

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

October 12, 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 12th day of October, 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 Weppler	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 Directors Postle, Thornhill, and Gorden, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations; Wayne Ahrens, Melinda Silva, and Chase Juhl of DEC; Troy Anthony of Project Surveillance, Inc.; Kevin Berry of EEPB; Terrell Palmer 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.

Ms. Loretta Evans, President of the West Harris Municipal Utility District No. 2, inquired regarding requests for late penalty waivers from Harris County Municipal Utility District No. 171 ("HC MUD 171") and Harris County Municipal Utility District No. 127 ("HC MUD 127"), which are listed in the operator's report for tonight's meeting. Ms. Vinson noted that the requests 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 September 14, 2022, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the September 14, 2022, regular Authority Board meeting, as submitted. The motion was seconded by Director Wheeler, which passed unanimously.

CUSTOMER APPEALS

No customer appeals were presented.

TOWNHALL MEETINGS AND WORKSHOPS, WEBSITE, SOCIAL MEDIA, WATER CONSERVATION PROGRAM AND TRAILERS (INCLUDING FIRST AMENDMENT TO EQUIPMENT LEASE WITH THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY), ATTENDANCE AT CONFERENCES AND MEMBERSHIP IN ORGANIZATIONS, NEWSLETTERS AND MAILOUTS

Ms. Vinson reviewed a First Amendment to Equipment Lease with North Harris County Regional Water Authority ("NHCRWA") related to the Authority's use of two Mobile Teaching Lab Trailers owned by NHCRWA. Following review and discussion, Director Struzick moved to approve the First Amendment to Equipment Lease with NHCRWA and direct that it be filed appropriately and retained in the Authority's official records upon execution by the NHCRWA. Director Janneck seconded the motion, which passed unanimously.

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 September is approximately 120.433% 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 September, the Authority was 33.06% converted to surface water and that for the 2022 calendar year, the Authority was 34.64% 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 Authority's Harris-Galveston Subsidence District permit for 2022 will be amended due to increased pumpage during drought conditions.

Ms. Silva also reported that Lakes on Eldridge North and HC MUD 171 each have a new well.

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 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.

Regarding Contract 50, Ms. Silva reported that two crews are working from the north and south ends and work continues on the meter station.

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

Ms. Silva recommended approval of Change Order No. 4 to the contract for construction of SWSP Segment C2 with Harper Brothers Construction, LLC ("Harper Brothers") in the amount of \$646,400.00 and for a 30-day time extension for installation of the Northeast Water Purification Plant Meter Station butterfly valve. The Board determined that Change Order No. 4 is beneficial to the Authority. Following review and discussion, Director Weppeler made a motion to approve Change Order No. 4 to the contract for construction of SWSP Segment C2 with Harper Brothers, subject to

approval from the Texas Water Development Board ("TWDB"), based upon the Board's finding that the Change Order is beneficial to the Authority and the engineer's recommendation. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva recommended approval of: (1) Pay Estimate No. 5 in the amount of \$64,125.00 to D.L. Elliott Enterprises for Contract 32; (2) Pay Estimate No. 10 in the amount of \$536,582.20 to Persons Services Corp., for Contract 50; (3) Pay Estimate No. 3 in the amount of \$932,283.40 to Harper Brothers for SWSP Segments B1 and B2; (4) Pay Estimate No. 4 in the amount of \$1,346,353.92 to Jay Dee Contractors, Inc., for SWSP Segment B3; (5) Pay Estimate No. 21 in the amount of \$583,726.10 to S.J. Louis Construction of Texas Ltd., for SWSP Segment C1; (6) Pay Estimate No. 21 in the amount of \$2,108,709.41 to Harper Brothers for SWSP Segment C2; (7) Pay Estimate No. 10 in the amount of \$76,633.274 to R Construction Company for SWSP Segment 3-A1; (8) Pay Estimate No. 13 in the amount of \$364,404.36 to E.P. Brady, Ltd., for SWSP Segment 3-A2; and (9) Pay Estimate No. 12 in the amount of \$1,023,728.32 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

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 (1) Contract 29 with & Associates, Inc. ("Kuo"); (2) Contract 31 with Isani Consultants, L.P. ("Isani"); (3) Contract 51 with Sander Engineering Corp. ("Sander"); (4) Contract 52 with Arcadis; (5) Contract 54 with InduSri; and (6) Contract 62A with CP&Y, Inc. ("CP&Y").

Following discussion, Director Wheeler moved to select: (1) Kuo as the design engineer for Contract 29 and authorize negotiating an engineering design services agreement for Contract 29 with Kuo; (2) select Isani as the design engineer for Contract

31 and authorize negotiating an engineering design services agreement for Contract 31 with Isani; (3) Sander as the design engineer for Contract 51 and authorize negotiating an engineering design services agreement for Contract 51 with Sander; (4) Arcadis as the design engineer for Contract 52 and authorize negotiating an engineering design services agreement for Contract 52 with Arcadis; (5) InduSri as the design engineer for Contract 54 and authorize negotiating an engineering design services agreement for Contract 54 with InduSri; and (6) CP&Y as the design engineer for Contract 62A and authorize negotiating an engineering design services agreement for Contract 62A with CP&Y. Director Janneck 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 the project.

Ms. Silva then reported that AECOM, the design engineer for the SWSP Segment A, is preparing the Project Manual and authorization from the TWDB to advertise the project is required.

