

Board of Directors



September Board Meeting

Schedule	Tuesday, September 15, 2026 10:00 AM — 11:00 AM CDT
Venue	3555 Timmons Ln. Houston, TX 77027, Second Floor
Organizer	Krissia Reyes

Agenda

1. CALL TO ORDER

2. INVOCATION

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL

5. DECLARE CONFLICTS OF INTEREST

6. PUBLIC COMMENT

7. EXECUTIVE DIRECTOR'S REPORT

Report on current and upcoming H-GAC activities. (Staff Contact: Ron Papsdorf)

CONSENT AGENDA

8. AUGUST MEETING MINUTES

Request approval of the August 2026 Minutes. (Staff Contact: Rick Guerrero)

Board of Directors



9. HGACBUY MB11-26 MODULAR BUILDINGS, SHELTERS, AND STRUCTURES

Request authorization for contracts with the respondents listed in the Contract Awards Recommendation Table for Modular Buildings, Shelters, and Structures. (Staff Contact: Ronnie Barnes)

10. CLEAN VEHICLES PROGRAM REPLACEMENT ASSISTANCE AGREEMENTS

Request authorization to enter into a subagreement with MTZ Trucking Inc. to replace a total of two vehicles through the Clean Vehicles Program, amount not to exceed \$180,446.64. (Staff Contact: Andrew DeCandis)

11. DATA MIGRATION, GOVERNANCE, & ENTERPRISE AI IMPLEMENTATION

Request approval to engage in a contract with Fuchsia Services, Inc. for the Data Migration, Governance & Enterprise AI Implementation project for a total not-to-exceed contract amount of \$175,000. (Staff member Khaled Kahlouni)

12. PARK ROW LIVABLE CENTER STUDY – VENDOR SELECTION

Request authorization to contract with firms in order ranked to conduct the Park Row Livable Centers Study, for a total contract amount not to exceed \$260,000. (Staff Contact: Yvonne Fedee)

13. INTERLOCAL AGREEMENT TO CONDUCT PHASE I OF THE FORT BEND COUNTY EMERGENCY RADIO INFRASTRUCTURE PROJECT

Request authorization to enter into an interlocal agreement with Fort Bend County for Phase I of the Fort Bend County Public Safety Radio System Tower Site project. (Staff Contact: Justin Riley)

14. WATER QUALITY MANAGEMENT PLAN CONTRACT

Request approval to contract with the Texas Commission on Environmental Quality for H-GAC to conduct regional water quality planning activities; total amount is \$234,720. (Staff Contact: Bill Ervin)

Board of Directors



FINANCE AND BUDGET COMMITTEE

15. INDIRECT COST CARRY FORWARD

Request approval to use general funds in 2027 and 2028 to offset \$2.4M under recovered indirect costs incurred through FY2024 and incorporate FY2025 under recovered indirect costs of \$1.3M as an adjustment to the rate computation for the FY2027 indirect cost proposal submitted to EPA. (Staff Contact: Shaun Downie)

16. MONTHLY FINANCIAL REPORT – JULY 2026

Request approval of the monthly financial report ending July 31, 2026. (Staff Contact: Shaun Downie)

COMMUNITY AND ENVIRONMENTAL PLANNING

17. AREA AGENCY ON AGING - FY 2027 CONTRACTS

Request authorization to contract with nutrition and transportation providers for \$6,347,540 and direct service providers for \$3,000,000, total amount for all authorized services not to exceed \$9,347,540 for Fiscal Year 2027. (Staff Contact: Aaron Strugen)

H-GAC ADVISORY COMMITTEES AND AFFILIATE GROUPS

18. SEPTEMBER 2026 NOMINATIONS

Request approval of the advisory committee and affiliate group nominations. (Staff Contact: Rick Guerrero)

REPORTS

19. OUTREACH AND GOVERNMENT AFFAIRS REPORT

Update on important current and upcoming public affairs activities. No action requested. (Staff contact: Rick Guerrero)

Board of Directors



20. 2026 FIFA WORLD CUP REGIONAL REPORT

Report on FIFA World Cup activities and key outcomes in the region. (Staff contact: Miguel Segura)

