

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

October 11, 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 11th day of October, 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 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 Hansen, 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; Barbara Payne of Payne Communications & Associates; and Sanjay Bapat 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 Wepler 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 Wepler moved to the next agenda item.

MINUTES OF PREVIOUS MEETINGS

The Board reviewed the minutes of the September 13, 2023, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the September 13, 2023, 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, ATTENDANCE AT CONFERENCES AND MEMBERSHIP IN ORGANIZATIONS, NEWSLETTERS AND MAILOUTS

Ms. Payne provided an update from the Authority Communications Committee and discussed a "show and tell" style event (the "Event") to be held at the end of the November 8, 2023 Authority Board meeting. She reviewed a "save the date" for the Event, which was sent via eblast and emailed to the attorneys for the municipal utility districts within the Authority's boundary for distribution to municipal utility district Board members. Director Struzick then invited all directors present to attend and requested that they share the save the date with other municipal utility district directors.

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 September is approximately 106.5% of the previous year at this date and that the average usage for 2023 to date is 79.36 MGD.

Ms. Silva reported that for September, the Authority was 24.87% converted to surface water and for the 2023 calendar year, the Authority was 32.51% 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.

Ms. Silva also reported that letters related to conversion of municipal utility districts to surface water were mailed to municipal utility district attorneys, as appropriate.

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 DEC is working with the Harris-Galveston Subsidence District on renewal of the well permit and evaluating whether a permit amendment for groundwater for 2023 will be needed due to the increased pumpage during drought conditions.

Ms. Silva reported that Aqua Utilities 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 status of construction for Contract 50, 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.

Ms. Silva recommended approval of Change Order No. 2 to the contract for construction of the SWSP Central Pump Station with Reytec Construction Resources, Inc. ("Reytec"), in the amount of \$119,686.68 to: (1) revise the profile to lower the elevation of the waterline and to change the south terminal location for connection to Contract 63; (2) remove and replace approximately 20 linear feet of existing storm sewer pipe and install 72" CMP and coupler band; (3) provide isolated 4-20 mA output for low rate, and dual alarm settings; and (4) install current limiting fuses in overdutied switches. After review and discussion, Director Struzick moved to approve Change

Order No. 2 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 Thornhill seconded the motion, which passed unanimously.

Ms. Silva reported that UPRR and Texas Department of Transportation crossing permits are being renewed for various projects.

Ms. Silva then reported that DEC is coordinating with the Texas Water Development Board for approval of change orders for various projects, including SWSP Central Pump Station and SWSP Segment C1.

Ms. Silva recommended approval of: (1) Pay Estimate No. 8 in the amount of \$3,150,766.72 to Reytec for the Central Pump Station; (2) Pay Estimate No. 15 in the amount of \$5,334,364.17 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (3) Pay Estimate No. 16 in the amount of \$4,759,666.02 to Jay Dee Contractors, Inc. for SWSP Segment B3; (4) Pay Estimate No. 33 in the amount of \$2,183,233.42 to S.J. Louis Construction of Texas Ltd. for SWSP Segment C1; (5) Pay Estimate No. 33 in the amount of \$2,009,838.67 to Harper Brothers Construction, LLC for SWSP Segment C2; and (6) Pay Estimate No. 5 in the amount of \$179,167.46 to Harper Brothers Construction, LLC for SWSP Segment A1/A2. Following review and discussion, Director Wheeler made a motion to approve the above-described pay estimates, as recommended. Director Postle 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 next Water Supply Contract Advisory Committee meeting is tentatively scheduled for December 1, 2023.

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 advertisement for bids for the RePump Station is scheduled to commence on October 13, 2023, and contractors have been pre-qualified for this project.

Ms. Silva then reported that the Authority is coordinating with the North Fort Bend Water Authority on the design plans for the Bellaire Pump Station Meter Station.

Ms. Silva also 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, 2, 3, and 5 is proceeding.

Ms. Silva then reported that design plans for SWSP Kinder Morgan Segment 4 have been resubmitted to Harris County and work is being done on the Texas Department of Transportation permit.

Ms. Silva also reported that comments on design plans for SWSP Kinder Morgan Segment 6 were returned on October 6, 2023, and she anticipates that the plans will be resubmitted to the City of Houston by mid-October.

