 to Main Lane Industries, Ltd., for SWSP Segment 3-A3.

Following review and discussion, Director Struzick made a motion to (1) approve the above-described pay estimates, as recommended; (2) approve Change Order No. 2 to the contract for construction of SWSP Segment 3-A1 with R Construction Company, based upon the Board's finding that the Change Order is beneficial to the Authority and the engineer's recommendation; and (3) accept the project for Contract 36, as recommended, and authorize DEC to notify the TWDB. Director Wheeler 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 tentatively scheduled for December 2022.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS, WEBSITE, ACCOUNTING AND SOFTWARE, 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 Design Committee recommends that the Board authorize negotiating engineering design services agreements for Contract 64/66 with Lockwood, Andrews & Newnam, Inc. ("LAN") and for Contract 65 with Kimley Horn. Following discussion, Director Struzick moved to (1) select LAN as the design engineer for Contract 64/66 and authorize negotiating an engineering design services agreement for Contract 64/66 with LAN; and (2) select Kimley Horn as the design engineer for Contract 65 and authorize negotiating an engineering design services agreement for Contract 65 with Kimley Horn. Director Thornhill seconded the motion, which passed unanimously.

Ms. Silva reported that EHRA, the design engineer for the Kinder Morgan sub-segment 7, is addressing comments on design plans for project.

Ms. Silva then reported that final approvals on design plans for SWSP Segment A have been received from the City of Houston (the "City") and Harris County (the "County"), and AECOM, the design engineer for the project, is preparing the Project Manual. She noted she anticipates that advertisement for bids for the project will commence on September 30, 2022.

Ms. Silva also reported that Freese & Nichols, the design engineer for the RePump Station, is preparing to submit 100% design plans to all agencies. She stated that the plat for the overall site has been submitted.

Ms. Silva reported that advertisement for bids for construction of the Central Pump Station has commenced and bid opening is scheduled for September 22, 2022.

Ms. Silva then provided a report regarding coordination with the United States Army Corps of Engineers related to 408 permit clarification for SWSP Segment 3-B1 and SWSP Segment 3-A5 design plans.

Ms. Silva provided an update regarding meters at the Northeast Meter Station and stated that the installation package for the butterfly valve was resubmitted to the City and the County. She noted that a change order is being solicited for installation of the valve.

Ms. Silva also provided an update on design and schedule matters concerning the SWSP Kinder Morgan segments. She stated proposals are being solicited from design engineers for the SWSP Kinder Morgan segments to restart the projects.

Ms. Silva reported that a notice to proceed with design services for Contract 63 was issued to Carollo Engineers, Inc., today.

The Board then considered approving the following proposal and work authorizations: (1) Work Authorization No. 193 to Rapid Research, Inc., in the amount of \$100.00; (2) Work Authorization No. 194 to Rapid Research, Inc., in the amount of \$550.00; (3) Work Authorization No. 24 to Quiddity Engineering, LLC in the amount of \$4,188.00; (4) Work Authorization No. 25 to Quiddity Engineering, LLC in the amount of \$1,743.00.00; (5) Work Authorization No. 16 to Crouch Environmental Services, Inc., d/b/a Hollaway Environmental + Communications Services, Inc., in the amount of \$19,356.80; (6) Work Authorization No. 163 to Luper, LLC in the amount of \$1,870.00; (7) Work Authorization No. 164 to Luper, LLC in the amount of \$15,500.00; (8) Supplement No. 3 Work Authorization No. 1 to Integra Realty Resources to increase the maximum amount payable to \$76,000.00; and (9) Work Authorization No. 6 to Arch Aerial LLC in the amount of \$100,000.00. Following review and discussion, Director Thornhill moved to approve the above-described work authorizations. Director

Wheeler seconded the motion, which carried by a vote of seven for the motion, with Director Postle abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Ms. Silva provided a report on the update to the SWSP East-West 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

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

CONSTRUCTION UPDATES

Mr. Anthony presented the attached SWSP Monthly Construction Status Report dated August 31, 2022.

TEXAS WATER DEVELOPMENT BOARD FINANCING MATTERS

Ms. Vinson gave an update on the Water System Junior Lien Revenue Bonds, Series 2022A.

WATER SYSTEM REVENUE BONDS, SERIES 2022 ("SERIES 2022 BONDS")

Ms. Vinson discussed the proposed sale of the Series 2022 Bonds. Ms. Stefan reviewed with the Board the Preliminary Official Statement for the Series 2022 Bonds.

Ms. Stefan requested that the Board authorize engaging rating companies to perform credit rating analyses for the Series 2022 Bonds.

The Board next considered the Resolution Authorizing the Issuance of the Authority's Series 2022 Bonds; Authorizing the Authorized Representative to Take Certain Actions on Behalf of the Authority; Authorizing the Form, Execution and Delivery of a Twenty-Third Supplemental Indenture of Trust relating to such Bonds; Authorizing and Ratifying Other Actions of the Authority; Making Certain Findings and Containing Other Provisions Related to the Subject (the "Resolution"). Ms. Vinson reviewed with the Board the Resolution and the various documents authorized and approved by the Resolution.

Ms. Vinson next explained that there will be various documents related to delivery of the Series 2022 Bonds requiring execution by the directors prior to closing.

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate").

The Board considered approving payment to the Attorney General relating to bond issue transcript review.

Following review and discussion, Director Struzick moved: (1) that the Preliminary Official Statement for the Series 2022 Bonds be deemed final and be authorized for release, subject to final review; (2) to engage rating companies to perform credit rating analyses for the Series 2022 Bonds; (3) that the Board adopt the Resolution, authorizing the President or the Vice President to effect the sale of the Series 2022 Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents, so long as the total principal amount of the Series 2022 Bonds does not exceed \$63,000,000; (4) authorize the President and Vice President and Secretary and 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 2022 Bonds to the purchaser; (5) to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records; and (6) approve the payment to the Attorney General related to the bond issue transcript review. Director Wheeler seconded the motion, which passed unanimously.

DISCUSS PROPOSED RATE INCREASE AND AUTHORIZE DISTRIBUTING NOTICE OF PROPOSED RATE INCREASE

The Board considered authorizing distribution of a notice regarding a proposed increase in its pumpage fee and surface water fee in an amount not to exceed \$0.25 to be considered by the Board at its November 9, 2022, meeting. Following review and discussion, Director Wheeler moved to authorize distribution of such notice. Director Thornhill seconded the motion, which passed unanimously.

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. 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 Struzick 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.

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.

Ms. Thomas reported that the Authority remains in Stage 1 of the Authority's Drought Contingency Plan. Director Hansen encouraged districts and district residents within the Authority's Groundwater Reduction Plan to conserve water. Ms. Vinson noted that the Authority's conservation measure to implement Stage 1 of its Drought Contingency Plan was triggered to facilitate compliance with Harris-Galveston Subsidence District conversion to surface water requirements.

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.

Larry A. Weppeler
Secretary, Board of Directors
Vice President

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
List of persons present at the meeting	1
Engineer's report.....	2
SWSP Monthly Construction Status Report.....	6
Bookkeeper's report.....	8
Operator's report.....	8