

# **CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY**

Minutes of Meeting of Board of Directors  
September 1, 2021

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on September 1, 2021, in accordance with the duly posted notice of meeting. 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 were present, except Director Meek, thus constituting a quorum.

Also attending the meeting were: Marcel Khouw, P.E., and John Hale of IDS Engineering Group, Inc. ("IDS"), engineer for the Authority; Fran Matuska of F. Matuska, Inc. ("FMI"), 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"); Joyce King of Fallbrook Utility District ("Fallbrook"); Rosalind Caesar of Harris County Municipal Utility District No. 304 ("No. 304"); and Abraham I. Rubinsky of Schwartz, Page & Harding, L.L.P. ("SPH"), attorneys for the Authority.

The President called the meeting to order and declared it open for such business as might regularly come before it.

## **COMMENTS FROM THE PUBLIC**

Mr. Rubinsky noted that the first item on the agenda was to open the meeting for public comments. The Board recognized Ms. Caesar, who advised that No. 304 has been experiencing discolored water, and that the Operator for No. 304 has indicated that the discolored water is a result of the new interconnect between No. 304's Water Plant and the Authority's surface water distribution system. Messrs. Martin and Khouw addressed the treatment and testing of surface water the Authority purchases from the City of Houston, and certain issues that can be experienced when changing from a chlorine to a chloramine disinfectant system, as is necessary when providing surface water. Mr. Martin noted, however, that MOC has not received any water quality complaints from any other Member Districts and had not heard of the water quality issue in No. 304 before today.

## **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held August 4, 2021. After discussion, Director Boddy moved that the minutes of the meeting held August 4, 2021, be approved as presented. Director Granadino 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, 2021 through September 1, 2021, 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 2021 and the first seven months of the Authority's fiscal year ending December 31, 2021, and a Summary of Pumpage Fees Paid by Member Districts through June 30, 2021. After discussion, Director Gower moved that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment from the Authority's various accounts. Director Granadino seconded said motion, which unanimously carried.

Ms. Matuska next presented to and reviewed with the Board the Authority's Quarterly Investment Report for the period ended June 30, 2021, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Gower, seconded by Director Granadino and unanimously carried, that said Quarterly Investment Report be approved and that the Authority's Investment Officer be authorized to execute same on behalf of the Board and the Authority

## **FINANCIAL ADVISOR'S REPORT**

In the absence of the Authority's Financial Advisor, John Howell, Mr. Rubinsky advised the Board that there was nothing new to report regarding the City of Houston's ("COH") FY 2019 and FY 2020 True Up Reports related to Operations and Maintenance Costs of the COH's Northeast Water Purification Plant ("NEWPP").

## **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated September 1, 2021, a copy of which is attached hereto as **Exhibit B**, and updated the Board on the status of various matters of interest to the Authority.

Mr. Khouw advised the Board that Mr. Martin would provide updated numbers during his report regarding ground water usage, surface water usage, and total water usage.

Mr. Khouw next reported that a follow up meeting with COH representatives to discuss the NEWPP has been scheduled for September 14, 2021. Mr. Khouw advised the Board that the COH has provided an Asset Management and Financial Evaluation Report for the existing NEWPP prepared by Carollo Engineers, Inc., and that IDS will review the report to determine whether there are any modifications or improvements being recommended thereunder.

Mr. Khouw 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. Khouw reported that EWP No. 1 is now complete and that the COH and the regional water authorities are working to determine the final accounting of costs with the COH and closeout EWP No. 1. Mr. Khouw further reported that, overall, the project is approximately

53% complete. Mr. Khouw stated that, thus far, the Houston Waterworks Team is on schedule to complete the NEWPP Expansion Project per the Design-Build Contract with the COH.

Mr. Khouw 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. Khouw next reported to the Board concerning the status of Phase II of the NETL, including Project 25C and Project 25D, the two segments of the NHCRWA 84-inch transmission line in which the Authority is participating, as further detailed in the Engineer's Report.

