

# **CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY**

## **Minutes of Meeting of Board of Directors September 3, 2025**

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on September 3, 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  
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; Chase Widener of Quiddity Engineering, LLC, representing Harris County Municipal Utility District No. 200 ("No. 200"), Harris County Municipal Utility District No. 205 ("No. 205"), and Rankin Road West Municipal Utility District ("Rankin Road"); 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"); Robert Blackshear of Rankin Road; and Abraham I. Rubinsky and Cullen Richardson 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 were no comments received from the public in attendance at the meeting at this time.

### **APPROVAL OF MINUTES**

The Board deferred action relative to the approval of the minutes of its meeting held August 6, 2025.



## **BOOKKEEPER'S REPORT**

Ms. Tran presented the Bookkeeper's Report dated September 3, 2025, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing August 6 2025, through September 3, 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 July 2025 and the first seven 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 July 31, 2025. After discussion, it was moved by Director Caston 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.

## **ADOPTION OF RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE AUTHORITY**

The Board next considered adopting a list of qualified brokers authorized to engage in investment transactions with the Authority. Mr. Rubinsky advised that, pursuant to the Public Funds Investment Act and the Authority's Investment Policy, the Board is required to review, revise, if necessary, and adopt such list at least annually. He then presented to and reviewed with the Board a proposed list of financial institutions, brokers and dealers authorized to engage in investment transactions with the Authority, a copy of which is attached hereto as **Exhibit B**, as compared to the list previously adopted by the Board. Mr. Rubinsky noted that the broker list presented is a list of potential institutions with which the Authority may engage in investment transactions compiled with the input of the Authority's Investment Officer, but it is ultimately the Board's decision as to where the Authority's funds are actually placed. After discussion on the matter, Director Boddy moved that the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the Authority attached hereto as **Exhibit C** be adopted by the Board and that the President and Secretary be authorized to execute same on behalf of the Board and the District. Director Granadino seconded said motion, which unanimously carried.

## **ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF AUTHORITY FUNDS AND APPOINTING INVESTMENT OFFICER**

The Board next considered the annual review of its Order Establishing Policy for Investment of Authority Funds and Appointing Investment Officer ("Investment Policy Order"), and the adoption of a Resolution in connection therewith. In that regard, Mr. Rubinsky presented to and reviewed with the Board a Memorandum dated September 3, 2025, a copy of which is attached hereto as **Exhibit D**, regarding proposed changes to the Investment Policy Order to facilitate the investment of the Authority's funds in certificates of deposit procured through IntraFi Network's Certificate of Deposit Account Registry Service ("CDARS"), as further detailed in the attached Memorandum. After discussion on the matter, it was moved by Director Caston, seconded by Director Boddy and unanimously carried, that (i) the Investment Policy Order be amended to facilitate the Authority's Investment Officer's use of CDARS, as discussed by Mr. Rubinsky, (ii) the Board adopt the Resolution Regarding Review of Order Establishing Policy for Investment of

Authority Funds and Appointing Investment Officer attached hereto as **Exhibit E** (with the amended Investment Policy Order attached thereto), and (iii) any prior order previously adopted by the Board establishing policies for investment of Authority funds and appointing an investment officer be revoked and rescinded effective today.

### **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 ("NEWPP") for each of said fiscal years.

Mr. Rubinsky next addressed the Board concerning the sale of the Authority's proposed Series 2025 Bonds. He advised the Board that the sale of the bonds is anticipated to occur on November 5, 2025, with the closing to occur on or about December 10, 2025.

### **ENGINEER'S REPORT**

Mr. Khouw presented to and reviewed with the Board a written Engineer's Report dated September 3, 2025, a copy of which is attached hereto as **Exhibit F**, 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 July 2025 was 194.015 MG, which equaled 66.32% 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. Khouw noted that Rankin Road is in the process of drilling another water well, which is expected to be completed by next summer.

Mr. Khouw next advised the Board that an invitation has been received from the HGSD to attend either its October, November or December 2025 Board meetings in order to provide an update regarding the implementation of the Authority's GRP. He advised that he and Mr. Rubinsky will determine which of said meetings they will be able to attend and will then respond to said invitation on behalf of the Authority.

Mr. Khouw next addressed the Board concerning the status of the withdrawal of funds from the Authority's escrow accounts relating to the Series 2015, 2016 and 2017 Bonds, as further

detailed in the Engineer's Report. He noted that all of the remaining funds in said escrow accounts represent interest earnings derived from the investment of the respective bond proceeds. Mr. Rubinsky then requested authorization from the Board to work with Arbitrage Compliance Specialists, Inc. ("ACS") to determine the estimated arbitrage rebate or yield reduction payments that will be due to the Internal Revenue Service in connection with the Series 2015, 2016 and 2017 Bonds in order to ensure that sufficient funds are available upon the due dates. After discussion on the matter, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that SPH be authorized to work with ACS, as requested by Mr. Rubinsky.

