

# **CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY**

## **Minutes of Meeting of Board of Directors June 4, 2025**

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on June 4, 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 and Oliver Agard of Harris County Municipal Utility District No. 150 ("No. 150"); Linda Watkins of Fallbrook Utility District ("Fallbrook"); Deborah Gower, wife of Director Gower; Ivory Thompson; 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. There being no comments from the public at this time, the Board continued to the next item of business.

### **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held May 7, 2025. After discussion regarding the minutes, Director Granadino moved that the minutes of the meeting held May 7, 2025, be approved as presented. Director Boddy seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Ms. Tran next presented the Bookkeeper's Report dated June 4, 2025, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing May 7, 2025, through June 4, 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 April 2025 and the first four months 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 April 30, 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.

## **APPROVAL OF CONSENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT IN CONNECTION WITH SALE OF ASSETS BY WELLS FARGO BANK, N.A. TO COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION**

The Board next considered the approval of a Consent to Assignment and Assumption Agreement in connection with the sale of assets by Wells Fargo Bank, N.A. "(Wells Fargo)" to Computershare Trust Company, National Association ("CTC"). In that regard, Mr. Rubinsky advised the Board that Wells Fargo sold its corporate trust services business to CTC in 2021 and, as a result thereof, the Paying Agent/Registrar Agreement between the Authority and Wells Fargo in connection with the Authority's Series 2008 Bonds was assigned to CTC. After discussion on the matter, it was moved by Director Caston, seconded by Director Granadino and unanimously carried, that the Consent to Assignment and Assumption Agreement be approved and that the President be authorized to execute same on behalf of the Board and the District.

## **STATUS OF PREPARATION AND FILING OF ANNUAL CONTINUING DISCLOSURE REPORT**

The Board next considered the status of the preparation and filing of the Authority's annual Continuing Disclosure Report. Mr. Rubinsky advised the Board that McCall, Parkhurst & Horton L.L.P., the Authority's Continuing Disclosure Counsel, will prepare the annual Continuing Disclosure Report and file said report with the appropriate repositories prior to the filing deadline of June 30, 2025.

## **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. ("GMS") was not present at today's meeting. Mr. Rubinsky reported, however, that the draft FY 2024 True Up Report related to the Authority's share of the operations and maintenance costs of the Northeast Water Purification Plant ("NEWPP") had been received from the City of Houston ("COH") today. He then presented to and reviewed with the Board the FY 2024 True Up Report, a copy of which is attached hereto as **Exhibit B**. Mr. Rubinsky advised the Board that the Report indicates that the COH owes the Authority \$544,713.02 for the period ended June 30, 2024. Mr. Rubinsky noted 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, and FY 2023 True Up Reports relating to operation and maintenance costs of the NEWPP for each of said fiscal years.

Mr. Rubinsky next advised the Board that the Authority's formal application to the Texas Water Development Board (the "TWDB") for financial assistance from the State Water Implementation Fund for Texas ("SWIFT") for additional funds required for construction of the Authority's 2025 Internal Distribution System in the amount of \$8,000,000 was submitted to the TWDB before the deadline on May 12, 2025. Mr. Rubinsky reported that the TWDB requested additional documentation and information, which was immediately provided by SPH, IDS, and GMS, and that final approval of the application is expected from the TWDB within the next couple of months, with the sale of the bonds anticipated to occur in the fourth quarter of this year.

### **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated June 4, 2025, a copy of which is attached hereto as **Exhibit C**, 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 April 2025 was 815.531 MG, which equaled 51.46% of total water usage in the Authority through such date. Mr. Khouw advised the Board that, in an effort to meet the HGSD's groundwater reduction requirements of 60% beginning with the current permit period commencing June 1, 2025, the delivery of surface water to Harris County Municipal Utility District No. 304 ("No. 304") will increase significantly.

Mr. Khouw next advised the Board that IDS will be updating the Authority's Groundwater Reduction Plan ("GRP") to include North Forest Municipal Utility District's ("North Forest") water demand requirements once the proposed GRP Participation Agreement between the Authority and North Forest has been executed. Mr. Rubinsky advised that he expects to be able to present said Agreement to the Board for consideration at its next meeting.

Mr. Khouw next advised the Board that Harris County Municipal Utility District No. 33 ("No. 33") is continuing its payment in-kind to Harris County Utility District No. 14 and Harris County Utility District No. 15 for water imported into the Authority in 2024 in connection with the terms of the exemption from payment of Water Importation Fees imposed by the Authority and that No. 33 expects to complete the payment in-kind by the end of this week.

Mr. Khouw and Mr. Rubinsky next briefly discussed communications with the TWDB regarding the Authority's application for financial assistance from the SWIFT for additional funds required for the Authority's 2025 Internal Distribution System.

Mr. Khouw next addressed the Board concerning the status of discussions with the COH regarding the COH's request to 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, as further detailed in the Engineer's Report. 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 has been received from the COH, 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 and the location of No. 16's take point on such line.

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 now anticipate achieving Phase 2 substantial completion on August 3, 2025 (13 days behind schedule) rather than on January 14, 2026 (170 days behind schedule), as previously indicated. He reported, however, that Phase 2 substantial completion will most likely not be achieved until September 2025. Mr. Khouw noted that the contractor is continuing to work on Phase 1 substantial completion punch list items.

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 costs once its accounting is complete. Mr. Khouw noted that the TWDB has released funds from escrow totaling approximately \$7,800,000 from the Series 2015, 2016 and 2017 bond issues for the Authority's share of the costs of Phase II of the NETL as reflected in the Bookkeeper's Report, rather than the \$9,515,000 reflected in his Engineer's Report.

