

# CENTRAL HARRIS COUNTY REGIONAL WATER AUTHORITY

Minutes of Meeting of Board of Directors  
June 5, 2024

The Board of Directors of Central Harris County Regional Water Authority met in regular session, open to the public on June 5, 2024, 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  
Tom Gower, Assistant Secretary  
Richard C. Meek, 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; Wesley Lay of Quiddity Engineering, LLC, representing Harris County Municipal Utility District No. 200 ("No. 200"); Thomas Villanueva of Edminster, Hinshaw, Russ & Associates, Inc., representing Harris County Municipal Utility District No. 304 ("No. 304"); Geri Scott of No. 304; Roosevelt Johnson of Harris County Municipal Utility District No. 150 ("No. 150"); Linda Watkins and Gilbert Miranda of Fallbrook Utility District ("Fallbrook"); Ashley Thompson, Marcus Jones and Bridget Smith of Harris County Municipal Utility District No. 399 ("No. 399"); Deborah Gower, wife of Director Gower; 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. 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 May 1, 2024. After discussion regarding the minutes, Director Meek moved that the minutes of the meeting held May 1, 2024, be approved as presented. Director Gower seconded said motion, which unanimously carried.

**ACCEPTANCE OF OFFICIAL BONDS, STATEMENTS OF ELECTED OFFICER, AFFIDAVITS OF CURRENT DIRECTOR, AND OATHS OF OFFICE FOR ELECTED DIRECTORS**

In connection with their election as Directors of the Authority, Directors Boddy and Granadino presented their respective Statements of Elected Officer and Affidavits of Current Directors and took their Oaths of Office. Directors Boddy and Granadino also presented their respective Official Bonds to the Board and the Board found said Bonds to be in proper form. After discussion on the matter, it was moved by Director Gower, seconded by Director Meek and unanimously carried, that the Board approve said Bonds, accept said Statements of Elected Officer, Affidavits of Current Director, and Oaths of Office and declare Julian F. Boddy and David Granadino to be duly elected and qualified Directors of the Authority.

**ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION**

Mr. Rubinsky advised the Board that, pursuant to Section 552.024 of the Texas Government Code, Directors are permitted to elect to withhold public access to certain information in the custody of the Authority relating to home addresses, home telephone numbers, social security numbers and information regarding family members. Following discussion, Directors Boddy and Granadino executed an Election Not to Disclose Certain Information presented for such purpose.

**ELECTION OF OFFICERS**

The Board considered the election of officers of the Board of Directors of the Authority. The Board concurred that all Directors continue to serve on the Board in their current respective positions.

**BOOKKEEPER'S REPORT**

Ms. Tran next presented the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit A**, including Cash Flows for the Authority's various funds for the period commencing May 1, 2024, through June 5, 2024, 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 April 2024 and the fourth month of the Authority's fiscal year ending December 31, 2024, and a Summary of Pumpage Fees and Surface Water Fees paid by Member Districts through April 30, 2024. Ms. Tran noted that additional check no. 6139 in the amount of \$31,200.00 payable to the Harris-Galveston Subsidence District was being issued from the General Operating Fund for the Authority's Aggregate Water Well Permit for the period June 1, 2024 through May 31, 2025. Thereafter, it was moved by Director Boddy that the Bookkeeper's Report be approved and the disbursements listed therein, plus additional check no. 6139 as heretofore discussed, be approved for payment from the Authority's various accounts. Director Granadino seconded said motion, which unanimously carried.

Mr. Rubinsky next advised the Board that an executed Receipt and Release had been received from No. 304 in connection with the reimbursement of the eligible costs related to No.

304's prior conversion to surface water and the construction of a chloramine disinfection system in connection therewith. After discussion, it was moved by Director Meek, seconded by Director Boddy and unanimously carried, that check no. 6047 on the General Operating Fund payable to No. 304 in the amount of \$284,507.45, previously approved by the Board in connection with same, be released to No. 304.

### **APPROVAL OF UNCLAIMED PROPERTY REPORT**

The Board next considered approval of an Unclaimed Property Report as of March 1, 2024, and the filing of same with the Texas State Comptroller of Public Accounts (the "State Comptroller") prior to July 1, 2024. After discussion, Director Gower moved that Forvis be authorized to file an Unclaimed Property Report with the State Comptroller prior to July 1, 2024, with respect to unclaimed property in the total amount of \$100.00 to be escheated to the State. Director Boddy seconded said motion, which unanimously carried.

