# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors
May 6, 2026

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on May 6, 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; Michelle Townes of McCall Gibson Swedlund Barfoot Ellis PLLC ("MGSBE"), auditor 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"); Roosevelt Johnson of Harris County Municipal Utility District No. 150 ("No. 150"); Kelvin Smith and Robert Blackshear of Rankin Road; Marcus Jones and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); Linda Watkins and Gilbert Miranda of Fallbrook Utility District ("Fallbrook"); Frederick Sunderman of TLC Engineering ("TLC"); 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 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 meetings held March 4, 2026, and April 1, 2026. After discussion regarding the minutes, Director Caston moved that the minutes of the meetings held March 4, 2026, and April 1, 2026, be approved as presented. Director Boddy seconded said motion, which unanimously carried.

## OPERATOR'S REPORT

Mr. Martin presented to and reviewed with the Board a written Operator's Report for the month of April 2026, a copy of which is attached hereto as **Exhibit A**. Mr. Martin advised the Board that, through April 30, 2026, the Authority has provided surface water to Member Districts equaling 64% of total water usage within the Authority through the first eleven (11) months of the current Harris-Galveston Subsidence District ("HGSD") Water Well Permit, and that he is confident the Authority will finish the permit period having supplied in excess of 60% surface water thereby achieving the groundwater reduction requirements of the its Groundwater Reduction Plan ("GRP") and the HGSD's Regulatory Plan for the current permit year. Mr. Martin then addressed the Board regarding the status of communications with Harris County Municipal Utility District No. 16 ("No. 16") relative to the status of repayment in-kind of water previously imported into the Authority from Harris County Municipal Utility District No. 221. In that regard, he reported that that No. 16 began repaying No. 221 in-kind on March 11, 2026, and expects to complete payment by June 20, 2026, in accordance with the requirements of the Authority's Rate Order. Mr. Martin advised the Board that he had no action items for the Board's consideration this month.

Mr. Rubinsky briefly reported to the Board regarding recent communications with MOC and IDS regarding the EPA's National Primary Drinking Water Regulation concerning PFAS monitoring and treatment for the Authority. Mr. Martin stated that MOC will ensure that the Authority is in compliance with all PFAS testing requirements in connection with the EPA's National Primary Drinking Water Regulation.

## APPROVAL OF ANNUAL CONSUMER CONFIDENCE REPORT

Mr. Martin next presented to and reviewed with the Board a draft of the Authority's Consumer Confidence Report ("CCR"), the format of which is dictated by the TCEQ and by the EPA. A copy of the draft CCR is attached hereto as **Exhibit B**. He advised the Board that the CCR must be provided to all customers of the Authority and posted to the Authority’s website prior to July 1 of this year, as required by law. After discussion on the matter, it was moved by Director Granadino, seconded by Director Caston and unanimously carried, that the CCR be approved by the Board, subject to SPH's final review and approval, and that MOC be authorized and directed to send a copy of the CCR to the website provider for posting on the Authority’s website and to distribute same to the Member Districts in an electronic format prior to the July 1 deadline.

Mr. Martin exited the meeting at this time.

## BOOKKEEPER'S REPORT

Ms. Tran presented the Bookkeeper's Report dated May 6, 2026, a copy of which is attached hereto as **Exhibit C**, including Cash Flows for the Authority's various funds for the period commencing April 1, 2026, through May 6, 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 March 2026 and the third month of the Authority's fiscal year ending

December 31, 2026, and a Summary of Pumpage Fees and Surface Water Fees paid by Member Districts through March 31, 2026. 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.

## APPROVAL OF UNCLAIMED PROPERTY REPORT

The Board next considered approval of an Unclaimed Property Report as of March 1, 2026, and the filing of same with the Texas State Comptroller of Public Accounts (the "State Comptroller") prior to July 1, 2026. Ms. Tran next advised the Board that there was no Unclaimed Property to be reported by the Authority for the period ending March 1, 2026.

