

CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors August 5, 2026

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on August 5, 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 and Sherri Greenwood of Forvis Mazars, LLP ("Forvis"), bookkeeper for the Authority; Marcus Rivera of Municipal Operations and Consulting, Inc. ("MOC"), operator for the Authority; Collin Hedges 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"); Marcus Jones and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); and Abraham I. Rubinsky and Jessica Chen 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 received, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board next considered approval of the minutes of its meeting held July 1, 2026. After discussion regarding the minutes, Director Thompson moved that the minutes of the meeting held July 1, 2026, be approved as presented. Director Caston seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Tran presented the Bookkeeper's Report dated August 5, 2026, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing July 1, 2026, through August 5, 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 June 2026 and the sixth 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 June 30, 2026. 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.

The Board next recognized Ms. Greenwood, who reviewed Forvis' history with the Authority in its capacity first as Auditor for the Authority and later as Bookkeeper for the Authority. Ms. Greenwood advised the Board that she is retiring in the first quarter of 2027, and that Forvis management has determined that it would be in the best interest of Forvis to no longer continue to provide bookkeeping services and to focus solely on the provision of auditing services. Ms. Greenwood further advised the Board that Forvis, therefore, will be resigning as Bookkeeper for the Authority effective at the end of this year. The Board expressed its disappointment in the loss of Ms. Tran and Forvis as the Authority's Bookkeeper and expressed its appreciation for the relationship with Forvis over the past years. After discussion, the Board requested that an item be added to the agenda for next month's meeting to begin the process of soliciting proposals for bookkeeping services in preparation for engaging and starting the next Bookkeeper by December 2026, in order to provide time for at least one (1) month of overlap with Forvis to facilitate a smooth transition.

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.

Mr. Rubinsky next advised the Board that correspondence had been received from the COH dated July 17, 2026, a copy of which is attached hereto as **Exhibit B**, regarding the COH's FY 2027 water rates for the NEWPP (Original Plant) and the NEWPP Expansion, based on its FY 2027 Adopted Budget, of \$1.8258 and \$1.4915 per 1,000 gallons, respectively. Mr. Rubinsky reported that the COH's FY 2027 rate for the NEWPP Expansion represents a total decrease of approximately \$0.15 per 1,000 gallons, while the FY 2027 rate for the NEWPP (Original Plant) represents an increase of approximately \$0.19 per 1,000 gallons. Mr. Rubinsky further advised that Mr. Howell and Mr. Khouw will begin to analyze what impact the FY 2027 rates are going to have on the Authority's Operating Budget for the Authority's fiscal year ending December 31, 2027, and whether or not a rate adjustment will be necessary in connection with said budget to be adopted later this year.

Mr. Khouw next reported that the application to the Texas Water Development Board ("TWDB") for a Water Supply and Infrastructure Grant in an amount not to exceed \$10,000,000 for the costs of design and construction of the future surface water transmission line to serve Harris County Utility District No. 16 ("No. 16") and Harris County Municipal Utility District No. 215 was filed with the TWDB on July 30, 2026. After discussion on the matter, Director Thompson moved that the Board's prior action relative to the adoption of a Resolution Authorizing Application to the TWDB for Financial Assistance; Designating Authorized Representatives for Such Purposes; and Containing Other Provisions Relating to the Subject be ratified and authorized in all respects.

ENGINEER'S REPORT

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated August 5, 2026, 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. He advised the Board that surface water usage through June 2026 was 77.285 MG, which equaled 57.95% of total water usage in the Authority through such date. Mr. Khouw noted that the Authority failed to reach 60% groundwater reduction requirements of the HGSD in the first month of the new permit likely due to No. 16's repayment of imported water in-kind during said month.

