

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

November 9, 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 9th day of November, 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 and Gorden, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations ("Inframark"); Wayne Ahrens, Melinda Silva, 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 October 12, 2022, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the October 12, 2022, regular Authority Board meeting, as submitted. The motion was seconded by Director Cannon, 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

There was no discussion on this matter.

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 October is approximately 121.968% 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 October, the Authority was 32.76% 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 is being amended from 15.5 billion to 18 billion gallons due to increased pumpage during drought conditions.

Ms. Silva also reported that Lakes on Eldridge, Harris County Municipal Utility District No. 171, and Harris County Precinct 4 Katy Park 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 and she anticipates startup will occur this year.

Ms. Silva recommended approval of: (1) Pay Estimate No. 11 in the amount of \$610,971.96 to Persons Services Corp., for Contract 50; (2) Pay Estimate No. 4 in the amount of \$627,808.90 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (3) Pay Estimate No. 5 in the amount of \$2,746,547.12 to Jay Dee Contractors, Inc., for SWSP Segment B3; (4) Pay Estimate No. 22 in the amount of \$223,075.74 to S.J. Louis Construction of Texas Ltd., for SWSP Segment C1; (5) Pay Estimate No. 22 in the amount of \$614,033.06 to Harper Brothers Construction, LLC for SWSP Segment C2; (6) Pay Estimate No. 11 in the amount of \$127,027.96 to R Construction Company for SWSP Segment 3-A1; (7) Pay Estimate No. 14 in the amount of \$1,017,708.52 to E.P. Brady, Ltd., for SWSP Segment 3-A2; and (8) Pay Estimate No. 13 in the amount of \$285,857.27 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 tentatively scheduled for January 2023.

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 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 advertisement for bids for the SWSP Segment A commenced on Civcast on October 28, 2022, and bids are scheduled to be opened on December 7, 2022.

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 the wastewater reservation from the City of Houston is required for the plat for the overall site.

Ms. Silva reported that the Notice to Proceed for construction of the Central Pump Station was issued for November 14, 2022.

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 from design engineers for the SWSP Kinder Morgan segments to restart the projects are under review.

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 a meeting with Huitt-Zollars, the design engineer for Contract 26, is being scheduled to kickoff Contract 26 design.

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

The Board considered approving Amendment No. 3 to the contract with Mbroh Engineering, Inc. to increase the contract amount to \$948,940.00 and replace the hourly rate schedule. Following review and discussion, Director Thornhill moved to approve the above-described amendment. Director Wheeler seconded the motion, which passed unanimously.

The Board then considered approving the following work authorizations: (1) Work Authorization No. 3 to Mbroh Engineering, Inc., in the amount of \$54,850.00; (2) Work Authorization No. 4 to Mbroh Engineering, Inc., in the amount of \$57,440.00; (3) Work Authorization No. 5 to Mbroh Engineering, Inc., in the amount of \$45,540.00; (4) Work Authorization No. 6 to Mbroh Engineering, Inc., in the amount of \$91,060.00; (5) Work Authorization No. 32 to V&A Consulting Engineers, Inc., in the amount of \$105,352.00; (6) Work Authorization No. 88 to Weisser Engineering & Surveying in the amount of \$78,710.00; (7) Work Authorization No. 16 to Kuo & Associates, Inc. in the amount of \$69,345.00; (8) Work Authorization No. 17 to Kuo & Associates, Inc. in the amount of \$8,220.00; and (9) Work Authorization No. 18 to Kuo & Associates, Inc. in the amount of \$12,730.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations. Director Thornhill seconded the motion, which passed unanimously.

Ms. Vinson reviewed an Agreement for Investment Advisory Services with Hilltop Securities Asset Management, LLC. Following review and discussion, Director Wheeler made a motion to approve to approve the Agreement for Investment Advisory Services and direct that the agreement be filed appropriately and retained in the Authority's official records. Director Janneck 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 31, 2022.

TEXAS WATER DEVELOPMENT BOARD FINANCING MATTERS, INCLUDING UPDATE ON WATER SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2022A ("SERIES 2022A BONDS")

Ms. Vinson provided an update on the Series 2022A Bonds, which are scheduled to close on November 18, 2022.

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

Ms. Vinson reported that the Series 2022 Bonds closed on November 1, 2022.

ADOPT AMENDED RATE ORDER AND AUTHORIZE DISTRIBUTION OF NOTICE OF RATE INCREASE

Director Hansen provided an overview of proposed changes to the Authority's Rate Order and noted that a letter was sent out to all Authority customers informing them of a proposed rate increase. Ms. Vinson then reviewed the Amended Rate Order and the notice of rate increase (the "Notice"). Following review and discussion, Director Janneck moved to adopt the Amended Rate Order and to authorize distribution of the Notice. Director Cannon seconded the motion, which passed by unanimous vote.

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. Following review and discussion, Director Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Thornhill seconded the motion, which carried by a vote of six for the motion, with Director Wepler 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, DROUGHT CONTINGENCY PLAN MATTERS

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

Mr. Thomas reported that Harris County Municipal Utility District No. 46, Harris County Municipal Utility District No. 64, and Remington Municipal Utility District No. 1 requested one-time waivers of late fees in the amount of \$2,889.52, \$1,210.09, and \$11,446.25, respectively. Following review and discussion, Director Struzick made a motion to approve one-time waivers of late fees for Harris County Municipal Utility District No. 46 in the amount of \$ 2,889.52, Harris County Municipal Utility District No. 64 in the amount of \$1,210.09, and Remington Municipal Utility District No. 1 in the amount of \$11,446.25. Director Wheeler seconded the motion, which passed unanimously.

Mr. Thomas then presented a letter from Inframark stating that the annual CPI increase results in a 4.047% increase in Inframark's manual meter read fee and equipment rates for 2022. He noted that Inframark will increase the rates starting with the November 2022 billing period. Following review and discussion, Director Cannon moved to authorize execution of the CPI Letter and direct that it be filed appropriately and retained in the Authority's official records. Director Thornhill seconded the motion, which passed by unanimous vote.

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.



Secretary, Board of Directors

(SEAL)



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