21. ADJOURNMENT

**MEETING MINUTES
H-GAC BOARD OF DIRECTORS
August 18, 2026**

ATTENDANCE ROSTER**Present:**

- Austin County – Judge Tim Lapham
- Brazoria County – Commissioner Stacy Adams
- Colorado County – Judge Ty Prause (Chair)
- Fort Bend County – Commissioner Andy Meyers
- Galveston County – Commissioner Hank Dugie
- Harris County – Commissioner Adrian Garcia
- Harris County – Commissioner Lesley Briones
- Liberty County – Judge Jay Knight
- Matagorda County – Judge Bobby Seiferman
- Montgomery County – Commissioner Matt Gray (alternate)
- Walker County – Commissioner Brandon Decker
- Waller County – Judge Trey Duhon
- Wharton County – Judge Phillip Spenrath
- City of Alvin – Councilmember Martin Vela
- City of Deer Park – Councilmember Tommy Ginn
- City of Friendswood – Councilmember Sally Branson
- City of Galveston – Councilmember Jason Hardcastle
- City of Houston – Councilmember Joaquin Martinez
- City of Houston – Councilmember Fred Flickinger
- City of La Porte – Mayor Pro Tem/Councilmember Chuck Engelken
- City of Pearland – Councilmember Clint Byrom
- City of Sugar Land – Councilmember Stewart Jacobson
- General Law Cities – Councilmember Susan Schwartz, City of Bunker Hill Village (alternate for Councilmember Nancy Arnold)
- Home Rule Cities – Councilmember Ross Gordon, City of Bellaire
- Independent School Districts – Trustee Rissie Owens, Huntsville ISD
- City of Missouri City – Councilmember Joanna Ouderkirk (arrived after roll call)

Not Present:

- Chambers County – Commissioner Tommy Hammond
- City of Baytown – Councilmember Laura Alvarado
- City of Conroe – Councilmember David Hariel
- City of Huntsville – Mayor Russell Humphrey
- City of Lake Jackson – Mayor Rhonda Seth
- City of League City – Mayor Nick Long
- City of Pasadena – Mayor Thomas Schoenbein

- City of Rosenberg – Mayor Bill Benton
- General Law Cities – Councilmember Ryan Taylor, City of Daisetta
- Home Rule Cities – Mayor Dan Davis, City of Manvel

1. CALL TO ORDER

Chair Ty Prause called the duly posted meeting of the Houston-Galveston Area Council Board of Directors to order at 3555 Timmons Lane, Houston, Texas. A quorum was confirmed.

2. INVOCATION

Councilmember Sally Branson delivered the invocation.

3. PLEDGE OF ALLEGIANCE

The Board recited the Pledge of Allegiance and the Pledge to the Texas Flag.

4. ROLL CALL

Roll call was conducted, and a quorum was confirmed. Special guests recognized included representatives from Commissioner Lesley Briones's office, the City of Houston, the City of Dickinson, and the Texas General Land Office.

5. DECLARE CONFLICTS OF INTEREST

The Chair invited members to declare conflicts of interest. No conflicts were declared.

6. PUBLIC COMMENT

The Chair opened the public comment period. No public comments requiring Board action were recorded in the transcript.

7. EXECUTIVE DIRECTOR'S REPORT

Executive Director Ron Papsdorf reported on current and upcoming H-GAC activities, including progress on the agency budget and Chief Financial Officer recruitment; the 2026 Economic Impact Summit; the Transportation Policy Council retreat and strategic planning session; a Workforce Solutions job fair; Regional Transportation Plan public engagement; registration for the October 8, 2026 Air Quality Summit; and a Texas Workforce Commission incentive award of \$339,000, with approval for up to an additional \$250,000 in expansion funding, related to federal reemployment performance targets.

CONSENT AGENDA

Item 9, the resolution honoring outgoing Board member Michelle Cruz Arnold, was removed from the consent agenda for separate recognition and action.

Councilmember Stewart Jacobson motioned to approve and seconded by Commissioner Andy Meyer. The Board approved the remaining consent agenda items, including Item 8 and Items 10 through 13. All in favor; no opposition was recorded; motion passed.

- 8. July Meeting Minutes – Approved the July 2026 Board meeting minutes.
- 10. Freight Sub-Model Development – Authorized negotiation of a two-year contract for FY2026–FY2028 in an amount not to exceed \$700,000.

- 11. Particulate Matter Air Quality Planning Grants Consultant Selection – Authorized contracting with the selected firm in an amount not to exceed \$627,967.
- 12. Asana Project Management Solution – Approved renewal of the Asana Business License annual subscription for \$156,175.
- 13. Workforce: Child Care Office Furniture and Equipment Purchase – Approved the purchase of office furniture and related equipment in an amount not to exceed \$245,000.

9. RESOLUTION HONORING MICHELLE CRUZ ARNOLD

Commissioner Ross Gordon requested that the resolution honoring outgoing Board member Michelle Cruz Arnold be removed from the consent agenda so she could be recognized in person. The resolution recognized her service to the Houston Independent School District, the H-GAC Board of Directors, and the Houston-Galveston region. Councilmember Gordon moved to approve the resolution. The motion was seconded by Commissioner Adrian Garcia. All in favor; no opposition was recorded; motion passed.

FINANCE AND BUDGET COMMITTEE

14. MONTHLY FINANCIAL REPORT – JUNE 2026

Shaun Downie presented the monthly financial report for the period ending June 30, 2026. Staff reported that year-to-date revenues continued to outpace expenses and discussed personnel, consultant and contract services, renovation, and equipment expenditures. The Finance and Budget Committee recommended approval. Motion to approve was made by Councilmember Sally Branson and Commissioner Andy Meyers seconded. All in favor; no opposition was recorded; motion passed.