## REVIEW AND APPROVAL OF AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2025

The Board recognized Ms. Townes, who presented to and reviewed with the Board a draft of the Authority's Annual Audit Report prepared by MGSBE for the fiscal year ended December 31, 2025. Ms. Townes advised that MGSBE is issuing an unmodified opinion relative to the Authority's audit, which is the highest opinion an auditor can provide, as the Authority's financial records appear to be in good condition. After discussion concerning the Audit presented, Director Caston moved that: (i) the Audit Report for the fiscal year ended December 31, 2025, be approved, subject to final review and comments by SPH and the Authority's other consultants; (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the Authority; and (iii) such Audit Report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ"). Director Granadino 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. ("MPH"), the Authority's Continuing Disclosure Counsel, will prepare the annual Continuing Disclosure Report, with the assistance of the Authority's Engineer and Financial Advisor if necessary, when the Audit for the Authority's fiscal year ended December 31, 2025, has been finaled and released by MGSBE, and will file said report with the appropriate repositories prior to the filing deadline of June 30, 2026.

## APPROVAL OF AMENDMENT TO ENGAGEMENT LETTER FOR YIELD RESTRICTION AND REBATE CALCULATION ANALYSIS

Mr. Rubinsky next presented to and reviewed with the Board correspondence received from Municipal Risk Management Group, L.L.C. ("MRMG") dated April 1, 2026, together with a proposed Amendment to Engagement Letter for Yield Restriction and Rebate Calculation Analysis between the Authority and MRMG, copies of which are attached hereto as **Exhibit D**. Mr. Rubinsky advised the Board that the proposed Amendment to Engagement Letter provides for updated pricing for MRMG to review, catalogue, summarize and make recommendations to the Authority in regards to yield restriction and rebate calculation analysis for all of the Authority's tax-exempt bonds, as reflected in the proposed Amendment to Engagement Letter. After discussion on the matter, Director Thompson moved that the proposed Amendment to Engagement Letter for Yield Restriction and Rebate Calculation Analysis between the Authority and MRMG be approved by the Board, subject to the receipt of a Texas Ethics Commission Form 1295 from MRMG. Director Caston seconded said motion, which unanimously carried.

## 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, FY 2024, and FY 2025 True Up Reports relative to operation and maintenance costs of the Northeast Water Purification Plant ("NEWPP") for each of said fiscal years.

## ENGINEER'S REPORT

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated May 6, 2026, a copy of which is attached hereto as **Exhibit E**, 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 HGSD permit requirements, as detailed in the Engineer's Report. He advised the Board that surface water usage through March 2026 was 898.683 MG, which equaled 64.97% of total water usage in the Authority through such date, but noted that the most current figures were previously addressed by Mr. Martin in his Operator's Report. Mr. Khouw then advised the Board that the application for the renewal of the Authority's HGSD Aggregate Water Well Permit for the period June 1, 2026 through May 31, 2027 has been approved.

Mr. Khouw next advised the Board that IDS has conducted preliminary discussions with the HGSD regarding the addition of North Forest Municipal Utility District ("North Forest") to the Authority's Groundwater Reduction Plan ("GRP"). In that regard, Mr. Rubinsky reviewed with the Board a proposed Petition for Annexation and GRP Participation Agreement between the Authority and North Forest. Mr. Rubinsky advised the Board that the Agreement 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 (the "Effective Date"), and that North Forest will be added to the Authority's GRP upon the adoption of an Order Adding Property and Member District by the Board at its first meeting following the Effective Date. Mr. Rubinsky noted that North Forest and the COH are currently negotiating a Mutual Termination of North Forest's GRP Participation Agreement with the COH. After discussion, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that the Petition for Annexation and GRP Participation Agreement be approved and that the President be authorized to execute same on behalf of the Board and the Authority, subject to

SPH's final review and approval of any minor revisions requested by North Forest following tonight's meeting.

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 ("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 advised that he has scheduled a meeting with Jun Chang of the NHCRWA to discuss certain issues related to the COH's billing of surface water to the Authority during 2025. Mr. Rubinsky and Mr. Khouw noted that it appears that the COH underbilled the Authority in excess of 350 million gallons of water in 2025 over an approximate 4 ½ month period due to failure of two of the COH's meters.

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 99% complete. Mr. Khouw further reported that the contractor is working to address all outstanding issues and punch list items so that the project can be declared substantially complete.