Ms. Silva also reported that Freese & Nichols, the design engineer for the RePump Station, submitted 100% design plans to all agencies for final approvals. She stated that comments to the plat for the overall site are being addressed.

Ms. Silva reported that the contract for construction of the Central Pump Station has been awarded to Reytec Construction in the amount of \$92,860,000.00 and the contract documents are being prepared for execution.

Ms. Silva 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 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 Carollo, the design engineer for Contract 63 is working on the survey.

Ms. Silva then reported that Vogler & Spencer, the design engineer for Contract 25 is working on the survey.

Ms. Silva also reported that Sander Engineering, the design engineer for Contract 27, is working on the survey.

The Board considered approving: (1) Amendment No. 3 to the contract with V&A Consulting Engineers, Inc., to replace the hourly rate schedule; (2) Addendum No. 5 to the contract with Integra Realty Resources Houston to increase the contract amount

to \$850,000.00; and (3) Addendum No. 5 to the contract with Kuo to replace the hourly rate schedule. Following review and discussion, Director Janneck moved to approve the above-described amendment and addenda. Director Struzick seconded the motion, which passed unanimously.

The Board then considered approving the following work authorizations: (1) Work Authorization No. 18 to Integra Realty Resources in the amount of \$50,000.00; (2) Supplement No. 1 to Work Authorization No. 1 to Mbroh Engineering, Inc., to extend the termination date until project completion; (3) Supplement No. 1 to Work Authorization No. 2 to Mbroh Engineering, Inc., to extend the termination date until project completion; (4) Work Authorization No. 5 to Prime Controls, LP in the amount of \$13,068.00; (5) Work Authorization No. 4 to Prime Controls, LP in the amount of \$6,534.00; (6) Work Authorization No. 15 to Kuo in the amount of \$157,615.00. Following review and discussion, Director Janneck moved to approve the above-described work authorizations. Director Struzick seconded the motion, which passed unanimously.

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 October 12, 2022.

TEXAS WATER DEVELOPMENT BOARD FINANCING MATTERS, INCLUDING WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2022A MATTERS

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2022A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION OF A TWENTY-FOURTH SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE AUTHORITY; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT ("SERIES 2022A BOND RESOLUTION")

Ms. Vinson reviewed with the Board the Series 2022A Bond Resolution and the various documents authorized and approved by the Series 2022A Bond Resolution.

AUTHORIZE THE AUTHORITY'S ATTORNEY AND THE FINANCIAL ADVISORS TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2022A ("SERIES 2022A BONDS")

Ms. Vinson next explained that there will be various documents related to delivery of the Series 2022A Bonds requiring execution by the directors prior to closing. The Board then considered authorizing the President or Vice President and Secretary or 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 2022A Bonds to the purchaser.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Vinson presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice regarding the Series 2022A Bonds.

After review and discussion, Director Wheeler made a motion to: (1) adopt the Series 2022A Bond Resolution and direct that it be filed appropriately and retained in the Authority's official record; (2) authorize execution of documents related to the sale and delivery of the Series 2022A Bonds, and authorize the Authority's attorney and financial advisor to take all necessary action to deliver the Bonds; and (3) authorize execution of the Certificate Regarding Provision of Financial Advice regarding the Series 2022A Bonds and

direct that it be filed appropriately and retained in the Authority's official records. Director Janneck seconded the motion, which passed unanimously.

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

Mr. Palmer and Ms. Vinson provided an update on the Series 2022 Bonds, which are scheduled to close on November 1, 2022.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF BILLS, REVIEW OF INVESTMENTS, AND AUTHORITY FEES AND CHARGES

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. He then reviewed an invoice from Harris-Galveston Subsidence District in the amount of \$25,425.00 for the Harris-Galveston Subsidence District permit amendment for 2022. Following review and discussion, Director Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report, and payment to Harris-Galveston Subsidence District in the amount of \$25,425.00. Director Janneck seconded the motion, which carried by a vote of five for the motion, with Director Wepler abstaining.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY; REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE AUTHORITY MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board conducted an annual review of the Authority's Investment Policy. The Board concurred that no changes were necessary to the current policy. Ms. Vinson reviewed a Resolution Regarding Annual Review of Investment Policy with the Board.

The Board considered a Resolution Establishing Authorized Depository Institutions and List of Broker/Dealers with Whom the District May Engage in Investment Transactions. Ms. Vinson explained that the bookkeeper has updated the list of authorized depository institutions and Hilltop Securities Asset Management has updated the list of qualified broker/dealers with whom the Authority may engage in investment transactions.

Following review and discussion, Director Struzick made a motion to: (1) adopt the Resolution Regarding Annual Review of Investment Policy; and (2) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Wheeler 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, DROUGHT CONTINGENCY PLAN MATTERS

Mr. Thomas reviewed the operator's report, a copy of which is attached.

Mr. Thomas reported that HC MUD 171 and HC MUD 127 requested one-time waivers of late fees in the amount of \$7,562.98 and \$14,066.90, respectively. Following review and discussion, Director Wheeler made a motion to approve one-time waivers of late fees for HC MUD 171 in the amount of \$7,562.98 and HC MUD 127 in the amount of \$14,066.90. Director Janneck seconded the motion, which passed unanimously.

Mr. Thomas reported that the Authority remains in Stage 1 of the Authority's Drought Contingency Plan. Director Hansen 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.

(SEAL)



[Handwritten Signature]
Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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