15. ACCOUNTING AND FINANCIAL POLICY

Maty M. Keita presented the revised Accounting and Financial Policy, including updates to approval thresholds and purchasing card controls. Executive Director Ron Papsdorf explained that the policy and procedures had been separated in response to prior Board direction. Councilmember Ross Gordon moved to approve. Commissioner Hank Dugie seconded. All in favor; no opposition was recorded; motion passed.

16. BENEFITS INSURANCE COVERAGE – 2026-2027 PLAN YEAR

Laura Tomlinson presented proposed employee benefits coverage for the upcoming plan year. Staff recommended renewal of current benefit carriers, including Blue Cross Blue Shield of Texas for medical coverage, and a transition to a calendar-year benefits plan year. The medical renewal includes a 9% premium increase. Councilmember Sally Branson moved to approve authorization for the Executive Director to execute the employee benefits agreements. Commissioner Andy Meyers seconded. All in favor; no opposition was recorded; motion passed.

COMMUNITY AND ENVIRONMENTAL PLANNING

17. WATER QUALITY MANAGEMENT PLAN UPDATE

Todd Running presented the FY26 H-GAC 604(b) Water Quality Management Plan Update, including wastewater data, sanitary sewer overflow analysis, on-site sewage facility planning and outreach, a study of communities converted from on-site sewage facilities to sanitary sewer, and the Texas Water Careers initiative. The Natural Resources Advisory Committee recommended acceptance. Motion to accept the update was made by Councilmember Sally Branson and seconded by Commissioner Andy Meyers. All in favor; no opposition was recorded; motion passed.

WORKFORCE**18. CHILD CARE SCHOLARSHIP SERVICES – CONTRACT AWARD**

Thomas Brown presented the proposed contract award for Child Care Scholarship Services. Staff requested approval to award a one-year contract to Equus in an amount not to exceed \$340,500,000, with the option to renew for up to three additional one-year periods. The Gulf Coast Workforce Board had approved the contract award. Motion to approve was made by Councilmember Stewart Jacobson and seconded by Commissioner Lesley Briones. All in favor; no opposition was recorded; motion passed.

19. WORKFORCE FINANCIAL AID SERVICES – CONTRACT AWARD

Staff requested approval to award a one-year contract to BakerRipley to operate Workforce Financial Aid Services in an amount not to exceed \$142,375,000, with the option to renew for up to three additional one-year periods. Staff responded to Board questions regarding the procurement. Motion to approve was made by Commissioner Lesley Briones and seconded by Commissioner Andy Meyers. All in favor; no opposition was recorded; motion passed.

20. CAREER SERVICES – CONTRACT RENEWAL

Staff requested approval to negotiate one-year renewals for Career Services with BakerRipley, SERCO of Texas, and EDSI. The total proposed amount was \$62,300,000: \$25,700,000 for BakerRipley, \$20,300,000 for SERCO of Texas, and \$16,300,000 for EDSI. Motion to approve was made by Councilmember Sally Branson and seconded by Commissioner Andy Meyers. All in favor; no opposition was recorded; motion passed.

21. COMMUNICATION AND OUTREACH – CONTRACT RENEWAL

Staff requested approval to negotiate a one-year contract with Outreach Strategists in an amount not to exceed \$900,000. The Gulf Coast Workforce Board approved the renewal on August 4, 2026. Motion to approve was made by Commissioner Adrian Garcia and seconded by Commissioner Lesley Briones. All in favor; no opposition was recorded; motion passed unanimously.

22. VOCATIONAL REHABILITATION PAYROLLING AND EMPLOYER OF RECORD – CONTRACT RENEWAL

Staff requested approval to negotiate a one-year contract with ProSource Solutions III, Inc. in an amount not to exceed \$1,225,000, contingent upon continuation of the program and availability of funding. Motion to approve was made by Councilmember Stewart Jacobson and seconded by Councilmember Sally Branson. All in favor; no opposition was recorded; motion passed.

23. GRANT AND FUND MANAGEMENT SOFTWARE SOLUTION – CONTRACT AWARD

Staff reported that 18 responsive proposals were received and that REI Systems and Concourse Tech were the two highest-ranked firms. Staff requested authority to negotiate with both firms to obtain the best price and contract terms and make a final selection. The resulting one-year contract will not exceed \$200,000. Motion to approve was made by Councilmember Clint Byrom and seconded by Commissioner Lesley Briones. All in favor; no opposition was recorded; motion passed unanimously.

H-GAC ADVISORY COMMITTEES AND AFFILIATE GROUPS**24. AUGUST 2026 NOMINATIONS**

Rick Guerrero presented nominations to the Criminal Justice Advisory Committee and Regional Flood Management Committee. Motion to approve was made by Councilmember Clint Byrom and seconded by Commissioner Stacy Adams. All in favor; no opposition was recorded; motion passed.

REPORTS

25. OUTREACH AND GOVERNMENT AFFAIRS REPORT

Rick Guerrero provided an update on federal funding activity and a proposed federal uniform guidance rule; the recent Lights, Camera, Action event; upcoming World Cup-related activities; and potential bylaw revisions from the Regional Homeland Security Coordinating Council. No Board action was requested.

