

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

December 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 December, 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, 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.; Frank Turner of EEPB; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("MGSB"); and 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 TO CONSULT WITH ATTORNEY PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT CODE

The Board convened in executive session at 6:06 p.m. pursuant to Section 551.071, Texas Government Code. Present at the closed meeting were all Directors, Mr. Bapat, and Ms. Panozzo.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 6:16 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. Bob Blumrick stated he is a director of Harris County Municipal Utility District No. 163 and discussed the Boil Water Notice issued by the City of Houston (the "City") on November 27, 2022. Director Hansen and Mr. Bapat responded to an inquiry by Mr. Blumrick regarding the cost of surface water purchased from the City.

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 November 9, 2022, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the November 9, 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

Mr. Thomas stated that Barbara Payne reported the following: (1) the Water is Life Trailer mobile teaching lab recently participated in a Katy Independent School District STEAM event and a mobile teaching lab request form can be found on the Authority's website ; and (2) the 2023 Rising Cost of Water brochure and other updated brochures can be ordered online through the Authority's website.

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 November is approximately 131.452% of the previous year at this date and that the average usage for 2022 is projected to be 74.11 MGD.

Ms. Silva reported that for November, the Authority was 37.87% converted to surface water and that for the 2022 calendar year, the Authority was 34.64% converted to surface water.

Ms. Silva also reported that letters regarding surface water conversion were sent to municipal utility districts being connected to CIP water lines to meet the 2025 conversion.

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 Harris County Municipal Utility District No. 418 has 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 bids received for Surface Water Supply Project ("SWSP") Segments A1 and A2. She stated that the Authority's design engineer, AECOM, recommends that the Board award the contract for both SWSP Segments A1 and A2 as a single contract to Harper Brothers Construction, LLC ("Harper Brothers"), the low bidder, in the amount of \$187,951,572.10. Ms. Silva noted that approval from the Texas Water Development Board ("TWDB") is required before a Notice to Proceed for the project can be issued and the Joint Facilities Committee concurs with the recommendation to award a single contract for construction of SWSP Segments A1 and A2 to Harper Brothers. The Board concurred that, in its judgment, Harper Brothers was a responsible bidder who would be most advantageous to the Authority and would result in the best and most economical completion of the project. Following review and discussion, Director Weppeler moved to award SWSP Segments A1 and A2 to Harper

Brothers, as a single contract, in the amount of \$187,951,572.10, based on the engineer's recommendation and subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor and approval of the contract from the TWDB. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva reported on the status of construction for 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 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 startup will occur after New Year's Day.

Ms. Silva recommended approval of: (1) Pay Estimate No. 6 in the amount of \$34,200.00 to D.L. Elliott Enterprises for Contract 32; (2) Pay Estimate No. 12 in the amount of \$629,725.40 to Persons Services Corp. for Contract 50; (3) Pay Estimate No. 5 in the amount of \$613,040.40 to Harper Brothers for SWSP Segments B1 and B2; (4) Pay Estimate No. 6 in the amount of \$1,164,688.92 to Jay Dee Contractors, Inc. for SWSP Segment B3; (5) Pay Estimate No. 23 in the amount of \$46,737.17 to S.J. Louis Construction of Texas Ltd. for SWSP Segment C1; (6) Pay Estimate No. 23 in the amount of \$2,065,667.13 to Harper Brothers for SWSP Segment C2; (7) Pay Estimate No. 12 in the amount of \$99,604.85 to R Construction Company for SWSP Segment 3-A1; (8) Pay Estimate No. 15 in the amount of \$823,665.29 to E.P. Brady, Ltd. for SWSP Segment 3-A2; and (9) Pay Estimate No. 14 in the amount of \$928,714.38 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 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 January 10, 2023.

Ms. Silva requested authorization from the Board to send a letter to the City accepting the true-up reports from the City for the operation and maintenance expenditures of the East Water Purification Plant ("EWPP") for the fiscal years ending June 30, 2020, and June 30, 2021. Following discussion, Director Thornhill moved to authorize DEC to send a letter to the City accepting the true-up reports from the City

for the operation and maintenance expenditures of the EWPP for the fiscal years ending June 30, 2020, and June 30, 2021. Director Struzick seconded the motion, which passed unanimously.