### **APPROVAL OF ANNUAL CONTINUING DISCLOSURE REPORT**

Mr. Rubinsky next presented for the Board's review an Annual Continuing Disclosure Report in connection with the Authority's outstanding bonds prepared by the Authority's Continuing Disclosure Counsel, McCall Parkhurst & Horton, L.L.P. ("McCall Parkhurst"), a copy of which is attached hereto as **Exhibit B**, as required by Rule 15c2-12 of the Securities and Exchange Commission. After discussion on the matter, it was moved by Director Granadino, seconded by Director Meek and unanimously carried, that such Report be approved and that McCall Parkhurst be authorized to file same with the appropriate repositories prior to the June 30, 2024 deadline.

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

Mr. Rubinsky next 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, and FY 2023 True Up Reports related to operation and maintenance costs of the Northeast Water Purification Plant for each of said fiscal years.

Mr. Rubinsky next addressed the Board concerning correspondence received from the Texas Water Development Board ("TWDB") dated April 12, 2024, regarding alleged noncompliance with certain covenants in the Authority's bond resolutions relative to the issuance of the Authority's outstanding bonds. Mr. Rubinsky reported that the District's Financial Advisor, John Howell, has confirmed with the TWDB that this situation has been resolved satisfactorily as of June 4, 2024.

### **ENGINEER'S REPORT**

Mr. Khouw next presented to and reviewed with the Board a written Engineer's Report dated June 5, 2024, 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 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 Rankin Road West Municipal Utility District is in the process of drilling a new water well. Mr. Khouw further reported that the Authority recently received an Over-Conversion Credit Certificate of Deposit from HGSD for 323,500,000 gallons of over conversion credits.

Mr. Khouw advised the Board that he had no new activity upon which to report in connection with the inquiry received regarding whether Harris County Municipal Utility District No. 602 ("No. 602"), which is currently in the process of creation, could join the Authority's Groundwater Reduction Plan. Mr. Khouw noted that he has received no response to his request for a deposit from No. 602 to cover the Authority's costs associated with the preparation of a feasibility study to determine whether it would be feasible for No. 602 to join the Authority's Groundwater Reduction Plan. The Board requested that this item be removed from the agenda.

Mr. Khouw and Mr. Rubinsky next addressed the Board concerning communications with North Forest Municipal Utility District ("North Forest") regarding its request to join the Authority's Groundwater Reduction Plan. The Board indicated that it was amenable to continuing discussions with North Forest regarding such request. Mr. Khouw stated that IDS is working on a preliminary analysis to determine whether the Authority would be able to accommodate North Forest's ultimate water demand requirements without having to purchase any additional surface water and still be able to meet the 80% conversion requirement in 2035 and beyond.

Mr. Khouw next addressed the Board concerning the status of IDS's additional analyses and discussions with the COH regarding the COH's request for a possible 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.

Mr. Khouw next reported to the Board that the North Harris County Regional Water Authority ("NHCRWA") is beginning the design of its Hardy Road Line (Project 23). He further advised that IDS is coordinating with the NHCRWA for the Authority's participation in the line in order to serve Harris County Utility District No. 16 in the future.

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 92% complete. Mr. Khouw advised the Board that Phase I of the NEWPP Expansion is nearing substantial completion. He then discussed the outstanding items that need to be addressed before the COH accepts Phase I as complete. Mr. Khouw further advised the Board that the TWDB authorized the release of funds this week in the total amount of \$1,504,850.02 for the payment of Cash Call No. 13 (with the Authority's share totaling \$1,228,223), as well as legal and engineering fees related to the project in the amount of \$276,626.68. Mr. Khouw noted that the COH withdrew Consensus Item No. 38 that was issued to rectify the discrepancy between previously obligated Management Reserve funding (for project change orders discussed and agreed to by the various regional water authorities and

subsequently approved by the COH), and the Management Reserve funds actually drawn by the COH to cover the cost of the change orders.

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.

Mr. Khouw next reported to the Board concerning the status of 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. Mr. Khouw advised the Board that Project 25C, which is the section of such line that the Authority's take point is located within, is nearing substantial completion. Mr. Khouw further advised the Board that Project 25D is nearing final completion.

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, and IDS's communications with various agencies regarding final approval of the Authority's plans for construction of same.

Mr. Khouw advised the Board that he had no new activity upon which to report regarding the Luce Bayou Interbasin Transfer Project.