26. STRATEGIC PARTNERSHIPS AD HOC COMMITTEE REPORT

Judge Trey Duhon reported on the first meeting of the Strategic Partnerships Ad Hoc Committee. The committee reviewed the history and relationship between H-GAC and the Gulf Coast Workforce Board and discussed the Workforce Board's authorization for its chair to engage in contract renegotiations with H-GAC. Judge Duhon indicated the committee would seek Board guidance regarding its role in those negotiations. No Board action was taken.

27. EXECUTIVE SESSION

At 11:05am The Board entered executive session pursuant to Texas Government Code Section 551.071 to consult with its attorney on a matter in which the attorney's duties under the Texas Disciplinary Rules of Professional Conduct conflict with the Texas Open Meetings Act. The Board returned to open session at approximately 12:14 p.m. No action following executive session was recorded in the transcript.

28. ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 12:14 p.m.

HGACBUY MB11-26 MODULAR BUILDINGS, SHELTERS, AND STRUCTURES

Background

The H-GAC Cooperative Purchasing Program (HGACBuy) establishes contracts for a variety of products and services through competitive solicitations. Member governments are able to use the contracts to make purchases. HGACBuy received and opened five (5) proposals, for modular buildings, shelters, and structures, on July 30, 2026. The following companies submitted a proposal:

DLX Enterprises LLC	Eugene, OR
Fire Facilities, Inc.	Sun Prairie, WI
Modular Genius, Inc.	Joppa, MD
SLSCO Ltd.	Galveston, TX
Taylord Systems LLC	Spokane Valley, WA

Current Situation

This contract is an existing contract in our portfolio, consisting of various types of products related to our members' needs for modular buildings, shelters, and structures. All proposal responses have been evaluated by an evaluation committee made up of H-GAC staff. The committee recommends awards to the five (5) responses that meet the points threshold stated in the solicitation's scoring criteria. Request authorization to contract with each respondent listed in the Contract Awards Recommendation Table, and as may be applicable, to extend contract assignments to other authorized entities during the contract period.

Funding Source

Participating local government purchases

Budgeted

Not applicable

Action Requested

Request authorization for contracts with the respondents listed in the Contract Awards Recommendation Table for Modular Buildings, Shelters, and Structures. (Staff Contact: Ronnie Barnes)

HGACBuy
Contract Awards Recommendation Table
Modular Buildings, Shelters, and Structures
MB11-26

Award Recommendations	Categories
DLX Enterprises LLC*	A
Fire Facilities, Inc.	B
Modular Genius, Inc.*	A
SLSCO Ltd.	A
Taylord Systems LLC*	B

Award Categories:
A: Modular Buildings and Shelters
B: Fire Training Structures
*New HGACBuy supplier

CLEAN VEHICLES PROGRAM REPLACEMENT ASSISTANCE AGREEMENTS

Background

The Clean Vehicles Program (CVP) helps offset the cost of replacing older, higher-emission diesel vehicles with cleaner, lower-emission vehicles and technologies, and to help offset the cost of establishing alternative fuel infrastructure. The primary goal of this program is to reduce nitrogen oxides (NO_x), a major contributor to ground-level ozone formation in the region. Applications for vehicle placement projects are accepted on a rolling basis from businesses, local governments, and school districts to replace trucks or buses operating within the 8-county metropolitan planning area.

Current Situation

H-GAC staff reviewed the project application summarized in Table 1 and determined that the proposed replacement meets applicable emissions reduction criteria. Staff recommend entering into a sub agreement with the listed entity to replace a total of two vehicles, in an amount not to exceed \$180,446.64 in grant funding. Final award amounts may be adjusted based on available federal or state funding and confirmed replacement vehicle specifications.

Table 1 – Clean Vehicles Program Projects

Applicant	Number of Replacements	Total Project Amount	Grant Amount (CMAQ)	Contractor Amount	NO_x Reduction (tons/year)
MTZ Trucking Inc.	2	\$360,893.28	\$180,446.64	\$180,446.64	1.018
Total	2	\$360,893.28	\$180,446.64	\$180,446.64	1.018

Funding Source

Federal Highway Administration (FHWA) / Congestion Mitigation and Air Quality (CMAQ) Funds

Budgeted

Yes

Action Requested

Request authorization to enter into a sub agreement with the MTZ Trucking Inc. to replace a total of two vehicles through the Clean Vehicles Program in an amount not to exceed \$180,446.64. (Staff Contact: Andrew DeCandis)

DATA MIGRATION, GOVERNANCE, & ENTERPRISE AI IMPLEMENTATION**Background**

The Houston-Galveston Area Council is consolidating information that today lives in separate, aging systems into a single secure cloud environment. The centerpiece of this effort is the establishment of agency-wide data governance: clear standards for how data is defined, who owns it, how it is maintained, and how its accuracy is verified. These standards ensure that the information used in reporting, planning, and decision-making can be traced to a reliable source and trusted by staff, members, governments, and the public.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: CP-DS-DMGCEAII-07-26. Three responsive submissions were received and thoroughly evaluated by a committee of H-GAC representatives. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