Mr. Khouw next advised the Board that IDS is coordinating with the HGSD to incorporate North Forest Municipal Utility District ("North Forest") into the Authority's Groundwater Reduction Plan ("GRP"). In that regard, Mr. Rubinsky advised the Board that correspondence had been received from the attorney for North Forest dated August 3, 2026, a copy of which is attached hereto as **Exhibit D**, advising that North Forest and the COH have entered into a Contract for Termination of Water Supply and Groundwater Reduction Plan Wholesale Agreement for Regulatory Area 3 of the Harris-Galveston Coastal Subsidence District, dated July 23, 2026 and effective July 31, 2026. Mr. Rubinsky further advised the Board that, as a result, the Petition for Annexation and GRP Participation Agreement between the Authority and North Forest approved by the Board at its meeting held May 6, 2026, is now deemed to be effective. Mr. Rubinsky then presented for the Board's consideration an Order Adding Territory and Member District and Redefining the Boundaries of Central Harris County Regional Water Authority, to be effective as of August 1, 2026, in connection with the annexation of North Forest into the Authority. After discussion on the matter, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that: (i) the Order Adding Territory and Member District and Redefining the Boundaries of Central Harris County Regional Water Authority attached hereto as **Exhibit E** be adopted by the Board; and (ii) IDS be authorized to update the Authority's boundary map to include North Forest.

Mr. Khouw next reported that, as authorized by the Board last month, an additional 35.64 MG of over conversion credits ("OCC") for permit year 2023 at a cost \$1,852.28, and 23.32 MG of OCC for permit year 2024 at a cost of \$1,212.64 had been purchased from the HGSD.

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 No. 16 in the future.

Mr. Khouw next advised the Board that IDS is continuing to coordinate with the COH regarding the COH's request to lease 46.88 MGD in the NEWPP Expansion from all four (4) regional water authorities.

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. Mr. Khouw advised the Board that the COH issued a Substantial Completion Certificate reflecting substantial completion of Phase 2 on May 4, 2026.

Mr. Khouw next reported to the Board that Phase I of the NETL is complete, and that the COH is continuing to work on the project true up.

Mr. Khouw next advised the Board that the NHCRWA has completed 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 has issued an invoice to the Authority for its share of the project costs in the amount of \$4,699,113.51. Mr. Khouw further reported that IDS has reviewed the invoice and all supporting documentation provided by the NHCRWA, and recommends payment of same. After discussion on the matter, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that payment of said invoice be approved by the Board, as recommended by the Authority's Engineer. Mr. Khouw then advised the Board that a proposed Second Amendment to the Amended and Restated Joint Facilities Agreement between the Authority and the NHCRWA had been received in connection with the Authority's proposed purchase of additional capacity in Phase II of the NETL to serve the COH through the Authority's 2025 Internal Distribution System, and that he and Mr. Rubinsky are in the process of reviewing same.

Mr. Khouw next reported to the Board regarding the status of the construction 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. 14 in the amount of \$539,142.29 for work completed through July 20, 2026. Mr. Hale reported that IDS has reviewed Pay Application No. 14 and recommended that Pay Application No. 14 be approved by the Board. After discussion, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that Pay Application No. 14 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 IDV's construction of a private 8-inch storm sewer and catch basins within the Authority's Easement Parcel Nos. 5-22 and 5-23, as

previously approved by the Board. Mr. Rubinsky advised the Board of the need for certain revisions to the exhibits to the Consent to Encroachment and Indemnity Agreements. He stated that the Agreements will be forwarded to IDV for review and execution once the exhibits have been revised.

Mr. Khouw next advised the Board that bids were received on July 10, 2026 for construction of Bid Package 2 of the 2025 Internal Distribution System (the "Project"), which includes the construction of proposed 20", 16" and 12" water lines to serve Harris County Municipal Utility District No. 33 and Fallbrook Utility District Water Plant No. 1. Mr. Khouw then presented to and reviewed with the Board a bid tabulation together with the Engineer's recommendation of award, copies of which are attached to the Engineer's Report. Mr. Khouw noted that the apparent low bidder requested that its bid be withdrawn due to a major error and, after review of the bid, IDS agreed that the bid should be withdrawn. After discussion on the matter, Director Boddy moved that a contract for the Project be awarded to the second low bidder, E.P. Brady, Ltd., in the amount of \$4,713,197, as recommended by IDS. Director Granadino seconded said motion, which unanimously carried. Mr. Khouw noted that the Authority will be required to submit the construction contract to the TWDB for review and approval and request the release of escrowed funds to pay for the Project before a Notice to Proceed can be issued to the contractor.