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 reported that V&S Construction has mobilized for the construction of Bid Package 1 of the 2025 Internal Distribution System (the "Project") and that the TWDB has released \$11,751,626.10 of escrowed bond proceeds for the Project. Mr. Khouw then reviewed the detailed status report for the Project attached to the Engineer's Report and reported that the Project is currently scheduled for completion on or about July 15, 2026.

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

Mr. Rubinsky next advised the Board that, pursuant to the First Supplemental to the Water Supply Contract between the COH and the Authority, dated effective January 30, 2009, the Authority must provide official written notice to the COH of the Authority's calculation of the increase in the Authority's untreated (raw) water capacity reservation required for June 30, 2035. Mr. Rubinsky further advised the Board that the Authority will require an additional 1.62 MGD in untreated water capacity to meet the anticipated needs of the Authority in June 30, 2035. After discussion on the matter, it was moved by Director Caston, seconded by Director Granadino and unanimously carried, that SPH be authorized to provide such written notice to the COH on behalf of the Board and the District prior to June 30, 2025.

#### **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.

#### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of May 2025, a copy of which is attached hereto as **Exhibit D**. Mr. Martin addressed the Board concerning the repair of a leak in the Authority's surface water distribution line located within No. 150, as discussed at the last meeting. He advised the Board that after the repair was made last month, the leak opened up again and MOC had to cut open the road in order to make the second repair. Mr. Martin reported that MOC will be meeting with Harris County to discuss the repairs to the road, which will likely include the replacement of an entire panel of paving. He advised the Board that the total estimated cost for the repairs to the line and to the road will be approximately \$150,000. Mr. Martin noted that the operator for No. 150 initially excavated the area to check if the leak was in No. 150's water line, which is located directly above the Authority's line, and confirmed that the leak was in the Authority's line. As a result, Mr. Martin recommended that the Authority pay No. 150's excavation expenses since the leak was found to be in the Authority's line and not in No. 150's line. The Board concurred that the Authority should pay No. 150's expenses incurred in connection with the excavation and inspection of its water line. Following an inquiry from Mr. Agard, Mr. Martin additionally advised that MOC will restore any affected yards and sidewalks in the area back to their original condition, but will need to obtain Harris County's approval of plans for the repair of the road before such work can commence.

#### **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 June 4, 2025, together with a Bill Tracking Chart regarding certain bills introduced during the 89th Legislative Session, copies of which are attached hereto as **Exhibit E**. Mr. Rubinsky advised the Board that HB 1532 relating to the creation of the Lake Houston Dredging and Maintenance District passed, despite the Authority's efforts opposing the bill, and sent to the Governor for execution. No action was taken by the Board in connection with said matter.

## **RECORDS DESTRUCTION REQUEST**

Mr. Rubinsky advised the Board that the Authority's Records Retention Schedules adopted in connection with its Records Management Program require that certain records of the Authority be retained only for specific periods of time based on the type of record. As an example, he explained that notes taken during meetings which are used to prepare the official minutes of Board meetings are to be retained for ninety days after approval of such minutes by the Board. He next presented a request from the Authority's Records Management Officer for approval to destroy certain records (which will not be scanned in and stored electronically) in accordance with the Authority's Records Retention Schedules. A copy of the subject request is attached hereto as **Exhibit F** (the "Request"). After discussion on the matter, Director Caston moved that SPH be authorized to destroy the records described in the Request. Director Granadino seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. With respect to the submittal of a formal request to the HGSD for an extension of the 2025 conversion date in connection with the Authority's Groundwater Reduction Plan, Mr. Rubinsky recommended that no such request be submitted at this time as it appears that the Authority will be able to meet the HGSD's groundwater reduction requirements for the current permit period and beyond. After discussion on the matter, the Board concurred that no formal request be submitted to the HGSD for an extension of the 2025 conversion date in connection with the Authority's Groundwater Reduction Plan.

A discussion next ensued regarding the potential acquisition of Class B Groundwater Certificates ("Certificates") issued by the HGSD to the Member Districts and other municipal utility districts in Area 3 of the HGSD. Mr. Rubinsky noted that based on Mr. Khouw's projections, it may not be necessary to purchase the Certificates in order to meet the May 31, 2026 surface water conversion target. He advised the Board that SPH will continue to monitor the situation and, if necessary, the Authority can pursue the purchase of the Certificates from the Member Districts or other special purpose districts as necessary prior to the end of the current permit period.

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

Mr. Rubinsky noted that there was no new activity to report in connection with the

Authority's website or other communications with Member Districts. He noted, however, that SPH has requested that The Texas Network post certain articles regarding subsidence in the Houston area and HGSD's most recent Groundwater Report on the Authority's website for information purposes.

### **CLOSED SESSION**

Mr. Rubinsky advised the Board that it would not be necessary to meet 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 regular meeting of the Board is scheduled for Wednesday, July 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 Caston, and unanimously carried, the meeting was adjourned.

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

## **LIST OF ATTACHMENTS TO MINUTES**

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	FY 2024 True Up Report related to Authority's Share of Operations and Maintenance Costs of the Northeast Water Purification Plant
<u>Exhibit C</u>	Engineer's Report
<u>Exhibit D</u>	Operator's Report
<u>Exhibit E</u>	Government Affairs Update
<u>Exhibit F</u>	Request from the Authority's Records Management Officer for Approval to Destroy Certain Records