

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors
September 2, 2020

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on September 2, 2020, in accordance with the duly posted notice of meeting. The meeting was held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 Pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. The roll was called of the duly constituted members of said Board of Directors, as follows:

Margaret L. Cox, President
Julian F. Boddy, Vice President
David Granadino, Secretary
Tom Gower, Assistant Secretary
Richard C. Meek, Assistant Secretary

all of whom announced they were present, thus constituting a quorum.

Also attending the meeting via telephone conference call were: Jared Daly, P.E. of IDS Engineering Group, Inc. ("IDS"), engineer for the Authority; Fran Matuska of F. Matuska, Inc. ("Matuska"), bookkeeper for the Authority; Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; Wesley Lay of Jones & Carter, Inc., representing Harris County Municipal Utility District No. 200 ("No. 200"); Linda Watkins and Joyce King of Fallbrook Utility District ("Fallbrook"); Lathan E. Johnson and Godfrey Eta of Rankin Road West Municipal Utility District ("Rankin Road West"); Jonathan Ward, Leonard Cummings and Debra Williams of Harris County Municipal Utility District No. No. 304 ("No. 304"); Oliver Agard, Roosevelt Johnson, and Shirley Adams of Harris County Municipal Utility District No. 150 ("No. 150"); Rosalind Caesar, a resident of No. 304; and Abraham I. Rubinsky of Schwartz, Page & Harding, L.L.P. ("SPH"), attorneys for the Authority.

EXPLANATION OF TELEPHONE CONFERENCE CALL MEETING PROCEDURES AND CALL TO ORDER

Mr. Rubinsky explained to the Board the procedures to be used during the telephone conference call meeting. In connection therewith, he informed the participants that the meeting would be recorded, and requested that each participant clearly state his or her name before speaking, including when making or seconding a motion. Mr. Rubinsky explained that he would conduct a roll call vote for all motions and that Board members should wait to vote on a motion until his or her name has been called. Similarly, Mr. Rubinsky stated that a full roll call of all participants would be conducted at the start of the meeting for attendance purposes. Mr. Rubinsky proceeded to perform a roll call to establish attendance of Board members, consultants, and members of the public.

Following such roll call, the President called the meeting to order and declared it open for such business as might regularly come before the Board.

COMMENTS FROM THE PUBLIC

Mr. Rubinsky noted that the first item on the agenda was to open the meeting for public comments. There were no comments received from the public in attendance at the meeting.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of its meeting held August 5, 2020. After discussion, Director Granadino moved that the minutes of the meeting held August 5, 2020, be approved as presented. Director Meek seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Matuska next presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit A**, including the Summary of Cash Transactions for the Authority's various funds for the period August 1, 2020 through September 2, 2020, and the disbursements presented for payment from the Authority's accounts, a Summary of Investments, a Statement of Revenues and Expenditures for the month of July 2020 and the first seven (7) months of the Authority's fiscal year ended December 31, 2020, and a Summary of Pumpage Fees Paid by Member Districts through June 30, 2020. Ms. Matuska noted that a payment in the amount of \$864,165.99 to the City of Houston (the "City") for the Authority's share of the FY21 construction costs of the Northeast Transmission Line ("NETL"), Phase I – Segment 2 is being presented for the Board's approval at tonight's meeting. Ms. Matuska advised that the City's invoice is being paid out of the General Fund and will be reimbursed to the General Fund with proceeds of the Series 2020 Bonds upon closing, which is scheduled to occur in November. Thereafter, Director Gower moved that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment. Director Boddy seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE OPERATING ACCOUNT

Mr. Rubinsky next presented and reviewed with the Board a Resolution Expressing Official Intent to Reimburse Operating Account in connection with the payment of the Authority's share of the FY21 construction costs of the Northeast Transmission Line ("NETL"), Phase I – Segment 2 in the total amount of \$864,165.99 to be reimbursed out of the proceeds of the Series 2020 Bonds. After discussion, it was moved by Director Gower, seconded by Director Granadino, and unanimously carried that the Resolution Expressing Official Intent to Reimburse Operating Account attached hereto as **Exhibit B** be adopted by the Board.

FINANCIAL ADVISOR'S REPORT

The Board next considered the Financial Advisor's Report. In that regard, Mr. Rubinsky advised the Board that he had no new activity upon which to report regarding the City's FY 2019 True Up Report related to the operations and maintenance costs of the City's Northeast Water Purification Plant ("NEWPP").