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

Ms. Silva then reported that BGE, the design engineer for SWSP Segment 3-B1, is preparing a proposal for a slope stability analysis.

Ms. Silva also reported that EHRA, the design engineer for the SWSP 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 reported that comments 30% design plans for Contract 51 were returned to Sander Engineering, the design engineer for Contract 51.

Ms. Silva then reported that 30% design plans for Contract 52 are under review.

Ms. Silva also reported that IDS Engineering Group, Inc., the design engineer for Contract 53, is working on 30% design plans.

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

Ms. Silva then 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 also reported that Carollo Engineers, Inc., the design engineer for Contract 63, is working on the 100% design plans.

Ms. Silva reported that LAN, the design engineer for Contract 64, submitted 90% design plans.

Ms. Silva then reported that 90% design plans for Contract 65 are due October 13, 2023.

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

Ms. Silva then reported that the design proposal for Contract 28 from 5 Engineering is under review.

Ms. Silva also 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 work authorizations: (1) Work Authorization No. 170 to Lupher, LLC in the amount of \$9,770.00; (2) Work Authorization No. 203 to Rapid Research, Inc., in the amount of \$415.00; and (3) Work Authorization No. 204 to Rapid Research, Inc., in the amount of \$220.00. Following review and discussion, Director Struzick moved to approve the above-described work authorizations. Director Cannon seconded the motion, which carried by a vote of seven for the motion, with Director Postle abstaining.

Mr. Bapat reviewed an engagement letter from Hunton Andrews Kurth to provide legal services to the Authority in connection with acquisition of necessary easements for Contract 63. Mr. Bapat then reviewed an Agreement for Investment Advisory Services with Hilltop Securities Asset Management, LLC. Following review and discussion, Director Wheeler made a motion to: (1) approve and authorize execution of the engagement letter from Hunton Andrews Kurth; and (2) approve the Agreement for Investment Advisory Services. Director Gorden seconded the motion, which passed by a vote of seven for the motion, with Director Postle abstaining.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

Ms. 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.

CONSTRUCTION UPDATES

Mr. Anthony presented the attached SWSP Monthly Construction Status Report dated October 5, 2023.

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. 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 Gorden 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, TERMINATIONS, AND DROUGHT
CONTINGENCY PLAN MATTERS

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

Mr. Thomas reported that Cimarron Municipal Utility District and Harris County Municipal Utility District No. 144 each requested a one-time waiver of late fees in the amounts of \$9,956.77 and \$1,498.84, respectively, due to payments being received after the due date.

Mr. Thomas then reported that Lakes on Eldridge North Homeowners Association ("LOEN") overpaid its accounts in the amount of \$109,232.64 and requested a refund.

Mr. Thomas requested that the Board approve a proposal from FD Castle Mechanical Contractor as a subcontractor to Inframark in the amount of \$15,816.00 to replace the evaporator coil on the A/C unit in the Switch Gear Building at the Pump Station.

Following discussion, Director Struzick made a motion to: (1) approve a one-time waiver of late fees for Cimarron Municipal Utility District in the amount of \$9,956.77; (2) approve a one-time waiver of late fees for Harris County Municipal Utility District No. 144 in the amount of \$1,498.84; (3) approve the payment to refund LOEN in the amount of \$109,232.64 for the overpayment of its accounts; and (4) approve the proposal from FD Castle Mechanical Contractor, as a subcontractor to Inframark, in the amount of \$15,816.00. 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 4.686% increase in Inframark's manual meter read fee and equipment rates for 2023. He noted that Inframark will increase the rates starting with the November 2023 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 Struzick seconded the motion, which passed by unanimous vote.

Mr. Thomas discussed drought conditions and groundwater usage in the Authority and reported that conversion percentages are improving, and the Authority is receiving its full capacity from the City of Houston. Discussion ensued. Following discussion, Director Struzick moved to rescind implementation of Stage 2 of the Authority's Drought Contingency Plan and reinstate implementation of Stage 1 of the Authority's Drought Contingency Plan effective October 12, 2023, and authorize ABHR to send a notice reflecting these actions to districts, cities, and well owners within the Authority's Groundwater Reduction Plan. Director Gorden seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.072 AND 551.071 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)



Secretary, Board of Directors

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