

MINUTES
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

July 10, 2024

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 10th day of July, 2024, 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 Directors Postle and Thornhill, thus constituting a quorum.

Also attending the meeting were Bryan Thomas of Inframark Water Infrastructure Operations; Wayne Ahrens, Melinda Silva, and Chase Juhl of Gannett Fleming; Troy Anthony of Project Surveillance, Inc.; Frank Turner of EEPB; and Alia Vinson 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.

Mr. Ron Julun of Harris County Municipal Utility District No. 238 inquired regarding the Notice of Stage 1 Drought Conditions (the "Notice") which was distributed by the Authority today. Ms. Vinson stated that the Notice 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 June 12, 2024, regular Authority Board meeting. Following review and discussion, Director Struzick moved to approve the minutes of the June 12, 2024, 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

There was no discussion on this matter.

ENGINEERING MATTERS

Ms. Silva reviewed the engineer's report, a copy of which is attached.

Ms. Silva reported that for June, the Authority was 33.22% converted to surface water and for the 2024 calendar year, the Authority was 35.94% 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 Aniston development 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 Surface Water Supply Project ("SWSP") Segments B1 and B2, SWSP Segment B3, SWSP Segments C1 and C2, SWSP Segments 3-A1 and 3-A3, SWSP Segments A1/A2, and the SWSP Central Pump Station.

Ms. Silva recommended approval of: (1) Pay Estimate No. 17 in the amount of \$6,397,940.39 to Reytec Construction Resources, Inc. for the Central Pump Station; (2) Pay Estimate No. 24 in the amount of \$7,770,242.64 to Harper Brothers Construction, LLC for SWSP Segments B1 and B2; (3) Pay Estimate No. 25 in the amount of \$1,894,826.72 to Jay Dee Contractors, Inc. for SWSP Segment B3; (4) Pay Estimate No. 42 in the amount of \$1,132,525.32 to S.J. Louis Construction, Inc. for SWSP Segment C1; and (5) Pay Estimate No. 14 in the amount of \$1,426,894.78 to Harper Brothers Construction, LLC for SWSP Segment A1/A2. Following review and discussion, Director Wepler made a motion to approve the above-described pay estimates, as recommended. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva reported that the Authority received bids for SWSP Kinder Morgan Segment 6 and recommended that the Board award the contract to MC2 Civil, LLC ("MC2"), the low bidder, in the amount of \$12,277,120.74, subject to approval by the Texas Water Development Board ("TWDB"). The Board concurred that, in its judgment, MC2 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. The Board then considered authorizing issuance of a cash call for SWSP Kinder Morgan Segment 6 of which the Authority's share will be \$751,285.71 and North Fort Bend Water Authority's ("NFBWA") share will be \$12,262,462.27. Following review and discussion, Director Wepler moved to award SWSP Kinder Morgan Segment 6 to MC2 in the amount of \$12,277,120.74, based on the engineer's recommendation, subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor, and subject to approval by the TWDB; and (2) authorize the issuance of the cash call for SWSP Kinder Morgan Segment 6. Director Struzick seconded the motion, which passed unanimously.

Ms. Silva then reported that the Authority received bids for the Northeast Meter Station and recommended that the Board award the contract to MC2, the low bidder, in the amount of \$15,393,850.00. The Board concurred that, in its judgment, MC2 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. The Board then considered authorizing issuance of a cash call for the Northeast Meter Station of which the Authority's share will be \$8,911,253.77 and NFBWA's share will be \$7,406,227.23.

Following review and discussion, Director Wepler moved to award the Northeast Meter Station to MC2 in the amount of \$15,393,850.00, based on the engineer's recommendation, subject to approval of payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; and (2) authorize the issuance of the cash call for the Northeast Meter Station. 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 PURIFICATION PLANT ("NEWPP") EXPANSION, LUCE BAYOU, AND NORTHEAST TRANSMISSION LINE

Ms. Silva reported that the Authority is coordinating with the City of Houston (the "City") regarding water supply challenges resulting from Hurricane Beryl.

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 on coordination with the NFBWA on review of the design plans for the Bellaire Meter Station.

Ms. Silva then reported that sealed design plans for the I-10 Meter Station were submitted for approval to utility companies, Harris County, and Harris County Flood Control District on May 31, 2024.

Ms. Silva reported that final updates and resubmittals of the design plans for SWSP Kinder Morgan Segments 1, 2, 3, and 5 are being worked on.

Ms. Silva then reported that the Texas Department of Transportation permit needed to complete the design plans for SWSP Kinder Morgan Segment 4 has been received and agency approvals of the final design plans are being obtained.