Vendor	Written Proposals	Ranking Order
Fuchsia Services, Inc	87.67	1
Neurocraft Data Services Inc	67.33	2
GenSigma LLC	62	3

Evaluation Criteria: Experience and Qualifications, Methodology/Approach, Security & Governance Compliance, Pricing

Funding Source

Indirect

Budgeted

Yes

Action Requested

Request approval to engage in a contract with Fuchsia Services, Inc. for the Data Migration, Governance & Enterprise AI Implementation project for a total not-to-exceed contract amount of \$175,000. (Staff member Khaled Kahlouni)

PARK ROW LIVABLE CENTER STUDY – VENDOR SELECTION

Background

Livable Centers are places where people can live, work, and play with less reliance on their cars. They encourage a complementary mix of land uses that are designed to be walkable, connected, and accessible by multiple modes of transportation, including bus, bike, or walking.

Establishing Livable Centers is one of the implementation strategies to reduce reliance on single-vehicle occupancy in H-GAC’s 2045 Regional Transportation Plan. H-GAC and our local partners work with communities to identify a vision for the study area and specific recommendations, such as pedestrian and bicycle facilities, that can help facilitate the creation of Livable Centers.

A total of forty-six Livable Centers studies have been completed in our region, with thirteen more in process or planned for the remainder of the 2025-2028 cycle. These thirteen studies, including Park Row, were approved by the H-GAC Board of Directors in November 2024. As part of the development of these studies, H-GAC engages consultants to provide planning and study development services.

The Park Row study area encompasses a half-mile buffer around the Park Row Blvd corridor in western Harris County, between Dairy Ashford Rd to the east and Mason Rd to the west.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified Contractor(s) for the goods or services requested under Project ID: RFP-TRN26-03. Eight (8) responsive submissions were received and thoroughly evaluated by a committee of H-GAC representatives and stakeholders. Based on the committee’s scoring and evaluation of the proposal responses and interviews, the recommendation and rankings are presented below:

Vendor	Final Tabulation	Ranking Order
Mend Collaborative, Inc.	157.72	1
LJA Engineering Inc.	143.71	2
DCCM Infrastructure, Inc.	139.42	3
Lionheart Places, LLC	84	4
Arcadis U.S.	72.54	5

Fisher Associates Engineering, Inc.	65.48	6
STV Incorporated	64.46	7
AUTOARCH Architects, LLC	62.94	8

Evaluation Criteria: Project Work Program and Schedule; Project Management and Organization; Qualifications; Challenge, Opportunity, and Success Statement; Staff Allocation and Level of Effort; Past Performance/References.

Funding Source

Transportation Planning Funds

Budgeted

Yes

Action Requested

Request authorization to contract with firms in order ranked to conduct the Park Row Livable Centers Study, for a total contract amount not to exceed \$260,000. (Staff Contact: Yvonne Fedee)

INTERLOCAL AGREEMENT TO CONDUCT PHASE I OF THE FORT BEND COUNTY EMERGENCY RADIO INFRASTRUCTURE PROJECT

Background

The Office of the Governor, Public Safety Office solicited applications from Texas Councils of Government for projects supporting interoperable emergency radio infrastructure under the Statewide Emergency Radio Infrastructure (SERI) program. Following a regional evaluation process, H-GAC submitted the Fort Bend County Public Safety Radio System Tower Site project on behalf of the Houston-Galveston region.

Current Situation

H-GAC will serve as the recipient of SERI grant funding for Phase I of the Fort Bend County tower project. Phase I includes preliminary site, architecture and engineering, permitting, site preparation and fencing activities, as well as procurement and delivery of a communications shelter, standby generator, and fuel tank.

An interlocal agreement between H-GAC and Fort Bend County will establish the parties' roles and responsibilities for Phase I. H-GAC will administer the SERI grant and coordinate completion of the grant-funded Phase I activities. Fort Bend County will provide the project site and storage for delivered equipment, accept the Phase I equipment and project materials, and be responsible for securing funding and completing Phase II and subsequent activities necessary to complete and operate the tower.

H-GAC's participation is limited to the SERI-funded Phase I scope and does not obligate H-GAC to fund or complete future phases of the project.

Funding Source

Office of the Governor, Public Safety Office

Budgeted Not applicable

Action Requested

Request authorization to enter into an interlocal agreement with Fort Bend County for Phase I of the Fort Bend County Public Safety Radio System Tower Site project. (Staff Contact: Justin Riley)

WATER QUALITY MANAGEMENT PLAN CONTRACT

Background

The Texas Commission on Environmental Quality administers 604(b) planning funds from the U.S. Environmental Protection Agency under the Clean Water Act. As the Governor-designated agency for water quality management planning in this region, H-GAC has a long-standing contractual agreement with the Texas Commission on Environmental Quality (TCEQ) to conduct water quality planning under this program. The activities of this annual project cover the entire 13-county H-GAC region.

