

# **CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY**

## **Minutes of Meeting of Board of Directors July 2, 2025**

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on July 2, 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, 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 Mazars, LLP ("Forvis"), bookkeeper for the Authority; Jared Martin of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; 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; and Abraham I. Rubinsky 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. Mr. Agard stated that the District's website needs to be updated to reflect the names and terms of office of the current Directors of the Authority. Mr. Rubinsky stated that he would ensure that the website is appropriately updated.

### **APPROVAL OF MINUTES**

The Board next considered approval of the minutes of its meeting held June 4, 2025. After discussion regarding the minutes, Director Boddy moved that the minutes of the meeting held June 4, 2025, be approved as presented. Director Caston seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Ms. Tran next presented the Bookkeeper's Report dated July 2, 2025, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing June 4, 2025, through July 2, 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 May 2025 and the first five 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 May 31, 2025. After discussion, it was moved by Director Boddy 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.

## **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, filed said report with the appropriate repositories on June 25, 2025.

## **REVIEW OF YIELD RESTRICTION CALCULATIONS REPORTS**

Mr. Rubinsky next presented to and reviewed with the Board Yield Restriction Calculations Reports dated June 24, 2025, prepared by Arbitrage Compliance Specialists, Inc. ("ACS") for (i) the \$10,805,000 Revenue Bonds, Series 2015 Bonds for the computation period December 11, 2018 through December 11, 2020, (ii) the \$9,270,000 Revenue Bonds, Series 2016 for the computation period November 14, 2019 through November 14, 2021, (iii) the \$26,550,000 Revenue Bonds, Series 2017 for the computation period November 15, 2020 through November 15, 2022, and (iv) the \$7,735,000 Revenue Bonds, Series 2018 for the computation period November 15, 2021 through November 15, 2023, copies of which are attached hereto as **Exhibit B**. Mr. Rubinsky advised the Board that, as indicated in the attached Reports, no yield reduction payments are due with respect to any of the bond issues for such computation periods reflected above, and that no action was required of the Board at this time.

## **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 there was nothing new to report regarding the resolution of the outstanding issues related to the City of Houston's ("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 Northeast Water Purification Plant 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 is still pending with the TWDB, and that final approval of the application is expected from the TWDB later this month, with the sale of the bonds anticipated to occur on October 1, 2025, and the closing on December 1, 2025.

### **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated July 2, 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 May 2025 was 904.045 MG, which equaled 51.73% of total water usage in the Authority through such date.

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 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 regarding discussions with the COH regarding the future monofil site and the funding of 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 97% 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 September 25, 2025 (39 days behind schedule). Mr. Khouw reported that the contractor has received approval from the Texas Commission on Environmental Quality ("TCEQ") for Phase 2B and will be scheduling the acceptance testing. He noted that Phase 2B should start producing water by September or October 2025.

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.

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. Mr. Hale then reviewed the detailed status report for the construction of Bid Package 1 of the 2025 Internal Distribution System (the "Project") attached to the Engineer's Report. Mr. Hale reported that V&S Construction has submitted (i) Change Order No. 1 to the construction contract for the Project in the amount of \$11,900.00 for additional bond fees related to the Harris County permits, and (ii) Pay Application No. 1 in the amount of \$1,045,223.63 for work completed through June 20, 2025. Mr. Hale recommended that Change Order No. 1 and Pay Application No. 1 be approved by the Board. After discussion, it was moved by Director Boddy, seconded by Director Gower and unanimously carried, that Change Order No. 1 and Pay Application No. 1 be approved by the Board, as recommended by the Authority's engineer. Mr. Khouw noted that IDS will begin preparing Bid Package 2 of the Project.

Mr. Rubinsky next reported that, as authorized by the Board last month, SPH had provided written notice to the COH on June 27, 2025, of the Authority's calculation of the increase in the Authority's untreated (raw) water capacity reservation required for June 30, 2035, as required pursuant to the First Supplemental to the Water Supply Contract between the COH and the Authority, dated effective January 30, 2009.

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

Mr. Rubinsky next advised the Board that Harris County Municipal Utility District No. 33 ("No. 33") has now completed its payment in-kind to Harris County Utility District No. 14 and Harris County Utility District No. 15 ("Nos. 14 and 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. Mr. Rubinsky further noted that No. 33 actually sold Nos. 14 and 15 approximately 1,213,000 more gallons of water than No. 33 received.

## **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of June 2025, a copy of which is attached hereto as **Exhibit D**. Mr. Martin addressed the Board concerning the status of the repair of a leak in the Authority's surface water distribution line located within No. 150, as discussed at the previous meetings. He advised the Board that repair of the water line leak has been completed and that IDS is working on the plans for repair of the road, which will need to be signed and sealed by IDS and then approved by Harris County before such work can commence. Mr. Martin then discussed the repair process and the timing of the repair, which he estimated would take approximately two (2) weeks to complete.

## **ADOPTION OF RESOLUTION ADOPTING DROUGHT CONTINGENCY PLAN**

Mr. Rubinsky next reminded the Board that it had approved an amended Drought Contingency Plan at its meeting held March 5, 2025, to address comments received from the TCEQ regarding various requirements applicable to Wholesale Water Suppliers. In that regard, he advised the Board that the TCEQ is now requesting a Resolution from the Authority adopting the amended Drought Contingency Plan. After discussion, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that the Resolution Adopting Drought Contingency Plan attached hereto as **Exhibit E** be adopted by the Board.

## **GOVERNMENT AFFAIRS UPDATE**

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated July 2, 2025, together with a Bill Tracking Chart regarding certain bills introduced during the 89th Legislative Session, copies of which are attached hereto as **Exhibit F**. No action was taken by the Board in connection with said matter.

## **ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. Mr. Rubinsky reviewed with the Board an Annual Operation and Maintenance Accounting for Joint Facilities for the fiscal year 2024 received from the North Harris County Regional Water Authority ("NHCRWA"), a copy of which is attached hereto as **Exhibit G**, pursuant to the Amended and Restated Joint Facilities Agreement with the NHCRWA. In that regard, Mr. Rubinsky advised the Board that the report reflects that

the Authority owes the NHCRWA a total of \$156,407.25 for the fiscal year 2024 operation and maintenance costs. Mr. Rubinsky advised that the Authority's consultants will carefully review the report and, provided no issues are found with the report, will recommend the Board approve the payment of the Authority's share of said costs at the next meeting.

**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, but that a Quarterly Analytics Report had been provided by The Texas Network for the Board for the period April 1, 2025 through June 30, 2025, a copy of which is attached hereto as **Exhibit G**.

**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, August 6, 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.

  
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Judge Caston, III, Assistant Secretary  
Board of Directors

## **LIST OF ATTACHMENTS TO MINUTES**

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Yield Restriction Calculations Reports
<u>Exhibit C</u>	Engineer's Report
<u>Exhibit D</u>	Operator's Report
<u>Exhibit E</u>	Resolution Adopting Drought Contingency Plan
<u>Exhibit F</u>	Government Affairs Update
<u>Exhibit G</u>	Annual Operation and Maintenance Accounting for Joint Facilities for the Fiscal Year 2024
<u>Exhibit H</u>	Texas Network Analytics Report