

# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors  
April 5, 2023

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on April 5, 2023, 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 Granadino, thus constituting a quorum.

Also attending the meeting were: Marcel Khouw and John Hale of IDS Engineering Group, Inc. ("IDS"), engineer for the Authority; Tina Tran of FORVIS, LLP ("FORVIS"), bookkeeper for the Authority; Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; Anna Katherine Parker of Quiddity Engineering, LLC, representing Harris County Municipal Utility District No. 200 ("No. 200"); Linda Watkins of Fallbrook Utility District ("Fallbrook"); Bridget Smith and Marcus Jones of Harris County Municipal Utility District No. No. 399 ("No. 399"); Oliver Agard of Harris County Municipal Utility District No. 150 ("No. 150"); Rosalind Caesar of Harris County Municipal Utility District No. 304 ("No. 304"); Dr. Chris Feriante of the University of Houston's College of Engineering; Deborah Gower, wife of Director Gower; 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.

## **COMMENTS FROM THE PUBLIC**

Mr. Lai noted that the first item on the agenda was to open the meeting for public comments. The Board recognized Dr. Feriante, a member of the faculty of the University of Houston's ("UH") College of Engineering, who advised the Board that his area of study is decalcification. Dr. Feriante then discussed his research regarding the use of sodium hypochlorite in treating wastewater. After discussion, the Board requested that Mr. Martin and Mr. Khouw review the data and materials provided by Dr. Feriante and report back to the Board relative to same.

The Board next recognized Ms. Caesar, who discussed various bills being considered during the ongoing 88th Texas Legislative Session.

No further public comments were presented.

## **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held March 1, 2023. After discussion regarding the minutes, Director Boddy moved that the minutes of the meeting held March 1, 2023, be approved as presented. Director Meek seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Ms. Tran next presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing March 1, 2023, through April 5, 2023, and the disbursements presented for payment from the Authority's accounts, a Summary of Investments, a Debt Service Schedule, a Budget Comparison for the month of February 2023 and the second month of the Authority's fiscal year ending December 31, 2023, and a Summary of Pumpage Fees and Surface Water Fees paid by Member Districts through February 28, 2023. After discussion, it was moved by Director Gower, seconded by Director Meek and unanimously carried, that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment from the Authority's various accounts.

## **APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

The Board deferred consideration until next month regarding the approval of the Authority's Annual Audit Report for the fiscal year ended December 31, 2022.

## **FINANCIAL ADVISOR'S REPORT**

The Board deferred consideration of the Financial Advisor's Report after noting that a representative of The GMS Group, L.L.C. was not present at today's meeting. Mr. Lai advised the Board that there was no new activity upon which to report concerning the Abridged Application to the Texas Water Development Board (the "TWDB") for financial assistance from the State Water Implementation Fund for Texas ("SWIFT") in connection with the additional funds required for the Authority's 2025 Internal Distribution System, which was filed with the TWDB on February 1, 2023.

Mr. Lai next advised the Board that the City of Houston's ("COH") FY 2022 True Up Report and supporting documentation related to the operation and maintenance of the Northeast Water Purification Plant ("NEWPP") has been received, and that SPH and IDS are in the process of reviewing same on behalf of the Authority.

## **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated April 5, 2023, 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 reported to the Board the ground water usage, surface water usage, and total water usage, as well as the status of compliance with the Harris-Galveston Subsidence District

("HGSD") permit requirements, as detailed in the Engineer's Report. Mr. Khouw advised the Board that the the application for renewal of the Authority's aggregate water well permit for the period commencing June 1, 2023, has now been submitted to the HGSD.

Mr. Khouw next addressed the Board concerning the status of the NEWPP Expansion Project, including the status of Early Work Package ("EWP") No. 1 (Site Grading), which is now complete, EWP No. 2 (Filter Module 1), EWP No. 4 (Raw Water Pipelines), and EWP No. 6 (Intake Pump Station and North Plant), as well as the Balance of the NEWPP, as further detailed in the Engineer's Report. Mr. Khouw reported that, overall, the project is now approximately 77% complete. Mr. Khouw advised the Board that the Houston Waterworks Team ("HWT") has submitted an updated schedule to the COH, which indicates that they do not anticipate achieving Phase I Substantial Completion until August 1, 2023 (163 days behind schedule), and Phase II Substantial completion until August 1, 2025 (10 days behind schedule).

Mr. Khouw next reported to the Board concerning the status of construction of Phase I of the Northeast Transmission Line ("NETL"). Mr. Khouw advised the Board that eleven (11) out of the thirteen (13) projects that make up Phase I of the NETL are complete and that construction is in progress on the other two (2) projects, 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 Projects 25C, 25D and 25E, the segments of the North Harris County Regional Water Authority ("NHCRWA") transmission line in which the Authority is participating, which are all under construction and nearing completion.