Current Situation

The fiscal year 2027 Regional Water Quality Planning program contract will be effective September 1, 2026, through August 31, 2028. Its major work elements include:

- Updating service area boundaries and wastewater treatment plant outfalls, and reviewing discharge and overflow reporting data,
- Facilitating watershed protection planning and urban forestry efforts in the region,
- Facilitating the H-GAC's Natural Resources Advisory Committee,
- Reviewing funding applications to the Texas Water Development Board State Revolving Funds for concurrence with the water quality management plan, as requested by the TCEQ,
- Maintaining H-GAC's regional on-site sewage facility (OSSF) database and administering of the Wastewater Assistance Program,
- Developing the annual regional Water Quality Management Plan Update for inclusion in the State's Water Quality Management Plan,
- Targeting disadvantaged communities and vulnerable populations for On-site Sewage Facilities outreach and education,
- Assisting jobseekers with workforce services related to the wastewater industry, and
- Expand the use of H-GAC's OSSF Mapping Tool to host OSSF data from North Central Texas Council of Governments and other regional authorities for use in watershed-based planning activities.

Funding Source

Texas Commission on Environmental Quality

Budgeted

Yes

Action Requested

Request approval to contract with the Texas Commission on Environmental Quality for H-GAC to conduct regional water quality planning activities; total amount is \$234,720. (Staff Contact: Bill Ervin)

INDIRECT COST CARRYFORWARD

Background

H-GAC uses the Environmental Protection Agency, EPA, as its cognizant agency for approval of the organization's annual indirect cost rate. Each year, EPA approves an indirect cost rate that H-GAC uses to recover eligible administrative and support costs from grants and programs. After the fiscal year ends and actual costs are finalized, H-GAC compares the amount of indirect costs recovered during the year to the actual allowable indirect costs incurred. If H-GAC recovers less than the actual allowable amount, this is considered an under-recovery.

Current Situation

Historically, H-GAC experienced small deviations between budgeted indirect costs and actual indirect cost recovery. H-GAC went through a significant growth period beginning in about 2021 with increases in budgeted staff positions. At the same time, due to national economic conditions and recruiting and hiring challenges, higher than expected vacancy rates persisted, resulting in growing indirect under-recovery.

The cumulative under-recovery as of FY2024 is approximately \$2.4M. These under-recoveries will need to be offset in 2027 and 2028 from general funds.

For FY2025, H-GAC has identified an indirect cost under-recovery of approximately \$1.3M. This means that H-GAC did not recover the full amount of allowable indirect costs during FY2025.

Based on the timing of the rate approval process, this FY2025 under-recovery is expected to be included as an adjustment in the FY2027 indirect cost rate, pending H-GAC Board of Directors concurrence and EPA approval.

Moving forward, staff will be implementing procedures and strategies to reduce the amount of indirect under-recovery with a focus on accurately budgeting personnel costs, position control, regular monitoring and interim corrective actions when necessary.

Funding Source

N/A

Budgeted

Not Applicable

Action Requested

Request approval to use general funds in 2027 and 2028 to offset \$2.4M under recovered indirect costs incurred through FY2024 and incorporate FY2025 under recovered indirect costs of \$1.3M as an adjustment to the rate computation for the FY2027 indirect cost proposal submitted to EPA. (Staff Contact: Shaun Downie)

MONTHLY FINANCIAL REPORT – JULY 2026**Background**

H-GAC prepares the monthly financial report to provide the Board with an overview of the organization's financial position and operating results. This report helps the Board monitor financial performance and budget compliance.

Current Situation

Pending updated information.

Funding Source

Not Applicable

Budgeted

Not Applicable

Action Requested

Request approval of the monthly financial report ending July 31, 2026. (Staff Contact: Shaun Downie)



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY26 Monthly Financial Report

For Month Ending July 31, 2026

Prepared on September 2nd, 2026

Esteemed H-GAC Board of Directors and Executive Director Ron Papsdorf, please find attached the financial report for July 2026. The information contained within is intended for managerial reporting purposes. All figures are unaudited and subject to change. Should you have any questions, please feel free to reach out to one of the accounting managers. Respectfully submitted, Arathi Nayak - Accounting Manager and Shaun Downie - Senior Accounting Manager.

SUMMARY OF KEY CHANGES

REVENUES

- > Cooperative Purchasing Fees revenue continues to fluctuate. July revenue totaled \$939,711, bringing year-to-date revenue to 54% of the annual budget. Second-quarter reporting received in July improved the year-to-date results.
- > Interest income is at 43% of the annual budget. Interest earnings are lower than prior-year levels due to lower market interest rates and fluctuations in cash balances available for investment.
- > Other revenue increased from 45% of the annual budget in June to 52% in July, mainly due to data sales, including LiDAR and imagery, and workshop and event registration collections.

