

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

September 13, 2023

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 September, 2023, 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 Wheeler and Janneck, 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.; Frank Turner of EEPB; and Alia Vinson and Cheryl Panozzo of Allen Boone Humphries Robinson LLP. 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 August 9, 2023, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the August 9, 2023, 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 Struzick reported that an update from the Authority Communications Committee will be presented at the next Authority Design Committee meeting.

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 2023 through August is approximately 102.2% of the previous year at this date and that the average usage for 2023 to date is 75.93 MGD.

Ms. Silva reported that for July, the Authority was 20.95% converted to surface water and for the 2023 calendar year, the Authority was 33.46% converted to surface water.

Ms. Silva provided an update on design and schedule matters concerning the remaining 2025 CIP projects.

Ms. Silva reported that the population and water demand projections are being updated based on new data from the U.S. Census Bureau.

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 Improvement District No. 13 and Harris County Municipal Utility District No. 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, SWSP Segments 3-A1, 3-A2, and 3-A3, SWSP Segments A1/A2, and the SWSP Central Pump Station.

Regarding Contract 50, Ms. Silva reported that final punch list items are being worked on.

Regarding Contract 32, Ms. Silva reported that approval from the Texas Water Development Board is needed to close out the project.

Ms. Silva recommended approval of Change Order No. 1 to the contract for construction of the SWSP Central Pump Station with Reytec Construction Resources, Inc. ("Reytec"), in the amount of \$150,357.00 for additional excavation and select backfill due to poor soil conditions. The Board determined that Change Order No. 1 is beneficial to the Authority. After review and discussion, Director Weppler moved to approve the Change Order No. 1 to the contract for construction of the SWSP Central Pump Station with Reytec, 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 requested authorization to advertise for bids for the RePump Station subject to approval by the Texas Water Development Board to advertise the project. She stated that the Joint Facilities Committee concurs with the recommendation to advertise for bids for the project subject to approval by the Texas Water Development Board. Following discussion, Director Weppler moved to authorize advertisement for bids for construction of the RePump Station subject to approval by the Texas Water

Development Board to advertise the project. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva recommended approval of: (1) Pay Estimate No. 7 in the amount of \$3,012,957.41 to Reytec for the Central Pump Station; (2) Pay Estimate No. 21 in the amount of \$5,572.80 to Persons Services Corp. for Contract 50; (3) Pay Estimate No. 14 in the amount of \$4,613,900.82 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (4) Pay Estimate No. 15 in the amount of \$4,921,873.47 to Jay Dee Contractors, Inc. for SWSP Segment B3; (5) Pay Estimate No. 32 in the amount of \$109,181.17 to S.J. Louis Construction of Texas Ltd. for SWSP Segment C1; (6) Pay Estimate No. 32 in the amount of \$732,550.35 to Harper Brothers Construction, LLC for SWSP Segment C2; (7) Pay Estimate No. 23 in the amount of \$5,070.00 to E.P. Brady, Ltd. for SWSP Segment 3-A2; and (8) Pay Estimate No. 4 in the amount of \$131,093.91 to Harper Brothers Construction, LLC for SWSP Segment A1/ A2. Following review and discussion, Director Weppler made a motion to approve the above-described pay estimates, as recommended. Director Thornhill 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 PURIFICATION PLANT ("NEWPP") EXPANSION, LUCE BAYOU, AND NORTHEAST TRANSMISSION LINE

Ms. Silva reported that the Water Supply Contract Advisory Committee met today.

CONTRACTS FOR SERVICES FOR ENGINEERING, ENGINEERING DESIGN, GEOTECHNICAL, ABSTRACTING, SURVEYING, LEGAL, RIGHT-OF-WAY ACQUISITION, COMMUNICATIONS, WEBSITE, ACCOUNTING/BOOKKEEPING AND SOFTWARE, RATE ANALYSIS, 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 RePump Station design plans and project manual have been posted to the Civcast website.

Ms. Silva reported that 90% design plans for the Bellaire Pump Station Meter Station are being worked on.

Ms. Silva then reported that 90% design plans for the I-10 Meter Station are being worked on.

Ms. Silva reported that 90% design plans for the Northeast Meter Station are also being worked on.

Ms. Silva reported that the design work for SWSP Kinder Morgan Segments 1-6 is proceeding.

Ms. Silva then reported that the endpoint for SWSP Segment 3-A5 was adjusted and design work for the project has restarted.

Ms. Silva also reported that design work for Segment 3-B1 has restarted.

Ms. Silva reported that EHRA, the design engineer for the Kinder Morgan 7 sub-segment, is coordinating with the Kinder Morgan representative regarding extension of an easement to serve Harris County Municipal Utility District No. 5.

Ms. Silva then reported that 30% design plans for Contract 51 are under review.

Ms. Silva also reported that 30% design plans for Contract 52 are due September 29, 2023.

Ms. Silva reported that a meeting was held with IDS Engineering Group, Inc., the design engineer for Contract 53, to kickoff the project.

Ms. Silva then reported that the design proposal for Contract 54 from InduSri is under review.

Ms. Silva also reported regarding Contract 55 and stated that DEC is coordinating with the engineers for three municipal utility districts regarding the location of future water plant sites.

Ms. Silva reported that comments on the 90% design plans submitted by Carollo, the design engineer for Contract 63, were returned, and Carollo is working on the 100% design plans.

Ms. Silva then reported that 90% design plans for Contract 64 are due later this month.

Ms. Silva reported that 90% design plans for Contract 65 are also due later this month.

Ms. Silva reported that Sander Engineering, the design engineer for Contract 25, is working on the 90% design plans.

Ms. Silva reported that Huitt-Zollars, the design engineer for Contract 26, is also working on the 90% design plans.

