

# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors  
March 6, 2024

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on March 6, 2024, 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 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"); Thomas Villanueva of Edminster, Hinshaw, Russ & Associates, Inc., representing Harris County Municipal Utility District No. 304 ("No. 304"); Roosevelt Johnson of Harris County Municipal Utility District No. 150 ("No. 150"); Linda Watkins of Fallbrook Utility District ("Fallbrook"); Ashley Thompson, Marcus Jones and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); 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.

## **COMMENTS FROM THE PUBLIC**

Mr. Rubinsky noted that the first item on the agenda was to open the meeting for public comments. Mr. Johnson advised the Board that Harris County Municipal Utility District No. 217 would like copies of the photographs taken at the tour of the Northeast Water Purification Plant ("NEWPP") held on February 2, 2024, to include in its neighborhood newsletter. Mr. Rubinsky stated that he would provide No. 217 with copies of the photographs taken at the tour of the NEWPP.

## **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held February 7, 2024. After discussion regarding the minutes, Director Granadino moved that the minutes of the

meeting held February 7, 2024, be approved as presented. Director Boddy 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 February 7, 2024 through March 6, 2024, 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 January 2024 and the first month of the Authority's fiscal year ending December 31, 2024, and a Summary of Pumpage Fees and Surface Water Fees paid by Member Districts through January 31, 2024. After discussion, it was moved by Director Meek 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. Tran noted that she will continue to hold check no. 6047 on the General Operating Fund payable to No. 304 in the amount of \$284,507.45 for the reimbursement of the eligible costs related to No. 304's prior conversion to surface water, pending the receipt of an executed Receipt and Release from No. 304 in connection with same.

### **UNCLAIMED PROPERTY REPORT**

The Board next considered authorizing the Authority's consultants to research unclaimed property and FORVIS to prepare an Unclaimed Property Report as of March 1, 2024. After discussion, Director Boddy moved that the Authority's Operator and Bookkeeper be authorized to research their records to determine whether the Authority is holding any unclaimed property for the stated period, and that FORVIS be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's consideration, approval and filing with the State Comptroller prior to July 1, 2024. Director Meek seconded said motion, which unanimously carried.

### **FINANCIAL ADVISOR'S REPORT**

Mr. Rubinsky next advised the Board that the City of Houston (the "COH") is working on the FY 2023 True Up Report related to the Authority's share of the operations and maintenance costs of the COH's NEWPP. He noted that there was nothing new to report regarding the resolution of the issues related to the COH's FY 2019, FY 2020, FY 2021, and FY 2022 True Up Reports.

### **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated March 6, 2024, 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.

In connection with the inquiry received last month regarding whether Harris County Municipal Utility District No. 602 ("No. 602"), which is currently in the process of creation, could join the Authority's Groundwater Reduction Plan, Mr. Khouw advised the Board that, as directed by the Board, IDS had requested a \$5,000.00 deposit from No. 602 to cover the costs associated with the preparation of a feasibility study to determine whether it would be feasible for No. 602 to join the Authority's Groundwater Reduction Plan, but that no response had been received from No. 602 to date.

Mr. Khouw advised the Board that Harris County Municipal Utility District No. 33 ("No. 33") is working to obtain approval of its plans for the conversion to surface water and, in that regard, the Texas Commission on Environmental Quality has requested that No. 33 provide evidence of the Authority's commitment to provide surface water to No. 33. After discussion on the matter, it was moved by Director Granadino, seconded by Director Boddy and unanimously carried, that SPH and IDS be authorized to prepare Surface Water Commitments to be issued to Harris County Municipal Utility District No. 33, as well as to Fallbrook Utility District, for the Board's review and approval next month.

Mr. Khouw next advised the Board that he had no new activity upon which to report regarding the COH's request for a possible tie-in to the Authority's 2025 Internal Distribution System to serve four (4) municipal utility districts located both north and south of Beltway 8 and in the vicinity of Veteran's Memorial Drive, which are participants in the COH's GRP.

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), all of which are approaching completion, 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 90% complete. Mr. Khouw further advised the Board that the COH has issued Notice of Upcoming Cash Call No. 13, with the Authority's share to total \$1,228,223, and that he anticipates that the actual Cash Call will be issued around April 25, 2024.

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 all of the thirteen (13) projects that make up Phase I of the NETL are complete and ready to receive water. He noted that the COH is currently maintaining disinfection levels in the NETL.

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's ("NHCRWA") 84-inch transmission line in which the Authority is participating. Mr. Khouw advised the Board that it is anticipated that Project 25C, which is the section the Authority's take point is located within, will be substantially completed by mid-February 2024. Mr. Khouw further advised the Board that Project 25D is nearing final completion and that Project 25E is completed.

Mr. Khouw and 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.

