

# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors  
March 5, 2025

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on March 5, 2025, 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  
Judge Caston, III, 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 Mazars, LLP ("Forvis"), bookkeeper for the Authority; Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; Jayson Taylor of Quiddity Engineering, LLC, representing Harris County Municipal Utility District No. 200 ("No. 200"); Marcus Jones, Bridget Smith, and Ashley Thompson of Harris County Municipal Utility District No. 399 ("No. 399"); Roosevelt Johnson of Harris County Municipal Utility District No. 150 ("No. 150"); Gilbert Miranda of Fallbrook Utility District ("Fallbrook"); Merieux Jones, a resident of 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. Rubinsky acknowledged the recent passing of Congressman Sylvester Turner, who sponsored the legislation creating the Authority, and expressed his appreciation for Congressman Turner's assistance with the creation of the Authority.

## **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held February 5, 2025. After discussion regarding the minutes, Director Boddy moved that the minutes of the meeting held February 5, 2025, be approved as presented. Director Granadino 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 5, 2025, through March 5, 2025, 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 2025 and the first month of the Authority's fiscal year ending December 31, 2025, and a Summary of Pumpage Fees and Surface Water Fees paid by Member Districts through January 31, 2025. After discussion, it was moved by Director Granadino that the Bookkeeper's Report be approved and the disbursements listed therein be approved for payment from the Authority's various accounts. Director Caston seconded said motion, which unanimously carried.

## **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, 2025. 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, 2025. Director Caston seconded said motion, which unanimously carried.

## **FINANCIAL ADVISOR'S REPORT**

The Board considered the Financial Advisor's Report. Mr. Rubinsky advised the Board that there was nothing new to report regarding the resolution of the outstanding issues related to the COH FY 2019, FY 2020, FY 2021, FY 2022, FY 2023, and FY 2024 True Up Reports related to operation and maintenance costs of the NEWPP for each of said fiscal years.

Mr. Khouw next addressed the Board concerning the status of the Abridged Application to the Texas Water Development Board (the "TWDB") for financial assistance from the State Water Implementation Fund for Texas ("SWIFT") in an amount up to \$8,000,000 in connection with additional funds required for the construction of the Authority's 2025 Internal Distribution System. Mr. Khouw advised the Board that the Abridged Application was filed with and acknowledged by the TWDB on February 3, 2025, and that IDS had responded to several questions from the TWDB with a supplemental filing by the appropriate deadline.

Mr. Rubinsky next addressed the Board concerning the use of funds from the Capital Projects Fund to reimburse the Operating Account for the yield reduction payment to the Internal Revenue Service made last month in the total amount of \$329,214.64 in connection with the Authority's outstanding Series 2019 Revenue Bonds. In that regard, Mr. Rubinsky advised the Board that the TWDB will require the Authority to submit an escrow funds release application and that IDS will coordinate the submittal of same.

## **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated March 5, 2025, 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 regarding 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 noted that surface water usage through February 2025 was 614.110 MG, which equaled 53.33% of total water usage in the Authority through such date.

Mr. Khouw next addressed the Board concerning North Forest Municipal Utility District's ("North Forest") request to join the Authority's Groundwater Reduction Plan ("GRP"). He advised the Board that IDS will be updating the GRP to incorporate North Forest's projected water demand requirements. Mr. Rubinsky advised the Board that SPH is in the process of reviewing a draft of the proposed GRP Participation Agreement prepared by North Forest's attorney.