Mr. Khouw next presented for the Board's consideration a proposal from IDS in the amount of \$271,950 for Construction Phase Services and Construction Observation in connection with the Project, a copy of which is attached to the Engineer's Report. After discussion on the matter, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that said proposal be approved by the Board, subject to receipt of a Texas Ethics Commission Form 1295 from IDS.

Mr. Khouw additionally presented for the Board's review and approval a proposal from SOCOTEC (formerly known as Ninyo & Moore) for Construction Materials Testing Services in connection with the Project at a cost not to exceed \$55,900. After discussion, it was moved by Director Boddy, seconded by Director Granadino and unanimously carried, that the proposal be approved by the Board, subject to receipt of a Texas Ethics Commission Form 1295 from SOCOTEC.

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

The Board deferred action regarding the selection of an electric service provider for the Beltway 8 Meter Station due to an issue with CenterPoint. Mr. Khouw advised that IDS will continue to work on the selection of an electric service provider once the issue with CenterPoint has been resolved.

OPERATOR'S REPORT

Mr. Rivera presented to and reviewed with the Board a written Operator's Report for the month of July 2026, a copy of which is attached hereto as **Exhibit F**.

Mr. Rubinsky next advised the Board that a Notice of Compliance had been received from the Texas Commission on Environmental Quality ("TCEQ") dated August 4, 2026, a copy of which is attached hereto as **Exhibit G**, advising that the issues noted in the Notice of Violation received from the TCEQ dated June 18, 2026, as discussed at the Board of Directors meeting held July 1, 2026, have now been resolved.

GOVERNMENT AFFAIRS UPDATE

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, dated August 4, 2026, a copy of which is attached hereto as **Exhibit H**. No action was taken by the Board in connection with said matters.

STATUS OF COMPLIANCE WITH CYBERSECURITY AND ARTIFICIAL INTELLIGENCE TRAINING REQUIREMENTS FOR DIRECTORS

Mr. Rubinsky next reminded the Board that each Director must complete a certified cybersecurity awareness training program prior to August 31, 2026, as required by Chapters 2054 and 2063, Texas Government Code, in accordance with the memorandum previously presented to the Board regarding same.

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.

CLOSED SESSION

At 7:42 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, Mr. Rubinsky, and Ms. Chen exited the meeting.

At 7:52 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. Mr. Rubinsky then briefly addressed the Board regarding an Agreement on Distribution of Withheld Liquidated Damages. Mr. Rubinsky advised the Board that he would add an item regarding same to the agenda for next month's meeting.

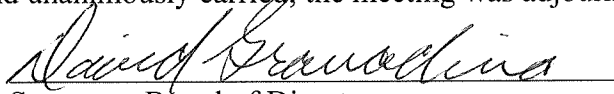
ITEMS TO BE PLACED ON NEXT AGENDA PERTINENT TO THE AUTHORITY

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, September 2, 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 Caston, seconded by Director Thompson, and unanimously carried, the meeting was adjourned.


Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

<u>Exhibit A</u>	Bookkeeper's Report
<u>Exhibit B</u>	Letter from COH dated July 17, 2026
<u>Exhibit C</u>	Engineer's Report
<u>Exhibit D</u>	Letter from Attorney for North Forest dated August 3, 2026
<u>Exhibit E</u>	Order Adding Territory and Member District and Redefining the Boundaries of Central Harris County Regional Water Authority
<u>Exhibit F</u>	Operator's Report
<u>Exhibit G</u>	Notice of Compliance dated August 4, 2026
<u>Exhibit H</u>	Government Affairs Update