

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Special Meeting of Board of Directors
September 14, 2022

The Board of Directors of Central Harris County Regional Water Authority met in special session, open to the public on September 14, 2022, 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, thus constituting a quorum.

Also attending the meeting were: Marcel Khouw of IDS Engineering Group, Inc. ("IDS"), engineer for the Authority; Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; John Howell of The GMS Group, L.L.C. ("GMS"), financial advisor for the Authority; Clinton Gehrke and Paul Villarreal of Water Wastewater Management Services, Inc. ("WWWMS"); Ken Mays and Hector Diaz of All American Water Resources; Jerry Ewing of Harris County Municipal Utility District No. 217 ("No. 217"); Roosevelt Johnson, Oliver Agard, Shirley Adams and Robert Cadena of Harris County Municipal Utility District No. 150 ("No. 150"); Marcus Jones, Ashley Thompson and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); Linda Watkins of Fallbrook Utility District ("Fallbrook"); Deborah Gower, wife of Director Gower; and Abraham I. Rubinsky and Eric Lai 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.

GENERAL OVERVIEW OF THE CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY AND ITS GROUNDWATER REDUCTION PLAN

As the first order of business, Mr. Rubinsky provided a general overview of the history and creation of the Central Harris County Regional Water Authority (the "Authority") and its Groundwater Reduction Plan ("GRP"). In that regard, he distributed and reviewed in detail various materials and literature, copies of which are attached hereto as **Exhibit A**.

PRESENTATION REGARDING IMPLEMENTATION OF GRP AND SURFACE WATER SUPPLY AND DISTRIBUTION FACILITIES

There was next a presentation given by Mr. Khouw regarding the implementation of the Authority's GRP and its surface water supply and distribution facilities. In that regard, Mr.

Khouw distributed and reviewed various materials and literature, copies of which are attached hereto as **Exhibit B**.

DISCUSSION REGARDING OPERATIONS AND DELIVERY OF SURFACE WATER TO MEMBER DISTRICTS

Mr. Martin next discussed the operations of the Authority's surface water supply and distribution facilities and the delivery of surface water to the Authority's Member Districts. Mr. Martin distributed a copy of an MOC monthly Operations Report, a copy of which is attached hereto as **Exhibit C**, and reviewed and discussed the information contained therein.

REVIEW OF THE AUTHORITY'S FINANCIAL MODEL AND DISCUSSION REGARDING GRP PUMPAGE FEE, SURFACE WATER RATE, AND IMPORTATION FEE

Mr. Howell next reviewed the Authority's financial model and discussed the Authority's GRP pumpage fee, surface water rate, and importation fee. In that regard, he distributed and reviewed various spreadsheets, copies of which are attached hereto as **Exhibit D**, including (i) a Comparison of Rates with Other Regional Water Authorities, (ii) the 2022 Projected Annual Cash Flow Analysis, Available Reserves Analysis, Rate Covenant Test and "Adjusted" Additional Bonds Test with 2015-2020 TWDB SWIRFT Bonds, and (iii) the 2022 Operating Revenue Projections. Mr. Howell noted that the Authority and its consultants have made every effort to keep the Authority's pumpage fee and surface water rate as low as possible for as long as possible and, in fact, have not increased said fees since March 2018. Mr. Howell advised, however, that it is very likely that he will be recommending the Authority's Board of Directors implement an increase in such fee and rate of \$0.25 per 1,000 gallons either later this year or early next year.

QUESTION AND ANSWER SESSION


The Authority's Directors and consultants then solicited and responded to several questions from the public in attendance at said meeting.

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.

ADJOURN MEETING

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


David Granadino, Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Materials and Literature Regarding General Overview of the Authority and its GRP
- Exhibit B Materials and Literature Regarding Implementation of GRP and Surface Water Supply and Distribution Facilities
- Exhibit C Copy of Monthly Operations Report
- Exhibit D Financial Spreadsheets