RESOLUTION DESIGNATING AND AUTHORIZING SECOND SUPPLEMENT REPRESENTATIVE AND ALTERNATE REPRESENTATIVE

Mr. Bapat reviewed a Resolution Designating and Authorizing Second Supplement Representative and Alternate Representative, which designates Director Hansen to serve as the representative and Phil Smith of DEC to serve as the alternate representative for the Authority under the Second Supplement to the Water Supply Agreement between the City and the Authority for matters related to the construction of the Northeast Water Purification Plant Expansion Project. Following review and discussion, Director Wheeler moved to adopt the Resolution Designating and Authorizing Second Supplement Representative and Alternate Representative and direct that it be filed appropriately and retained in the Authority's official records. Director Cannon seconded the motion, which passed unanimously.

AUTHORIZE ENGINEER TO NOTIFY CITY OF HOUSTON OF THE AUTHORITY'S ANTICIPATED DEMAND FOR UPCOMING FISCAL YEAR

The Board considered authorizing DEC to notify the City of the Authority's anticipated demand for the upcoming fiscal year. Following discussion, Director Wheeler moved to authorize DEC to notify the City of the Authority's anticipated demand for the City's upcoming fiscal year. Director Thornhill seconded the motion, which passed unanimously.

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 plan submittal from EHRA, the design engineer for the Kinder Morgan sub-segment 7, is under review.

Ms. Silva then 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 is required for the plat for the overall site.

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 reported that Halff, the design engineer for SWSP Kinder Morgan Segment 1, is restarting design for the project.

Ms. Silva then reported that Carollo, the design engineer for Contract 63, submitted 30% design plans for the project today.

Ms. Silva also reported that Vogler & Spencer, the design engineer for Contract 25, submitted 30% design plans for the project on December 9, 2022, and the plans are under review.

Ms. Silva reported that a kickoff meeting with Huitt-Zollars, the design engineer for Contract 26, was held on November 18, 2022.

Ms. Silva then reported that 30% design plan submittal from Sander Engineering, the design engineer for Contract 27, is due on December 23, 2022.

Ms. Silva then reviewed and recommended approval of the following: (1) Agreement for Professional Services with Lockwood, Andrews & Newnam, Inc. for Contract 64; (2) Construction Contract with Clearview Clearing in the amount of \$72,564.00 to clear the I-10 Meter Station site; and (3) demolition contract with Cherry Demolition Company in the amount of \$23,600.00 for clearing structures near the Hollister Detention Basin required for SWSP Segments B1/B2. Following review and discussion, Director Struzick moved to approve the above-described agreement and contracts. Director Gorden seconded the motion, which passed unanimously.

Ms. Silva reported that the Design Committee recommends that the Board authorize negotiating engineering design services agreements for: (1) Contract 28 with 5engineering, LLC; (2) Contract 30 with Vogler & Spencer Engineering; (3) Contract 53 with IDS Engineering Group; (4) Contract 55 with Quiddity Engineering, LLC; and (5) Contract 62B with HR Green Development TX, LLC.

Following discussion, Director Struzick moved to select: (1) 5engineering, LLC as the design engineer for Contract 28 and authorize negotiating an engineering design services agreement for Contract 28 with 5engineering, LLC; (2) Vogler & Spencer Engineering as the design engineer for Contract 30 and authorize negotiating an engineering design services agreement for Contract 30 with Vogler & Spencer Engineering; (3) IDS Engineering Group as the design engineer for Contract 53 and authorize negotiating an engineering design services agreement for Contract 53 with IDS Engineering Group; (4) Quiddity Engineering, LLC as the design engineer for Contract 55 and authorize negotiating an engineering design services agreement for Contract 55 with Quiddity Engineering, LLC; and (5) HR Green Development TX, LLC

as the design engineer for Contract 62B and authorize negotiating an engineering design services agreement for Contract 62B with HR Green Development TX, LLC. Director Wheeler seconded the motion, which carried by a vote of seven for the motion, with Directors Weppler and Postle abstaining.

The Board then considered approving the following work authorizations: (1) a Work Authorization to Kuo & Associates, Inc. in the amount of \$11,505.00 to perform topographic surveying for the I-10 Meter Station site; and (2) Supplement No. 1 to Work Authorization No. 23 to Texas American Title Company in the amount of \$950.00. 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 eight 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. Juhl presented the attached SWSP Monthly Construction Status Report dated December 2, 2022.

AMENDED AND RESTATED RESOLUTION DESIGNATING CHIEF
ADMINISTRATIVE OFFICIAL

The Board reviewed an Amended and Restated Resolution Designating Chief Administrative Official to delegate authority to Director Postle to approve and execute consents to encroachment related to the Authority's acquisition of rights-of-way. Following review and discussion, Director Weppler moved to adopt the Amended and Restated Resolution Designating Chief Administrative Official and direct that it be filed appropriately and retained in the Authority's official records. Director Struzick seconded the motion, which passed unanimously.