Ms. Silva reported that 95% design plans submitted by Huitt-Zollars, the design engineer for SWSP Segment 3-A5, are under review.

Ms. Silva then reported that BGE, the design engineer for SWSP Segment 3-B1, is finalizing design work for the project.

Ms. Silva also reported that submittal of 95% design plans for the SWSP Kinder Morgan 7 sub-segment are due.

Ms. Silva reported that 60% design plans submitted by Sander Engineering, the design engineer for Contract 51, are under review.

Ms. Silva then reported that 60% design plans for Contract 52 were resubmitted by Arcadis on April 23, 2024, and are under review.

Ms. Silva also reported that comments on the 30% design plans submitted by IDS Engineering Group, Inc. for Contract 53 were returned on April 10, 2024.

Ms. Silva reported that the design proposal for Contract 54 from InduSri is being finalized.

Regarding Contract 55, Ms. Silva reported that DEC received future water plant site locations from the engineers for three municipal utility districts.

Ms. Silva then reported that Contract 63 is currently being advertised and a pre-bid meeting for the project is scheduled for July 16, 2024.

Ms. Silva also reported that agency approvals of the final design plans for Contract 64 are being obtained.

Ms. Silva reported that additional comments on the project manual and bid forms for Contract 65 were returned to Kimley-Horn, the design engineer for Contract 65, and Kimley-Horn is preparing final design plans for utility signatures.

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

Ms. Silva also reported that Huitt-Zollars, the design engineer for Contract 26, is working on the 60% 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 5Engineering, the design engineer for Contract 28, is working on the 30% design plans.

Ms. Silva also reported that a proposal meeting with Kuo, the design engineer for Contract 29, was postponed.

Ms. Silva reviewed and recommended approval of the following: (1) Work Authorization No. 22 to Integra Realty Resources in the amount of \$47,000.00; and (2) Supplement No. 1 to Work Authorization No. 202 to Rapid Research, Inc. to increase the

maximum amount payable to \$220.00. Following review and discussion, Director Wheeler moved to approve the above-described work authorization and supplement to work authorization. Director Cannon seconded the motion, which passed unanimously.

Mr. Ahrens reported that that DEC was acquired by Gannett Fleming and, effective July 1, 2024, will now be known as Gannett Fleming.

ENVIRONMENTAL PERMITTING, COMPLIANCE, MITIGATION AND RELATED AGREEMENTS

There was no discussion on this matter.

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

Ms. Silva stated that the Encroachment Review Committee has been authorized to approve and authorize execution of appropriate approval documents related to requests to encroach onto the Authority's property interests and the list of the approved documents is reflected on the attached engineer's report.

CONSTRUCTION UPDATES

Mr. Juhl presented the attached SWSP Monthly Construction Status Report dated July 9, 2024. He reported that the active project costs for SWSP to date is approximately \$380,640,000.

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 Wheeler moved to approve the bookkeeper's report and the disbursements reflected in the bookkeeper's report. Director Gorden seconded the motion, which passed unanimously.

The Board next considered accepting the annual disclosure statements of the bookkeeper and investment officers. Following review and discussion, Director Wheeler moved to accept the annual disclosure statements of the bookkeeper and investment officers. Director Janneck 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.

RISK MANAGEMENT SERVICE AGREEMENT WITH MCGRUFF INSURANCE SERVICES, LLC

The Board considered approving the Risk Management Service Agreement with McGriff Insurance Services, LLC. Following review and discussion, Director Weppler moved to approve the Risk Management Service Agreement. Director Cannon seconded the motion, which passed unanimously.

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 provided an update on the impact of Hurricane Beryl on Authority operations. He reported that the pressure of surface water supplied to the Authority from the City was negatively impacted as a result of Hurricane Beryl, causing the Authority to close the valves at Authority Pump Station No. 1. Mr. Thomas stated that

due to the disruption to the Authority's water supply, notices of these emergency conditions were sent to Retail Water Provider operators, requests were made to Retail Water Providers to utilize their own water sources, and the Authority implemented Stage 1 of the Authority's Drought Contingency Plan by requesting voluntary water reductions. Mr. Thomas noted that the City's delivery of surface water has improved and he anticipates that the Authority will resume normal operations by the end of this week. Discussion ensued. Ms. Vinson described the triggers for the Authority's Drought Contingency Plan and explained that water supply disruption is a trigger, in addition to other causes such as drought.

CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY PURSUANT TO SECTION 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)



M. Stahl
Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
List of persons present at the meeting	1
Engineer's report.....	2
SWSP Monthly Construction Status Report.....	6
Bookkeeper's report.....	7
Operator's report.....	7