#### **OPERATOR'S REPORT**

Mr. Martin presented to and reviewed with the Board a written Operator's Report for May 2024, a copy of which is attached hereto as **Exhibit D**. Mr. Martin reported to the Board regarding total ground water and surface water usage as well as total water usage within the Authority for the most current billing cycle, as well as surface water accountability for the permit year to date, as reflected in the Operator's Report. He then advised the Board that he had no action items to request the Board act upon at today's meeting.

#### **IMPLEMENTATION OF REMOTE METER READING AND MONITORING SYSTEM**

Mr. Rubinsky next advised the Board that he had no new activity upon which to report regarding the status of the implementation of the remote meter reading and monitoring system for the Authority and the related Right-of-Entry Agreements with each of the Member Districts.

#### **DISCUSSION REGARDING PROPOSED EMERGENCY WATER SUPPLY AGREEMENT BETWEEN THE AUTHORITY AND NO. 200 AND PROPOSED AMENDMENT OF AUTHORITY'S RATE ORDER IN CONNECTION THEREWITH**

The Board next deferred discussion relative to a proposed Emergency Water Supply Agreement between the Authority and No. 200 in connection with the Authority's purchase of ground water from No. 200 in the event of a loss of surface water.

## **GOVERNMENT AFFAIRS UPDATE**

Mr. Rubinsky next presented to and reviewed with the Board a Government Affairs Update received from C.J. Tredway, a copy of which is attached hereto as **Exhibit E**. The Board concurred that no action was required on its part at this time relative to such matter.

## **STATUS OF ACQUISITION OF EASEMENTS AND OTHER PROPERTY INTERESTS IN CONNECTION WITH THE AUTHORITY'S 2025 INTERNAL DISTRIBUTION SYSTEM**

Mr. Rubinsky and Mr. Hale next updated the Board concerning the status of the acquisition of easements and other property interests in connection with the Authority's 2025 Internal Distribution System. Mr. Rubinsky noted that Kinder Morgan Tejas Pipeline, LLC Kinder Morgan Texas Pipeline, LLC (together, "Kinder Morgan") have accepted SPH's comments to the Damage Prevention Reimbursement Agreements between the Authority and Kinder Morgan in connection with the construction of the Authority's surface water distribution line, and that the Agreements will be forwarded to Kinder Morgan for execution, along with the Authority's checks for the pre-payment of inspection fees.

## **REQUEST FROM AUTHORITY'S RECORDS MANAGEMENT OFFICER TO DESTROY SPH'S NOTES AND AUDIO RECORDINGS OF BOARD MEETINGS**

The Board next considered a request from the Authority's Records Management Officer to destroy SPH's notes of Board meetings held from March 1, 2023, through February 7, 2024, in accordance with the terms of the Authority's Records Management Program. A copy of the subject request is attached hereto as **Exhibit F**. After discussion on the matter, Director Granadino moved that the destruction of said notes and audio recordings be authorized as requested in accordance with the provisions of the Authority's Records Management Program. Director Meek seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

The Board next considered the attorney's report. Mr. Rubinsky briefly discussed his recent communications with the new attorney for No. 304, Daniel Scruggs of Mitchell, Zientek & Scruggs, LLP. Mr. Rubinsky also advised the Board that he had forwarded to all of the attorneys for the Member Districts a copy of the presentation made by Michael Turco, General Manager of the HGSD, at the Association of Water Board Directors ("AWBD") Spring Seminar held April 18, 2024, titled HGSD's All-Inclusive Approach for Successfully Preventing Further Subsidence in the Greater Houston Area. Mr. Rubinsky advised the Board that the presentation was very informative, particularly for any relatively new directors or consultants who may not be as familiar with others as to the reason that their district is in a Groundwater Reduction Plan.

## **DISCUSSION REGARDING STATUS OF AUTHORITY WEBSITE AND OTHER COMMUNICATIONS WITH MEMBER DISTRICTS**

There was no new activity reported in connection with the Authority's website or other

communications with Member Districts. The Board requested, however, that SPH request that The Texas Network post a copy of the presentation made by Mr. Turco at the AWBD Spring Seminar.

**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, July 3, 2024, 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 Meek, and unanimously carried, the meeting was adjourned.

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David Granadino, Secretary  
Board of Directors

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A      Bookkeeper's Report
- Exhibit B      Annual Continuing Disclosure Report
- Exhibit C      Engineer's Report
- Exhibit D      Operator's Report
- Exhibit E      Government Affairs Update
- Exhibit F      Records Destruction Request