

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors
February 4, 2026

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on February 4, 2026, 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 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"); Robert Blackshear and Kelvin Smith of Rankin Road; Marcus Jones and Bridget Smith 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 and Gilbert Miranda of Fallbrook Utility District ("Fallbrook"); 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. The Board recognized Mr. Agard, who queried the Board regarding the status of the implementation of smart meters for the Authority's surface water meters and the Member Districts' water well meters. Mr. Khouw reported that the Authority's proposed remote meter reading and monitoring system will be addressed after the Authority has received bids for the construction of Phase II of the 2025 Internal Distribution System project in order to confirm the availability of funding for same.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of its meeting held January 7, 2026.

After discussion regarding the minutes, Director Caston moved that the minutes of the meeting held January 7, 2026, be approved as presented. Director Boddy seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Tran presented the Bookkeeper's Report dated February 4, 2026, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing January 7, 2026, through February 4, 2026, 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 December 2025 and the entire twelve 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 December 31, 2025. Ms. Tran next reported that check no. 6559 from the General Operating Fund to the U.S. Treasury in the amount of \$92,166.06 for payment of a yield reduction payment due in connection with the Authority's Series 2020 Bonds was lost in transit by Federal Express and presented check no. 6584 payable to the U.S. Treasury to replace said lost check. Ms. Tran advised she would contact Arbitrage Compliance Specialists, Inc. to determine how to handle communications with the Internal Revenue Service ("IRS") concerning the last payment given these circumstances. 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, including check no. 6584 as mentioned above. Director Granadino seconded said motion, which unanimously carried.

REVIEW OF ARBITRAGE REBATE CALCULATIONS AND YIELD RESTRICTION CALCULATIONS REPORTS PREPARED BY ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Mr. Rubinsky next presented to and reviewed with the Board a Yield Restriction Calculations Report prepared by Arbitrage Compliance Specialists, Inc. ("ACS") dated January 16, 2026, for the fifth year computation period in connection with the Authority's \$3,560,000 Series 2020 Revenue Bonds ("Series 2020 Bonds"), a copy of which is attached hereto as **Exhibit B**. Mr. Rubinsky advised the Board that the Report indicates that there was a yield reduction payment due to the Internal Revenue Service ("IRS") for such computation period for the Series 2020 Bonds in the amount of \$92,166.06, as discussed during the Bookkeeper's Report. Mr. Rubinsky explained that the Yield Restriction Calculations Report was not received until after the Authority's Board of Directors meeting held on January 7, 2026, and that the yield reduction payment was due on January 19, 2026. Mr. Rubinsky further advised the Board that, although said payment was due on January 19, 2026, the IRS provides a 10-day grace period before imposing penalties for late payment. Accordingly, the yield reduction payment was made on behalf of the Authority prior to tonight's Board meeting on January 23, 2026, prior to the expiration of the 10-day grace period, to avoid the imposition of penalties. After discussion on the matter, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that the Yield Restriction Calculations Report in connection with the Series 2020 Bonds be approved, and that payment to the IRS in the total amount of \$92,166.06 be ratified and authorized in all respects.

Mr. Rubinsky next presented to and reviewed with the Board an Arbitrage Rebate

Calculations Report dated January 29, 2026, prepared by ACS for the tenth year computation period in connection with the Authority's \$10,805,000 Revenue Bonds, Series 2015 ("Series 2015 Bonds"), a copy of which is attached hereto as **Exhibit C**. Mr. Rubinsky advised the Board that the Report indicates that there is no arbitrage rebate payment due to the IRS for such computation period for the Authority's Series 2015 Bonds.

Mr. Rubinsky next presented to and reviewed with the Board Yield Restriction Calculations Reports dated January 29, 2026, prepared by ACS for (i) the Series 2015 Bonds for the tenth year computation period December 11, 2018 through December 11, 2025, (ii) the \$9,270,000 Revenue Bonds, Series 2016 for the interim computation period November 14, 2019 through November 14, 2025, (iii) the \$26,550,000 Revenue Bonds, Series 2017 for the interim computation period November 15, 2020 through November 15, 2025, and (iv) the \$7,735,000 Revenue Bonds, Series 2018 for the interim computation period November 15, 2021 through November 15, 2025, copies of which are attached hereto as **Exhibit D**. Mr. Rubinsky advised the Board that, as indicated in the attached Reports, no yield reduction payments are currently 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.

Mr. Rubinsky additionally presented to and reviewed with the Board a Yield Restriction Calculations Report dated January 29, 2026, prepared by ACS for the \$13,185,000 Revenue Bonds, Series 2019 ("Series 2019 Bonds") for the interim computation period November 15, 2022 through November 15, 2025, a copy of which is attached hereto as **Exhibit E**. Mr. Rubinsky advised the Board that the Report indicates that the Authority has a total interim yield reduction liability in the amount of \$102,205.83, but that no payment will be required until the yield restriction calculations are performed relative to the Series 2019 Bonds for the 10 year computation period in late 2029. Mr. Rubinsky stated that no action was required of the Board at this time regarding the Yield Restriction Calculations Report for the Series 2019 Bonds, but that same was presented to alert the Board of the situation and to allow it to prepare for the anticipated future payment that may be due in 2029.