Mr. Khouw next addressed the Board regarding the status of Harris County Municipal Utility District No. 33's ("No. 33") payment in-kind for water imported into the Authority in 2024 in connection with the exemption from payment of Water Importation Fees imposed by the Authority. Mr. Khouw advised the Board that, due to operational constraints of the Harris County Utility District No. 14 and Harris County Utility District No. 15 (collectively, "Nos. 14 and 15") system, it is taking No. 33 an extended period of time to repay Nos. 14 and 15 for the water supplied to it in-kind. Mr. Rubinsky then advised the Board that correspondence was received this morning from No. 33's attorney, Regina Adams of Radcliffe Adams Barner, a copy of which is attached hereto as **Exhibit C**, providing a detailed update regarding the situation and requesting an extension from the original due date of April 15, 2025 to July 15, 2025 to repay No. 14 in-kind. After discussion on the matter, it was moved by Director Granadino, seconded by Director Gower and unanimously carried, that such request be approved by the Board.

Mr. Khouw next addressed the Board concerning the status of discussions with the COH 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. In that regard, Mr. Rubinsky reported that a draft Interlocal Cost Sharing Agreement between the Authority and the COH relating to the COH's participation in the project was received from the COH on February 28, 2025, and that SPH is in the process of reviewing same.

Mr. Khouw next reported to the Board that the NHCRWA is beginning the design of its Hardy Road Line (Project 23). He further reported that IDS is continuing to coordinate with the NHCRWA regarding the Authority's participation in the line in order to serve Harris County Utility District No. 16 ("No. 16") in the future.

Mr. Khouw next addressed the Board concerning comments received from the Texas Commission on Environmental Quality (TCEQ) regarding the Authority's 2024 Drought

Contingency Plan ("DCP"). He advised the Board that IDS has made the necessary changes to the DCP to address various requirements applicable to Wholesale Water Suppliers and would be submitting the revised DCP to the TCEQ (action item is noted later as a separate item).

Mr. Khouw next addressed the Board concerning the status of the NEWPP Expansion Project, as further detailed in the Engineer's Report. Mr. Khouw reported that, overall, the project is now approximately 96% 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 2 substantial completion until December 10, 2025 (135 days behind schedule). Mr. Khouw further advised the Board that HWT is working on accelerating the acceptance testing of Phase 2 so that water can be delivered from Phase 2 sooner. Mr. Khouw reported that the second 80 MGD train (Phase 2A) acceptance testing has been completed and that the COH has assumed operations of Phase 2A. Mr. Khouw noted that the contractor is continuing to work on Phase 1 substantial completion punch list items and that the COH is working on full performance testing of Phase 1.

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 further reported that the COH is working on the project true-up.

Mr. Khouw next advised the Board that the NHCRWA is working on the final accounting of costs for Phase II of the NETL, including Projects 25C, 25D and 25E, the segments of the NHCRWA's 84-inch transmission line in which the Authority is participating, and that the NHCRWA will invoice the Authority for its share of the project once their accounting is complete.

Mr. Khouw next reported to the Board regarding the status of the Authority's 2025 Internal Distribution System, as further detailed in the Engineer's Report. In that regard, he advised the Board that bids were received on February 7, 2025 for construction of Bid Package 1 of the 2025 Internal Distribution System (the "Project"), which includes the construction of proposed 30", 20" and 12" water lines from the Beltway 8 Meter Station to Fallbrook Water Plant No. 2. Mr. Khouw then presented to and reviewed with the Board a bid tabulation together with the Engineer's recommendation of award, copies of which are attached hereto as **Exhibit D**. After discussion on the matter, Director Boddy moved that a contract for the Project be awarded to the low bidder, V&S Construction, in the amount of \$13,373,612.30, as recommended by IDS. Director Granadino seconded said motion, which unanimously carried. Mr. Khouw noted that the Authority will be required to submit the construction contract to the TWDB for review and approval and request the release of escrowed funds to pay for the Project before a Notice to Proceed can be issued to the contractor.

Mr. Khouw next presented for the Board's review and approval a proposal from IDS for Construction Phase Services in connection with the Project at a cost not to exceed \$291,545. After discussion, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that the proposed be approved by the Board, subject to receipt of a Texas Ethics Commission Form 1295 from IDS.