NINTH AMENDED AND RESTATED RESOLUTION ESTABLISHING COMMITTEES

Mr. Bapat reviewed a Ninth Amended and Restated Resolution Establishing Committees. Following review and discussion, Director Wheeler moved to adopt the Ninth Amended and Restated Resolution Establishing Committees and direct that it be filed appropriately and retained in the Authority's official records. Director Postle seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER
31, 2022

Mr. Ellis stated that the Authority has engaged McCall Gibson Swedlund Barfoot PLLC ("MGSB") to provide auditing services to the Authority for each fiscal year and reviewed a letter from MGSB requesting authorization to conduct the audit for the fiscal year ending December 31, 2022, at a cost not to exceed \$75,000. Following discussion, Director Thornhill moved to authorize MGSB to conduct the audit for the fiscal year ending December 31, 2022. Director Cannon seconded the motion, which passed unanimously.

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

Director Hansen reported that the Series 2022A Bonds closed on November 18, 2022.

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 Struzick

seconded the motion, which carried by a vote of seven for the motion, with Directors Weppler and Postle abstaining.

OPERATING BUDGET AND JOINT FACILITIES OPERATING BUDGET FOR FISCAL YEAR END DECEMBER 31, 2023

Mr. Turner reviewed the proposed operating budget and joint facilities operating budget for fiscal year ending December 31, 2023. Following review and discussion, Director Struzick moved to approve the operating budget and joint facilities operating budget for fiscal year ending December 31, 2023. Director Wheeler seconded the motion, which passed unanimously.

ANNUAL LETTER TO NORTH FORT BEND WATER AUTHORITY ("NFBWA") REGARDING ANNUAL DEBT SERVICE PAYMENTS DUE UNDER THE JOINT FACILITIES AGREEMENT

The Board considered authorizing the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2023 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Following discussion, Director Gorden moved to authorize the bookkeeper to prepare the annual letter to the NFBWA regarding the NFBWA's share of the 2023 debt service payments for the Series 2012 Water Infrastructure Fund Bonds. Director Cannon 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, TERMINATIONS, DROUGHT CONTINGENCY PLAN MATTERS, AND ADOPT RESOLUTION AND APPROVE THE EXECUTION OF AGREEMENTS RELATED TO ELECTRONIC LOCKBOX PAYMENT SERVICES WITH CENTRAL BANK

Mr. Thomas reviewed the operator's report, a copy of which is attached. He provided an update on the Boil Water Notice issued by the City due to a power outage at the EWPP and reported on preventative measures which kept the Authority in compliance during the City's issuance of its Boil Water Notice.

Mr. Thomas requested approval from the Board for payment in the amount of \$105,538.00 for the second-year payment of a three-year agreement for repair and maintenance services for the Pump Station SCADA System. He noted that the services are being provided by Schneider Electric ("Schneider") as a subcontractor to Inframark.

Mr. Thomas discussed a proposal provided by Eaton Corporation as a subcontractor to Inframark in the amount of \$37,722.00 for Switchgear Breaker preventative maintenance services.

Mr. Thomas reported that Lakes of Eldridge Ltd. overpaid their account in the amount of \$54,223.50 and is requesting a refund.

Mr. Thomas then reported that due to some changes with its billing subcontractor, AVR Inc., Inframark will need to change the lockbox account from Frost Bank to Central Bank. Mr. Thomas then reviewed a Resolution Approving Central Bank's Electronic Lockbox Payment Services for Authority Customers, a related Processing Agreement with Central Bank, and a related First Amendment to Amended and Restated Professional Services Agreement between the Authority and Inframark.

Following review and discussion, Director Wheeler moved to: (1) approve the payment in the amount of \$105,538.00 for the second-year payment of a three-year agreement for repair and maintenance services for the Pump Station SCADA System to Schneider, as a subcontractor of Inframark; (2) approve the proposal from Eaton Corporation for Switchgear Breaker preventative maintenance services, as a subcontractor to Inframark, in the amount of \$37,722.00; (3) authorize the Authority bookkeeper to issue a refund to Lakes of Eldridge Ltd. in the amount of \$54,223.50 for overpayment on their account; and (4) approve the Resolution Approving Central Bank's Electronic Lockbox Payment Services for Authority Customers, the related Processing Agreement with Central Bank, and the related First Amendment to Amended and Restated Professional Services Agreement between the Authority and Inframark and direct that such documents be filed appropriately and retained in the Authority's official records. Director Gorden seconded the motion, which passed unanimously.


Director Hansen stated that the Authority rescinded implementation of Stage 1 of the Authority's Drought Contingency Plan.

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

(SEAL)



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Secretary, Board of Directors

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