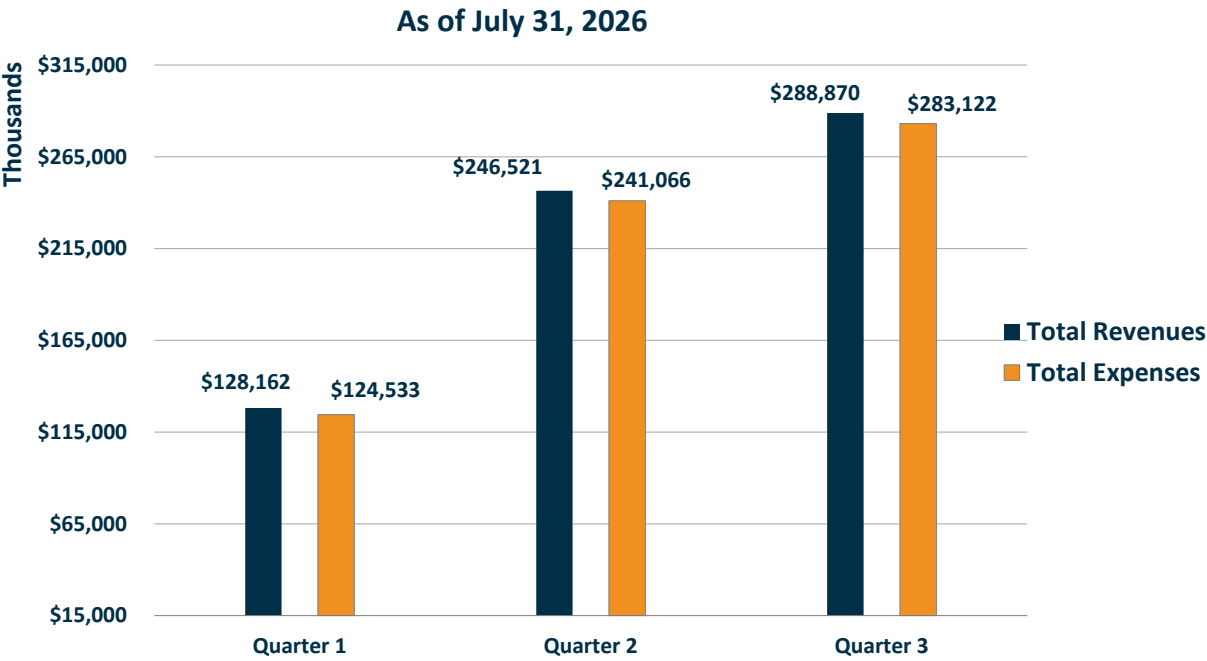
EXPENDITURES

- > Personnel expenditures remain below budget as we continue filling vacant positions. Year-to-date personnel costs are at 48% of the annual budget, compared with 58.33% of the year elapsed, primarily due to the timing of vacancies and hiring.
- > Consultant expenditure remains below budget but increased from 32% in June to 40% in July. The increase was primarily driven by higher spending in C&E, Workforce, and Transportation consultant services.
- > Travel expenses are at 26% of the annual budget, up from 21% last month. Spending remains below the projected level due to the timing of travel activities and reimbursement processing.

***** Please note: the financial activity outlined above and in the report falls within the past trends observed in H-GAC's operations and is not out of the ordinary. *****

The activity (revenues and expenses) included in this report reflect actual amount recorded to date; some billings have not yet been processed or fully recorded. Reported figures are presented on a cumulative Year-to-Date basis and may be adjusted in subsequent periods to reflect finalized amounts.

Quarterly Trends Chart



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY26 Quarterly Trends Report

For Month Ending July 31, 2026

	Quarter 1	Quarter 2	Quarter 3
Revenues			
General & Enterprise Fund Revenues			
Membership Dues	\$ 348,736	\$ 17,923	\$ -
HGAC Energy Corporation	21,889	19,688	3,319
Cooperative Purchasing Fees	1,513,184	1,655,053	939,711
Gulf Coast Regional 911 Fees	4,817,553	2,160,900	530,675
Interest Income	218,657	229,384	70,436
Other Revenues	563,131	428,707	155,836
General Funds - Local	383,847	1,714,067	339,753
Total General & Enterprise Fund Revenues	\$ 7,866,998	\$ 6,225,722	\$ 2,039,731
Special Revenue Fund			
Federal Grants	\$ 2,184,766	\$ 1,865,900	\$ 279,200
State Grants	118,110,075	110,267,634	40,029,539
Total Special Revenue Fund Revenues	\$ 120,294,841	\$ 112,133,534	\$ 40,308,739
Total Revenues	\$ 128,161,839	\$ 118,359,255	\$ 42,348,470
Expenditures			
Personnel	\$ 13,820,796	\$ 12,988,447	\$ 4,068,332
Pass-through Funds - Grant	105,264,896	94,158,621	35,358,858
Consultant and Contract Services	1,972,724	5,003,911	1,578,653
Lease of Office Space	577,406	520,701	240,801
Equipment	429,307	1,299,023	184,911
Travel	79,705	173,143	66,389
Other Expenses	2,388,047	2,389,020	557,936
Total Expenditures	\$ 124,532,883	\$ 116,532,865	\$ 42,055,880
Excess of Revenues Over(Under) Expenditures	\$ 3,628,956	\$ 1,826,390	\$ 292,590