Mr. Khouw 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, and IDS' communications with Harris County, the Harris County Flood Control District, and the Texas Department of Transportation regarding the Authority's plans for construction of same. Mr. Khouw also discussed the status of Bowman Engineering/Consulting, Inc.'s environmental study in connection with the design and construction of the Authority's 2025 Internal Distribution System lines.

Mr. Khouw next advised the Board that the Luce Bayou Interbasin Transfer Project is now substantially complete.

### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for August 2021, a copy of which is attached hereto as **Exhibit C**. Mr. Martin reported to the Board regarding total ground water and surface water usage as well as total water usage, within the Authority for the most current billing cycle, as well as surface water accountability for the permit year to date, as reflected in the Operator's Report.

Mr. Martin next advised the Board that MOC has completed the installation of pressure monitoring equipment in the Authority's internal distribution system to alert the Operator of a potential loss of surface water supply, as authorized by the Board at the last meeting. Mr. Martin reported that the equipment is operational and that it will automatically alert MOC, as well as WWMS, Inc. on behalf of Harris County Municipal Utility District No. 150 and Texas Operations and Professional Services on behalf of No. 304, if the pressure in the Authority's system decreases below the psi level set by the Operator. Mr. Martin stated that the Operator for the North Harris County Regional Water Authority will also be added to the monitoring system for the receipt of alerts from the Authority.

### **IMPLEMENTATION OF REMOTE METER READING AND MONITORING SYSTEM**

Mr. Rubinsky next updated the Board regarding the status of the implementation of the remote meter reading and monitoring system for the Authority. No Board action was taken in connection with said matter.

### **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 D**. The Board concurred that no action was required in connection with such matter at this time.

### **APPROVAL OF PROPOSALS RELATED TO ACQUISITION OF EASEMENTS REQUIRED FOR 2025 INTERNAL DISTRIBUTION SYSTEM**

Mr. Rubinsky next presented to and reviewed in detail with the Board various proposals for services related to the acquisition of easements required for the 2025 Internal Distribution System from: (i) Postle Property Services, Inc. for property research and abstracting services; (ii) Integra Realty Resources for valuation services; (iii) Property Acquisition Services, LLC ("PAS") for right-of-way and acquisition services; and (iv) Phelps Dunbar LLP for legal services. Copies of the proposals are attached hereto as **Exhibit E**. After discussion concerning the proposals, Director Gower moved that all four (4) proposals be approved and that the President be authorized to execute same on behalf of the Board and the Authority, subject to SPH's confirmation of PAS's pricing structure.

### **ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Rubinsky addressed the Board concerning pending discussions with representatives of the COH and other regional water authorities ("RWA") regarding options for granting the COH's request for additional capacity of 80 MGD in the NEWPP Expansion Project, including the construction of an additional expansion to the NEWPP or re-rating the new NEWPP to produce 400 MGD vs. 320 MGD. Mr. Rubinsky advised the Board that a meeting with COH and RWA representatives has been scheduled for September 14, 2021.

Mr. Rubinsky next presented and reviewed with the Board a Memorandum prepared by SPH concerning H.B. 1154 passed during the 87th Texas Legislature, which bill relates to the requirements that certain political subdivisions like the Authority post specific categories of information on a publicly accessible internet website(s). A copy of the Memorandum is attached hereto as **Exhibit F**. Mr. Rubinsky summarized the bill's requirements and options for the Authority's compliance with same. Following discussion, the Board authorized SPH to work with The Texas Network to ensure that the Authority is in compliance with the new requirements of H.B. 1154.

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

There was no new activity reported in connection with the Authority's website or other communications with Member Districts.

### **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 6, 2021, at 6:00 p.m., at the offices of IDS.

**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**

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|------------------|-----------------------------------------------------------------------------------------------------------|
| <u>Exhibit A</u> | Bookkeeper's Report                                                                                       |
| <u>Exhibit B</u> | Engineer's Report                                                                                         |
| <u>Exhibit C</u> | Operator's Report                                                                                         |
| <u>Exhibit D</u> | Government Affairs Update                                                                                 |
| <u>Exhibit E</u> | Proposals for Services related to Acquisition of Easements Required for 2025 Internal Distribution System |
| <u>Exhibit F</u> | Memorandum concerning H.B. 1154                                                                           |