

# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

## Minutes of Meeting of Board of Directors December 3, 2025

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on December 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  
Ashley Thompson, Assistant Secretary

all of whom were present, thus constituting a quorum.

Also attending the meeting were: Marcel Khouw 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"); Robert Black Shear and Kelvin Smith of Rankin Road; Marcus Jones and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); Roosevelt Johnson of Harris County Municipal Utility District No. 150 ("No. 150"); Linda Watkins of Fallbrook Utility District ("Fallbrook"); 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 next considered approval of the minutes of its meetings held October 1, 2025, and November 5, 2025. After discussion regarding the minutes, Director Boddy moved that the minutes of the meetings held October 1, 2025, and November 5, 2025, be approved as presented. Director Caston seconded said motion, which unanimously carried.

**STATUS OF THE AUTHORITY'S ISSUANCE OF ITS \$8,000,000 CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY REVENUE BONDS, SERIES 2025**

Mr. Rubinsky next advised the Board that the Texas Attorney General's office had approved the issuance of the Authority's \$8,000,000 Central Harris County Regional Water Authority Revenue Bonds, Series 2025 earlier today, and that the bond issue is scheduled to close as planned on December 10, 2025. After discussion on the matter, it was moved by Director Granadino, seconded by Director Caston and unanimously carried, that the proceeds of the Series 2025 Bonds be disbursed in accordance with The GMS Group, L.L.C.'s Closing Memorandum, subject to next week's closing.

**BOOKKEEPER'S REPORT**

Ms. Tran presented the Bookkeeper's Report dated December 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 November 5, 2025, through December 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 October 2025 and the first ten 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 October 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.

**APPROVAL OF OPERATING BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2026**

Ms. Tran presented to and reviewed in detail with the Board a proposed Operating Budget for the fiscal year ending December 31, 2026, a copy of which is attached to the Bookkeeper's Report. Mr. Rubinsky also addressed a few changes that he had recommended be made to the proposed Operating Budget from the initial draft prepared by Ms. Tran. Thereafter, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that the proposed Operating Budget for the Authority's fiscal year ending December 31, 2026 be approved as presented.

**ENGAGEMENT OF AUDITOR**

The Board considered the engagement of an auditing firm to conduct an audit of the Authority's records and accounts for the fiscal year ending December 31, 2025. In that regard, Mr. Rubinsky reminded the Board that it had previously approved an evergreen audit engagement letter with McCall Gibson Swedlund Barfoot PLLC ("MGSB") dated December 7, 2022. Mr. Rubinsky then presented for the Board's review correspondence from MGSB dated December 3, 2025, a copy of which is attached hereto as **Exhibit B**, regarding the audit scope and objectives, the audit procedures and the anticipated auditing fees, estimated to range between \$24,000 and \$26,000. After discussion on the matter, it was moved by Director Thompson, seconded by Director Caston and unanimously carried, that MGSB be authorized to proceed with the preparation of the

Authority's audit for the fiscal year ending December 31, 2025, in accordance with the terms outlined in MGSB's correspondence of December 3, 2025.

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

The Board next 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 City of Houston's ("COH") FY 2019, FY 2020, FY 2021, FY 2022, FY 2023, and FY 2024 True Up Reports relative to operation and maintenance costs of the Northeast Water Purification Plant ("NEWPP") for each of said fiscal years. Mr. Khouw then addressed the Board concerning the COH's FY 2025 Report. He advised the Board that, now that Phase I of the NEWPP Expansion Project has been placed into operation, the FY 2025 Report will be somewhat more complicated than previous year's reports due to the fact that surface water is being provided by the original NEWPP and Phase I of the NEWPP Expansion Project.

### **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated December 3, 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 October 2025 was 488.092 MG, which equaled 64.51% of total water usage in the Authority through such date.

Mr. Khouw next advised the Board that IDS will be coordinating with the HGSD to add North Forest Municipal Utility District ("North Forest") to the Authority's Groundwater Reduction Plan ("GRP"). Mr. Rubinsky advised the Board that the Petition for Annexation and GRP Participation Agreement between the Authority and North Forest will become effective immediately upon execution of an agreement between North Forest and the COH terminating the City of Houston Water Supply and Groundwater Reduction Plan Wholesale Agreement for Area 3 of the Harris-Galveston Subsidence District between said parties, and that North Forest will be added to the Authority's GRP, effective June 1, 2026, the beginning date of the Authority's next aggregate water well permit to be issued by the HGSD.