Mr. Khouw next advised the Board that he and Mr. Rubinsky participated in a meeting earlier today with representatives of the COH and other regional water authorities and Enchanted Rock Solutions, LLC ("Enchanted Rock"), the provider of the auxiliary power system for the NEWPP, regarding a proposal to reduce the size of the auxiliary power system installed by Enchanted Rock to serve Phase I of the NEWPP as the NEWPP is not using enough power to allow Enchanted Rock to recoup its investment. Mr. Khouw reported that Enchanted Rock is proposing to remove a significant number of the generators installed at the NEWPP, at no cost to the COH, and will be preparing an amendment to its existing contract with the COH to address the various proposed changes to said contract.

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.

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 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. 11 in the amount of $158,203.58 for work completed through April 20, 2026. Mr. Hale recommended that Pay Application No. 11 be approved by the Board. After discussion, it was moved by Director Boddy, seconded by Director Caston and unanimously carried, that Pay Application No. 11 be approved by the Board, as recommended by the Authority's Engineer.

The Board next considered the status of the Consent to Encroachment and Indemnity Agreements between the Authority and (i) SREI IDV Veterans, LLC, and (ii) SREI IDV Veterans Bldg. 2 Owner, LLC (collectively, "IDV") in connection with construction of private 8-inch storm sewer and catch basins within the Authority's Easement Parcel Nos. 5-22 and 5-23, as approved by the Board at last month's meeting. Mr. Khouw advised the Board that the Consent to Encroachment and Indemnity Agreements will be forwarded to IDV for review and execution once complete by SPH.

Mr. Khouw next advised the Board that an invoice has been forwarded to Gauge Real Estate Partners ("Gauge") for the costs associated with V&S Construction's adjustments to a manhole ring and cover and the relocation of a vent pipe as a result of a driveway being constructed by Gauge over the Authority's transmission line, as discussed at last month's meeting. Mr. Rubinsky stated that SPH will follow up with Gauge to ensure payment of the invoice.

Mr. Khouw next advised the Board that IDS will advertise for bids for Bid Package 2 of the Project upon receipt of final approval from the Texas Water Development Board.

**DISCUSSION REGARDING SELECTION OF ELECTRIC SERVICE PROVIDER FOR BELTWAY 8 METER STATION**

A discussion next ensued regarding the need for the selection of an electric service provider for the Beltway 8 Meter Station. After discussion on the matter, Director Caston moved that IDS and SPH coordinate the solicitation of proposals for an electricity provider for the Authority. Director Boddy seconded said motion, which unanimously carried.

**GOVERNMENT AFFAIRS UPDATE**

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated May 5, 2026, a copy of which is attached hereto as **Exhibit F**. No action was taken by the Board in connection with said matters.

**DISCUSSION REGARDING CHANGES TO CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING REQUIREMENTS FOR DIRECTORS**

The Board next considered recent changes to cybersecurity and artificial intelligence training requirements for Directors of the Authority. Mr. Rubinsky then presented a memorandum from SPH regarding changes to such training requirements, a copy of which is attached hereto as **Exhibit G**, and discussed same with the Board. Mr. Rubinsky advised that all Directors of the Authority must annually complete a certified cybersecurity awareness training program prior to August 31 of the given year as required by Ch. 2063, Texas Gov't Code. He further advised that any Director of the Authority who uses a computer to perform at least 25% of his or her duties and has access to the Authority's computer system must also complete a certified artificial intelligence training program by August 31 of each year as required by Ch. 2054, Texas Gov't Code. Following discussion, Mr. Rubinsky noted that a link to the training program created by the Department of Information Resources will be provided to Directors following the meeting and requested that each Director notify SPH upon completion of the training program.

**ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. Mr. Rubinsky briefly reported to the Board regarding several Texas Public Information Act requests received during the past month and SPH's responses to same.

**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 reported, however, that The Texas Network ("TTN") is now offering an optional service for the performance of an Annual Website Accessibility Audit to identify and address accessibility issues in order to comply with the federal web accessibility rule at a cost of $1,200 per year. After discussion on the matter, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that TTN be authorized to perform such Annual Website Accessibility Audit at a cost of $1,200 per year.

**CLOSED SESSION**

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

**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, June 3, 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 Boddy, seconded by Director Caston, and unanimously carried, the meeting was adjourned.

David Granadino

Secretary, Board of Directors



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## LIST OF ATTACHMENTS TO MINUTES