Mr. Rubinsky next addressed the Board on behalf of the District's Financial Advisor, Mr. John Howell, regarding the sale of the Authority's proposed Series 2020 Bonds. In that regard, he reported that Mr. Howell has advised that the latest schedule of estimated interest rates received from the Texas Water Development Board ("TWDB") are approximately ten basis points higher than last month, but that the rates are still far lower than originally projected. Mr. Rubinsky further reported that the sale of the Authority's proposed Series 2020 Bonds has been scheduled for October 7, 2020, with the closing of same to occur on or about November 19, 2020.

ENGINEER'S REPORT

Mr. Daly next presented to and reviewed with the Board a written Engineer's Report dated September 2, 2020, a copy of which is attached hereto as **Exhibit C**, and updated the Board on the status of various matters of interest to the Authority.

Mr. Daly reported to the Board regarding ground water usage, surface water usage, and total water usage, as well as the HGSD permit requirements, as detailed in the Engineer's Report.

Mr. Daly next addressed the Board concerning the status of the NEWPP Expansion Project, as further detailed in the Engineer's Report, including the status of Early Work Package ("EWP") No. 1 (Site Grading), EWP No. 2 (Filter Module 1), EWP No. 4 (Raw Water Pipelines), EWP No. 6 (Intake Pump Station and North Plant), as well as the balance of the NEWPP.

Mr. Daly next reported to the Board concerning the status of construction of Phase I of the NETL, as further detailed in the Engineer's Report.

Mr. Daly next reported to the Board concerning the status of Phase II of the NETL, as further detailed in the Engineer's Report.

Mr. Daly next reported to the Board regarding the proposed alignment of the Authority's 2025 Internal Distribution System lines, as further detailed in the Engineer's Report.

Mr. Daly addressed the Board concerning the status of the Luce Bayou Interbasin Transfer Project, as further detailed in the Engineer's Report, including the status of the canal segments, the dual 96-inch pipelines, and the Capers Ridge Pump Station.

OPERATOR'S REPORT

Mr. Martin presented to and reviewed with the Board a written Operator's Report for August 2020, a copy of which is attached hereto as **Exhibit D**. Mr. Martin reported to the Board regarding ground water usage, surface water usage, and total water usage within the Authority for the current month, as well as surface water accountability for the permit year to date, as reflected in the Operator's Report.

Mr. Martin next reported that all debris and rubbish that was illegally dumped at the end of the road on Adele near the pump station has been removed and that a "No-Trespassing" sign has been installed in the area, as requested by the Board at the last meeting.

IMPLEMENTATION OF REMOTE METER READING AND MONITORING SYSTEM

With respect to the proposed implementation of the remote meter reading and monitoring system for the Authority, Mr. Rubinsky advised the Board that SPH has reviewed and prepared comments to the proposed Beacon AMA Managed Solution Master Agreement between the Authority and Badger Meter, Inc., and is reviewing the proposed Services Agreement between the Authority and Accurate Utility Supply, LLC. Mr. Rubinsky further advised the Board that SPH is working on Right-of-Entry Agreements with each of the Member Districts in connection with the implementation of the remote meter reading and monitoring system. No Board action was taken in connection with said matters.

GOVERNMENT AFFAIRS UPDATE

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, a copy of which is attached hereto as **Exhibit E**. The Board concurred that no action was required on its part at this time relative to said matter.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Rubinsky advised the Board that he had nothing further to discuss with the Board of a legal nature which was not covered under specific agenda items.

DISCUSSION REGARDING STATUS OF AUTHORITY WEBSITE AND OTHER COMMUNICATIONS WITH MEMBER DISTRICTS

Mr. Rubinsky next advised the Board that he had no new activity upon which to report regarding the Authority's website.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071

The Board determined that it would not be necessary at this time to convene in Closed Session.

ITEMS TO BE PLACED ON NEXT AGENDA PERTINENT TO THE AUTHORITY

The Board considered items for placement on future agendas. Except as may be reflected above, there were no additional agenda items requested other than routine, ongoing matters.

Mr. Rubinsky noted that the next meeting of the Board is scheduled for Wednesday, October 7, 2020, at 6:00 p.m.

ADJOURN MEETING

There being no further business to come before the meeting, it was unanimously carried that the meeting be adjourned.

/s/ David Granadino
David Granadino, Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

Exhibit A Bookkeeper's Report

Exhibit B Resolution Expressing Official Intent to Reimburse Operating Account

Exhibit C Engineer's Report

Exhibit D Operator's Report

Exhibit E Government Affairs Update