With respect to the request received from the HGSD for an update regarding the status of implementation of the Authority's GRP, Mr. Khouw advised that he and Mr. Rubinsky will now attend the HGSD's meeting scheduled for December 10, 2025, to provide an update regarding the implementation of the Authority's GRP.

Mr. Khouw next advised the Board that a request has been submitted to the TWDB for the release of the interest earnings derived from the investment of the proceeds from the Authority's Series 2015, 2016 and 2017 Bonds, and that said request is currently pending.

Mr. Khouw next advised the Board that IDS completed the Historically Underutilized Business (HUB) Project Participation Forms required by the TWDB in connection with projects financed through the State Water Implementation Fund for Texas for State Fiscal Years 2024 and 2025 and filed same with the TWDB prior to the November 7th deadline.

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, he advised the Board that IDS is working with SPH to complete the Interlocal Cost Sharing Agreement between the Authority and the COH relating to the COH's participation in the project. Mr. Khouw further reported that IDS has reviewed the COH's preliminary plans for the Point of Connection to the Authority's system and has provided comments on same to the COH.

Mr. Khouw next reported that IDS is continuing to coordinate with the North Harris County Regional Water Authority ("NHCRWA") regarding the Authority's participation in the NHCRWA's Hardy Road Line (Project 23) in order to serve Harris County Utility District No. 16 in the future. He noted that the NHCRWA is experiencing some delays with this particular line due to the need to acquire necessary easements from the Harris County Toll Road Authority for said project.

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 updated schedule submitted by the Houston Waterworks Team ("HWT") to the COH indicated that Phase 2 substantial completion would be achieved on November 10, 2025 (106 days behind schedule). Mr. Khouw further reported that the contractor has restarted acceptance testing which may be complete next week. He noted that there have been some issues with low chlorine residual in the distribution lines and that the COH and HWT are investigating the causes(s) of same.

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. Khouw 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. Khouw reported that V&S Construction has

submitted Pay Application No. 6 in the amount of \$838,885.24 for work completed through November 20, 2025. Mr. Khouw recommended that Pay Application No. 6 be approved by the Board. After discussion, it was moved by Director Caston, seconded by Director Boddy and unanimously carried, that Pay Application No. 6 be approved by the Board, as recommended by the Authority's engineer. Mr. Khouw noted that IDS will finalize Bid Package 2 of the Project now that the closing on the Series 2025 Bonds has occurred, and that bids will be advertised in January 2026.

### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of November 2025, a copy of which is attached hereto as **Exhibit D**. Mr. Martin stated that he had no action items for the Board's consideration this month.

### **GOVERNMENT AFFAIRS UPDATE**

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated December 3, 2025, a copy of which is attached hereto as **Exhibit E**. 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 addressed the Board regarding the appointment of Directors to the Board of Directors of the Authority in 2026. In that regard, he presented to and reviewed with the Board a Memorandum to the Member Districts providing notice of and outlining the 2026 Appointment Process, a copy of which is attached hereto as **Exhibit F**, and noted that Director Cox's term of office representing Director Precinct No. 1, Director Thompson's term of office representing Director Precinct No. 3, and Director Caston's term of office as At-Large Director (Position No. 2) will expire May 15, 2026. After discussion, the Board approved the 2026 Director appointment procedures, as outlined in the attached Memorandum, and authorized SPH to forward the Memorandum to each of the Authority's Member Districts. Mr. Rubinsky noted that nominations for the three Director positions to be acted upon in 2026 must be delivered to the Board no later than 5:00 p.m., on February 15, 2026.

Mr. Rubinsky next reported on the need for the Authority to determine each Member District's total 2025 water usage in order to calculate the number of votes each Member District may cast in connection with the Authority's 2026 Director Appointment Process and the weight of each Member District's vote for the respective positions to be appointed. After discussion, the Board authorized IDS and MOC to calculate the Member Districts' respective voting percentages for the Authority's 2026 Director Appointment Process as soon as possible.

### **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.

## **CLOSED SESSION**

At 7:09 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. Rubinsky, and Mr. Richardson, 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 as a result of the discussions conducted 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, January 7, 2026, 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 Thompson, and unanimously carried, the meeting was adjourned.

  
Secretary, Board of Directors

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A      Bookkeeper's Report
- Exhibit B      Correspondence from McCall Gibson Swedlund Barfoot PLLC dated December 3, 2025
- Exhibit C      Engineer's Report
- Exhibit D      Operator's Report
- Exhibit E      Government Affairs Update
- Exhibit F      Memorandum Outlining 2026 Director Appointment Process