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. Rubinsky noted that the COH has engaged an auditor to prepare the FY 2025 True Up Report.

ENGINEER'S REPORT

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated February 4, 2026, 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. He advised the Board that surface water usage through December 2025 was 660.453 MG, which equaled 65.39% of total water usage in the Authority through such date.

Mr. Khouw advised the Board that he had no new activity upon which to report at this time regarding the addition of 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. Mr. Rubinsky noted that North Forest has prepared a Termination of GRP Participation Agreement with the COH.

Mr. Khouw next advised the Board that IDS will complete and submit the annual Groundwater Reduction Plan Report to the HGSD by the March 15, 2026 due date.

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. Mr. Khouw advised the Board that he and Mr. Rubinsky met with the COH and representatives of the North Harris County Regional Water Authority ("NHCRWA") yesterday to resolve several issues in connection with the COH's request to tie-in to the Authority's 2025 Internal Distribution System.

Mr. Khouw next reported that IDS is continuing to coordinate with the 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 ("No. 16") in the future. He noted that the NHCRWA will prepare a Second Amendment to the Amended and Restated Joint Facilities Agreement with the Authority to memorialize the Authority's participation in the Hardy Road 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 further reported that the contractor has completed the acceptance testing and requested that Phase 2 be declared substantially complete effective as of December 30, 2025, but that the COH has declined the Houston Waterworks Team request for substantial completion, due to a number of significant outstanding issues that have yet to be resolved.

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. He further reported that the COH

is working on the project true-up, which should be complete by the end of the first quarter of 2026.

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 Authority's share will be funded with the remaining proceeds from the Authority's Series 2015, 2016 and 2017 Bonds.

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 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. He reported that V&S Construction has submitted Pay Application No. 8 in the amount of \$250,215.78 for work completed through January 20, 2026. Mr. Hale recommended that Pay Application No. 8 be approved by the Board. After discussion, it was moved by Director Caston, seconded by Director Thompson and unanimously carried, that Pay Application No. 8 be approved by the Board, as recommended by the Authority's engineer. Mr. Khouw noted that IDS is working to finalize Bid Package 2 of the Project and anticipates requesting authorization to bid the project at the March 2026 Board meeting.

RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next deferred action until next month's Board of Directors meeting relative to the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects.

OPERATOR'S REPORT

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of January 2026, a copy of which is attached hereto as **Exhibit G**. Mr. Martin advised the Board that MOC recently discovered that No. 16 opened its interconnect with Harris County Municipal Utility District No. 221 on November 16, 2025, and did not notify the Authority, subjecting No. 16 to the payment of Water Importation Fees pursuant to the provisions of the Authority's Rate Order. After discussion on the matter, it was moved by Director Granadino, seconded by Director Boddy and unanimously carried, that SPH be authorized to direct correspondence to No. 16 regarding the procedures to be followed for requesting an exemption from the payment of Water Importation Fees imposed by the Authority.

GOVERNMENT AFFAIRS UPDATE

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated February 3, 2026, a copy of which is attached hereto as **Exhibit H**. No action was taken by the Board in connection with said matter.

REVIEW OF PROPOSALS FOR RENEWAL OF INSURANCE COVERAGES

The Board next deferred action until next month's Board meeting regarding the review of proposals for the renewal of the Authority's insurance coverages for the term of April 1, 2026, through March 31, 2027.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Rubinsky briefly reported to the Board regarding the status of the lawsuit between the COH and Houston Waterworks Team. He noted that a trial is scheduled to begin on February 16, 2026, and that Mr. Khouw has been subpoenaed to testify in the trial.

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.

2026 DIRECTOR APPOINTMENT PROCESS AND CALCULATION OF VOTING PERCENTAGES

Mr. Rubinsky next addressed the Board regarding the appointment of Directors to the Board of Directors of the Authority in 2026. In that regard, he reported that IDS is currently working 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. Mr. Rubinsky reported that, in addition to the Resolution received last month from Harris County Municipal Utility District No. 33 nominating (i) Director Cox to continue to serve in the Director Precinct No.1 position, and (ii) Director Caston to continue to serve in the At-Large (Position No. 2) position, Resolutions had been received from No. 399 and No. 200 each nominating Director Thompson to continue to serve in the Director Precinct No. 3 position. Mr. Rubinsky stated that the nomination period ends at 5:00 p.m. on February 15, 2026.

CLOSED SESSION

At 7:49 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, and Mr. Rubinsky, exited the meeting.

At 8:17 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.

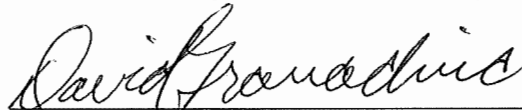
ITEMS TO BE PLACED ON NEXT AGENDA PERTINENT TO THE AUTHORITY

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, March 4, 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 Yield Restriction Calculations Report for Series 2020 Bonds
- Exhibit C Arbitrage Rebate Calculations Report for Series 2015 Bonds
- Exhibit D Yield Restriction Calculations Reports for Series 2015 Bonds, Series 2016 Bonds, Series 2017 Bonds and Series 2018 Bonds
- Exhibit E Yield Restriction Calculations Report for Series 2019 Bonds
- Exhibit F Engineer's Report
- Exhibit G Operator's Report
- Exhibit H Government Affairs Update