With respect to the proposed installation of a SCADA system with the 2025 Internal Distribution System which will enable MOC to monitor the Authority's entire surface water distribution system, Mr. Khouw additionally reported that the proposal previously received from Burrer Engineering ("Burrer") to perform a preliminary engineering study to evaluate SCADA system alternatives at a cost not to exceed \$17,800.00, which was approved by the Board last month, has been revised to incorporate additional comments. After discussion, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that the revised proposal received from Burrer be approved by the Board.

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 is moving forward 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 February 2024, 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 advised the Board that it was discovered that the meter at No. 200's Water Plant No. 3 was measuring at 86% accountability, and that the meter will be replaced with an electronic meter. Mr. Martin further reported that, because No. 217's meter has been inoperable due to a dead battery, MOC has been estimating No. 217's water usage. In that regard, he advised the Board that No. 217 was overcharged by approximately 1,000,000 gallons and that a credit will be issued to No. 217 for same.

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

Mr. Rubinsky 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.

## **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 on its part at this time relative to such matter.

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

Mr. Rubinsky and Mr. Hale 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. Rubinsky advised that further discussion regarding said matter would be addressed in Closed Session.

## **RENEWAL OF INSURANCE COVERAGES**

Mr. Rubinsky next presented for the Board's review a proposal for renewal of the Authority's various insurance coverages for policies expiring March 31, 2024 received from Brown & Brown Insurance, the agent for the Texas Municipal League's Intergovernmental Risk Pool ("TML"), a copy of which is attached hereto as **Exhibit E**. Director Meek advised that he had reviewed the proposal and recommended that the Authority accept the TML insurance renewal proposal. After discussion on the matter, Director Meek moved that the TML insurance proposal be accepted and that the President be authorized to execute same on behalf of the Board and the Authority. Director Boddy seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Rubinsky next advised the Board concerning the status of the Authority's participation as Amicus Party in San Jacinto River Authority v. City of Conroe, Texas, and City of Magnolia, Texas. He advised the Board that the Texas Supreme Court heard oral arguments in the case on Tuesday, January 9, 2024, but a decision is still pending.

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

The Board next deferred consideration of a proposal from Texas Network in the amount of \$3,650.00 for the redesign of the Authority's website in order to enhance functionality and aesthetic appeal pending the receipt of website traffic data from Texas Network.

## **2024 DIRECTOR APPOINTMENT PROCESS AND CALCULATION OF VOTING PERCENTAGES**

Mr. Rubinsky next discussed with the Board the status of the Authority's 2024 Director Appointment Process, including the status of receipt of nominating resolutions. Mr. Rubinsky

advised the Board that SPH had received formal Resolutions from: (i) No. 150 nominating Director Granadino to continue to serve in the Director Precinct No. 2 position; and (ii) No. 200, No. 33, and Rankin Road West Municipal Utility District nominating Director Boddy to continue to serve in the Director At-Large (Position No. 1) position. Mr. Rubinsky advised that the nomination period ended on February 15, 2024.

The Board next considered adoption of an Order Declaring Unopposed Nominees Elected to Board of Directors. Mr. Rubinsky advised that, in accordance with the authorization granted in the Authority's creation legislation, the Board is authorized to declare unopposed candidates to be elected. As noted above, Mr. Rubinsky reiterated that Resolutions were received nominating Director Granadino for the Director Precinct No. 2 position, and Director Boddy for the Director Precinct No. 1 position, and that no other nominations were received by the applicable deadline. Therefore, Directors Granadino and Boddy were unopposed with respect to the positions for which they were nominated. Mr. Rubinsky then presented a written Order Declaring Unopposed Nominees Elected to Board of Directors, which is attached hereto as **Exhibit F**. After discussion, Director Meek moved that the Order be adopted by the Board declaring David Granadino and Julian F. Boddy appointed to the positions for which they were nominated for terms expiring on May 15, 2028, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the Authority. Director Gower seconded said motion, which carried unanimously. Mr. Rubinsky noted that Directors Granadino and Boddy would be formally re-seated at the Board's meeting to be held in June 2024.

Mr. Rubinsky additionally reviewed with the Board a report prepared by IDS regarding each Member District's total 2023 water usage in order to calculate the number of votes each Member District would have been able to cast and the weight of each Member District's vote for the respective positions to be appointed in connection with the Authority's 2024 Director appointment process in the event there had been opposed nominees.

### **CLOSED SESSION**

At 7:02 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, Mr. Lai, and Mr. Rubinsky, exited the meeting.

At 7:23 p.m., the Board President announced that the Board would reconvene in Open Session. No action was taken by the Board following the 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 regular meeting of the Board is scheduled for Wednesday, April 3, 2024, 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 Granadino, seconded by Director Meek, and unanimously carried, the meeting was adjourned.

  
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David Granadino, 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
- Exhibit E      Insurance Renewal Proposal
- Exhibit F      Order Declaring Unopposed Nominees Elected