Ms. Silva then reported that Vogler & Spencer, the design engineer for Contract 27, is working on the 90% design plans.

Ms. Silva also reported that the design proposal for Contract 28 from 5 Engineering is being worked on.

Ms. Silva reported that a proposal meeting is also being scheduled with Kuo, the design engineer for Contract 29.

Ms. Silva reviewed and recommended approval of the following: (1) Addendum No. 2 to the Master Services Agreement with Gratia Geomatics, LLC to add \$200,000.00 to the maximum payable amount; and (2) Addendum No. 2 to the contract with Kimley-Horn for Contract 65 for SUE Services in the amount of \$7,645.00.00. Following review and discussion, Director Struzick moved to approve the above-described addenda. Director Gorden seconded the motion, which carried by a vote of six for the motion, with Director Postle abstaining.

Ms. Silva then reviewed and recommended approval of the following work authorizations: (1) Supplement No. 3 to Work Authorization No. 8 to Texas American Title Company in the amount of \$8,900.00; (2) Work Authorization No. 27 to Quiddity for work related to Contract 53 in the amount of \$68,325.00; (3) Work Authorization No. 28 to Quiddity for work related to SWSP Segment 3 in the amount of \$22,362.00; (4) Work Authorization No. 115 to Abstract Services of Houston in the amount of \$700.00; (5) Work Authorization No. 1 to Gratia Geometrics, LLC in the amount of \$86,527.40; and (6) Work Authorization No. 202 to Rapid Research, Inc. in the amount of \$110.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations and supplement to work authorization. Director Thornhill seconded the motion, which carried by a vote of five for the motion, with Directors Weppler and Postle abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Mr. Silva reported that a response from the United States Army Corps of Engineers regarding the application for jurisdictional determination for the Northeast Meter Station site to declassify the property as wetlands submitted on December 7, 2022, is still pending.

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.

TOWNHALL MEETINGS AND WORKSHOPS, WEBSITE, SOCIAL MEDIA, WATER CONSERVATION PROGRAM AND TRAILERS, ATTENDANCE AT CONFERENCES AND MEMBERSHIP IN ORGANIZATIONS, NEWSLETTERS AND MAILOUTS (Continued)

Director Hansen provided a report regarding the Authority's coordination with the media for a local news story in response to a resident concerned with Authority dewatering activities required in constructing a water line. Discussion ensued.

CONSTRUCTION UPDATES

Mr. Juhl presented the attached SWSP Monthly Construction Status Report dated September 6, 2023. Mr. Anthony reported that during implementation of Stage 2 of the Authority's Drought Contingency Plan, contractors will defer application of new hydro mulch at Authority construction sites to conserve water.

DISCUSS PROPOSED RATE AND AUTHORIZE DISTRIBUTING RELATED NOTICE

The Board considered authorizing distribution of a notice (the "Notice") stating that there will be no increase to the current Groundwater Reduction Plan Fee and Surface Water Fee for January 1, 2024. Following review and discussion, Director Thornhill moved to authorize distribution of the Notice. Director Struzick 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 Thornhill 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 six for the motion, with Director Postle 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 Cannon 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 Thornhill 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.

RESOLUTION ADOPTING CRISIS MANAGEMENT AND MEDIA RELATIONS PLAN; PROVIDING FOR IMPLEMENTATION THEREOF; AND CONTAINING OTHER RELATED PROVISIONS

The Board considered adopting a Resolution Adopting Crisis Management and Media Relations Plan; Providing for Implementation Thereof; and Containing Other Related Provisions, noting that this would replace the previously adopted Resolution. Upon a motion made by Director Thornhill and seconded by Director Gorden, the Board voted unanimously to adopt the Resolution Adopting Crisis Management and Media Relations Plan; Providing for Implementation Thereof; and Containing Other Related Provisions.

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, AND DROUGHT CONTINGENCY PLAN MATTERS

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

Ms. Vinson discussed continuing drought conditions and groundwater usage in the Authority and reported that the Authority implemented Stage 2 of the Authority's Drought Contingency Plan, effective September 6, 2023. She reviewed a notice reflecting this implementation, which was sent to districts, cities, and well owners within the Authority's Groundwater Reduction Plan.

Mr. Thomas reported that Harris County Municipal Utility District No. 61 requested a one-time waiver of late fees in the amount of \$2,924.66 due to a payment being received after the due date. Following discussion, Director Thornhill made a motion to approve a one-time waiver of late fees for Harris County Municipal Utility District No. 61 in the amount of \$2,924.66. Director Gorden seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY PURSUANT TO SECTION 551.071 TEXAS GOVERNMENT CODE

The Board convened in executive session at 7:21 p.m. pursuant to Section 551.071, Texas Government Code. Ms. Vinson stated that the presence of Mr. Ahrens, Ms. Silva, Mr. Juhl, and Mr. Anthony in this executive session was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board concurred to have them present. Present at the closed meeting were Directors Hansen,

Wepler, Postle, Struzick, Thornhill, Cannon, and Gorden, Mr. Ahrens, Ms. Silva, Mr. Juhl, Mr. Anthony, Ms. Vinson, and Ms. Panozzo.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:53 p.m., the Board reconvened in open session. Director Wepler moved to authorize the Authority President to approve a settlement agreement with S.J. Louis Construction of Texas, Ltd. for SWSP Segment C1 and Change Order Nos. 5 and 6 to the contract for construction of the SWSP Segment C1 with S.J. Louis Construction of Texas, Ltd., based upon the Board's finding that the Change Orders are beneficial to the Authority and the engineer's recommendation. Director Thornhill seconded the motion, which passed unanimously.

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

(SEAL)




Secretary, Board of Directors

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