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 98% 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 October 6, 2025 (70 days behind schedule) Mr. Khouw reported, however that HWT has submitted a change order requesting an additional 90 days to reach Phase 2 substantial completion and that the COH is currently evaluating such request.

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 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 Pay Application No. 3 in the amount of \$1,458,478.75 for work completed through August 20, 2025. Mr. Hale recommended that Pay Application No. 3 be approved by the Board. After discussion, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that Pay Application No. 3 be approved by the Board, as recommended by the Authority's engineer. Mr. Khouw noted that IDS has begun preparing Bid Package 2 of the Project.

### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of August 2025, a copy of which is attached hereto as **Exhibit G**. Mr. Martin advised the Board that the COH meter located at the Harris County Municipal Utility District No. 304 Water Plant has now been repaired. He further advised the Board that the repair of Winter Park Street, which was required in connection with the repair of a leak in the Authority's surface water distribution line located within No. 150, has now been completed. Mr. Johnson and Mr. Agard advised the Board that they are pleased with the results.

### **GOVERNMENT AFFAIRS UPDATE**

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated September 2, 2025, a copy of which is attached hereto as **Exhibit H**. 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 advised the Board that he had nothing further to discuss with the Board of a legal nature which was not covered under specific agenda items.

### **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 then presented for the Board's review an Executive Summary of the annual Groundwater Withdrawal and Land Subsidence Report in Harris and Galveston Counties for the 2024 Calendar Year, a copy of which is attached hereto as **Exhibit I**. The Board requested that the Executive Summary be posted on the Authority's website.

### **DISCUSSION REGARDING DIRECTOR APPOINTMENT PROCESS IN CONNECTION WITH VACANCY ON THE BOARD**

Mr. Rubinsky next discussed with the Board the status of the special appointment process in connection with the vacancy on the Board for the office of Director for Director Precinct No. 3 as a result of the passing of Director Gower. He advised the Board that one (1) nominating resolution has been received to date, and that the deadline for Member Districts in Precinct No. 3

to submit resolutions nominating a candidate for the Director for Director Precinct No. 3 position are due by 5:00 p.m. on September 10, 2025. Mr. Rubinsky advised that, if no other nominations are received by 5:01 p.m. on September 10<sup>th</sup>, the Board may declare the unopposed candidate elected and may cancel the remaining appointment process. If additional nominations are received prior to said deadline, then ballots will be sent to each of the Member Districts in Precinct 3 no later than September 30, 2025, which must be acted upon and returned by the Member Districts before 5:00 p.m. on October 31, 2025.

### **CLOSED SESSION**

Mr. Rubinsky advised the Board that it would not be necessary to meet in Closed Session.

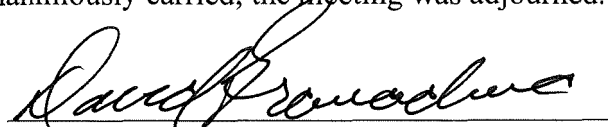
### **ITEMS TO BE PLACED ON NEXT AGENDA PERTINENT TO THE AUTHORITY**

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, October 1, 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.

  
David Granadino, Secretary  
Board of Directors

## **LIST OF ATTACHMENTS TO MINUTES**

|                  |                                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Exhibit A</u> | Bookkeeper's Report                                                                                                                                                                  |
| <u>Exhibit B</u> | List of Financial Institutions, Brokers and Dealers Authorized to Engage in Investment Transactions with the Authority as Compared to List Previously Adopted by the Board           |
| <u>Exhibit C</u> | Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the Authority                                                                     |
| <u>Exhibit D</u> | Memorandum regarding Proposed Changes to Investment Policy Order                                                                                                                     |
| <u>Exhibit E</u> | Resolution Regarding Review of Order Establishing Policy for Investment of Authority Funds and Appointing Investment Officer (with Amended Investment Policy Order Attached Thereto) |
| <u>Exhibit F</u> | Engineer's Report                                                                                                                                                                    |
| <u>Exhibit G</u> | Operator's Report                                                                                                                                                                    |
| <u>Exhibit H</u> | Government Affairs Update                                                                                                                                                            |
| <u>Exhibit I</u> | Executive Summary of Groundwater Withdrawal and Land Subsidence in Harris and Galveston Counties for the 2024 Calendar Year                                                          |