Mr. Khouw next presented for the Board's review and approval a proposal from Ninyo & Moore for Construction Materials Testing and Observation Services in connection with the Project at a cost not to exceed \$134,700. After discussion, it was moved by Director Caston, seconded by Director Granadino and unanimously carried, that the proposal be approved by the Board, subject to receipt of a Texas Ethics Commission Form 1295 from Ninyo & Moore.

Mr. Khouw next advised the Board that he had no new activity upon which to report regarding the Luce Bayou Interbasin Transfer Project.

### **REVIEW AND APPROVAL OF AMENDED DROUGHT CONTINGENCY PLAN**

The Board next considered the approval of an amended DCP to address the comments received from the TCEQ regarding various requirements applicable to Wholesale Water Suppliers, as discussed earlier in the meeting during the Engineer's Report. After discussion, it was moved by Director Caston, seconded by Director Granadino and unanimously carried, that the amended DCP be approved and that IDS be authorized to submit same to the TCEQ on behalf of the Board and the Authority.

### **STATUS OF COMMUNICATIONS WITH HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 33 REGARDING STATUS OF PAYMENT IN-KIND FOR WATER IMPORTED**

The Board deferred further discussion relative to the status of No. 33's payment in-kind for water imported into the Authority in 2024 in connection with the exemption from payment of Water Importation Fees imposed by the Authority, as said matter was addressed earlier in the meeting.

### **RATIFICATION OF APPROVAL OF 2025 WATER SMART APPLICATION AND ADOPTION OF RESOLUTION IN CONNECTION THEREWITH**

The Board next considered ratifying its prior action relative to the approval of the Authority's 2025 Water Smart Application and the adoption of a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program. After discussion on the matter, it was moved by Director Caston, seconded by Director Granadino and unanimously carried, that such prior action be ratified and authorized in all respects.

### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of February 2025, a copy of which is attached hereto as **Exhibit E**. Mr. Martin advised the Board that the surface water meter at No. 150's Water Plant No. 2, which previously began malfunctioning, was replaced on February 11, 2025. He further reported that the TWDB Annual Water Use Survey was submitted on January 28, 2025, prior to the March 1, 2025, due date. He then noted that he had no action items for the Board's approval at today's meeting.

## **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 dated March 3, 2025, a copy of which is attached hereto as **Exhibit F**. The Board concurred that no action was required on its part at this time relative to such matter.

## **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. Mr. Rubinsky briefly addressed the Board concerning the status of the litigation between the COH and HWT. He advised the Board that he would discuss this matter further in Closed Session.

## **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 6:55 p.m., the Board President announced that the Board would meet in Closed Session to consult with the Authority's attorney pursuant to matters authorized by Texas Government Code, Section 551.071 (consultation with Attorney regarding pending or contemplated litigation or matters protected by attorney-client privilege). At this time, all those present, with the exception of the Board, Mr. Khouw, Mr. Hale, Mr. Rubinsky and Mr. Lai, exited the meeting.

At 7:42 p.m., the Board President announced that the Board would reconvene in Open Session, whereupon, Director Boddy moved that Mr. Khouw be authorized as the Authority's Project Representative for the NEWPP Expansion Project, to pursue settlement negotiations with respect to the COH v. HWT lawsuit within the parameters discussed in Closed Session. Director Granadino 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. Rubinsky noted that the next regular meeting of the Board is scheduled for Wednesday, April 2, 2025, 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 Boddy, seconded by Director Granadino, and unanimously carried, the meeting was adjourned.

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

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A      Bookkeeper's Report
- Exhibit B      Engineer's Report
- Exhibit C      Correspondence from Regina Adams of Radcliffe Adams Barner dated March 5, 2025
- Exhibit D      Bid Tabulation and Engineer's Recommendation of Award for Bid Package 1 of 2025 Internal Distribution System
- Exhibit E      Operator's Report
- Exhibit F      Government Affairs Update