Mr. Hale next reported to the Board regarding the status of the Authority's 2025 Internal Distribution System, as further detailed in the Engineer's Report, and IDS's communications with various agencies regarding final approval of the Authority's plans for construction of same. Mr. Hale then provided a brief summary on the status of the right of way acquisitions for the 2025 Internal Distribution System, as well as the status of the final Geotechnical Report, as further detailed in the Engineer's Report.

Mr. Khouw next reported to the Board regarding the Luce Bayou Interbasin Transfer Project, as further detailed in the Engineer's Report. Mr. Khouw advised the Board that the Coastal Water Authority ("CWA") has notified the regional water authorities that it plans to utilize remaining bond funds to complete the build-out of the Capers Ridge Pump Station to its full capacity, including the addition of four (4) pumps and associated equipment.

## **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for March 2023, 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.

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

Mr. Lai next advised the Board that he had no new activity upon which to report regarding the status of the implementation of the remote meter reading and monitoring system for the Authority and the related Right-of-Entry Agreements with each of the Member Districts.

**DISCUSSION REGARDING PROPOSED EMERGENCY WATER SUPPLY AGREEMENT BETWEEN THE AUTHORITY AND NO. 200 AND PROPOSED AMENDMENT OF AUTHORITY'S RATE ORDER IN CONNECTION THEREWITH**

The Board next deferred discussion relative to a proposed Emergency Water Supply Agreement between the Authority and No. 200 in connection with the Authority's purchase of ground water from No. 200 in the event of a loss of surface water.

**REQUEST OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 304 ("NO. 304") FOR REIMBURSEMENT OF SURFACE WATER CONVERSION COSTS AND RELATED EXPENSES**

Mr. Lai next addressed the Board concerning No. 304's request for reimbursement of costs and payment of related expenses in connection with No. 304's prior conversion to surface water. Mr. Lai advised the Board that SPH has still not received the requested documentation from No. 304's attorney evidencing all of the expenses paid by No. 304.

**GOVERNMENT AFFAIRS UPDATE**

Mr. Lai 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.

**STATUS OF ACQUISITION OF EASEMENTS AND OTHER PROPERTY INTERESTS IN CONNECTION WITH THE AUTHORITY'S 2025 INTERNAL DISTRIBUTION SYSTEM**

Mr. Khouw next updated the Board concerning the status of the acquisition of easements and other property interests in connection with the Authority's 2025 Internal Distribution System. Mr. Lai advised that further discussion regarding said matter will need to be addressed in Closed Session.

**ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Lai updated the Board concerning the Authority's participation as Amicus Party in (i) Hidalgo County Water Improvement District No. 3 v. Hidalgo County Water Irrigation District No. 1, currently pending before the Texas Supreme Court, and (ii) San Jacinto River Authority v. City of Conroe, Texas, and City of Magnolia, Texas.

Mr. Lai next advised the Board of a North Harris County Regional Subsidence Update Town Hall Meeting scheduled for May 4, 2023. Mr. Lai stated that he would email the Board with additional information regarding said meeting.

**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**

At 6:46 p.m., the Board President announced that the Board would meet in Closed Session to consult with the District's attorney pursuant to matters authorized by Texas Government Code, Section 551.072 (acquisition of real property interests). At this time, all those present, with the exception of the Board, Mr. Khouw, Mr. Hale, and Mr. Lai, exited the meeting.

At 7:05 p.m., the Board President announced that the Board would reconvene in Open Session, whereupon, it was moved by Director Boddy that: (i) the Encroachment Agreement by and between the Authority and Harris County Municipal Utility District No. 11 be approved by the Board; and (ii) the Authority's consultants be authorized to negotiate within the parameters established in Closed Session for the acquisition of the easements and other property interests required in connection with the Authority's 2025 Internal Distribution System. Director Meek seconded said motion, which unanimously carried.

**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. Lai noted that the next regular meeting of the Board is scheduled for Wednesday, May 3, 2023, at 6:00 p.m., at the offices of IDS.

**ADJOURN MEETING**

There being no further business to come before the Board, on motion made by Director Meek, seconded by Director Boddy, and unanimously carried, the meeting was adjourned.

  
Richard C. Meek, Assistant Secretary  
Board of Directors

**LIST OF ATTACHMENTS TO MINUTES**

Exhibit A      Bookkeeper's Report

Exhibit B      Engineer's Report

Exhibit C      Operator's Report

Exhibit D      Government Affairs Update