HOUSTON GALVESTON AREA COUNCIL (H-GAC)**FY26 Budget to Actual Report - All Funds****For Month Ending July 31, 2026****58.33 % of Year
Elapsed**

	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Revenues					
General & Enterprise Fund Revenues					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Membership Dues	\$ 466,583	\$ 375,077	\$ 366,659	79%	98%
HGAC Energy Purchasing Corporation	135,000	78,477	44,895	33%	57%
Cooperative Purchasing Fees	7,556,971	3,267,912	4,107,948	54%	126%
Gulf Coast Regional 911 Fees	9,355,194	3,157,778	7,509,129	80%	238%
Interest Income	1,200,000	640,739	518,478	43%	81%
Other Revenues	2,188,437	1,455,118	1,147,675	52%	79%
General Funds - Local	5,742,177	4,100,000	2,437,666	42%	59%
Total General & Enterprise Fund Revenues	\$ 26,644,362	\$ 13,075,100	\$ 16,132,450	61%	123%
Special Revenue Fund					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Federal Grant	\$ 7,875,088	\$ 3,390,611	\$ 4,329,866	55%	128%
State Grants	584,179,539	321,396,174	268,407,248	46%	84%
Total Special Revenue Fund Revenues	\$ 592,054,627	\$ 324,786,785	\$ 272,737,114	46%	84%
Total Revenues	\$ 618,698,989	\$ 337,861,885	\$ 288,869,564	47%	85%
Expenditures					
	FY26 Annual Budget	FY26 Year-to Date Budget	FY26 Year-to-Date Actuals	FY26 % of Actuals to Annual Budget	FY26 % of Actuals to YTD Budget
Personnel	\$ 64,137,302	\$ 33,693,917	\$ 30,877,575	48%	92%
Pass-through Funds - Grant	507,913,797	277,923,933	234,782,375	46%	84%
Consultant and Contract Services	21,545,932	14,729,350	8,555,288	40%	58%
Lease of Office Space	3,599,393	2,080,178	1,338,909	37%	64%
Equipment	6,476,840	2,394,530	1,913,241	30%	80%
Travel	1,215,721	514,683	319,237	26%	62%
Other Expenses	13,810,004	6,485,101	5,335,004	39%	82%
Total Expenditures	\$ 618,698,989	\$ 337,821,693	\$ 283,121,628	46%	84%
Excess of Revenues Over(Under) Expenditures	\$ -	\$ 40,193	\$ 5,747,936		
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 52,762,360	\$ 46,532,496	\$ 52,762,360		
Ending Fund Balance (all funds) - July. 31 (2)	\$ 52,762,360	\$ 46,572,689	\$ 58,510,296		

(1) All beginning fund balances are as of January 1 of each year. The January 1, 2026 beginning fund balance is based on the 2026 ACFR presented at the May 2026 Board meeting.

(2) All ending fund balances are as of July 31 each year.

The Year-to-Date budget has been calculated using a three-year average spending & earning pattern. Historical monthly expenditure trends were analyzed to determine the proportion of annual spending incurred in each period, and these percentages were applied to the current year's approved budget to derive the YTD budget.

**HOUSTON-GALVESTON AREA COUNCIL
AREA AGENCY ON AGING
Fiscal Year 2027 Contract Recommendation**

Background

H-GAC is the Area Agency on Aging (AAA) for Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Liberty, Matagorda, Montgomery, Walker, Waller and Wharton counties. Each year we contract with organizations to provide services for individuals aged sixty and older, including nutrition (congregate and home-delivered meals); transportation; and direct services such as personal assistance and respite care, residential repair, health maintenance, emergency response and health promotion. Fiscal Year 2027 Aging programs begin October 1, 2026 and end September 30, 2027.

Current Situation**Nutrition and Transportation Services**

Nutrition contractors provide congregate and home delivered meals. Transportation contractors transport older individuals to and from senior centers, errands, and to health care providers. The existing contractors have performed satisfactorily. We recommend continued funding. Attachment A summarizes the proposed FY2027 provider's funding recommendations.

Direct Services

H-GAC issues an open competitive procurement process to solicit qualified contractors to deliver direct services. Applications are evaluated on a quarterly basis. The goals of this process are to increase consumer choice, provide timely service that reduces wait times, and ensure comparable service delivery across our region. Older adults, individuals with disabilities, and caregivers are able to select from a list approved contractors to receive direct services as authorized by program policies and procedures.

Based on the review of current contractor performance, who are in good standing, and the evaluation of proposal responses, the recommended direct services contractors are summarized in Attachment B. Proposers who scored seventy-four (74) and below are not recommended to contract with are: Richrose Dental, CHOSEN J-X INC, DPTV Tango, LLC., Fenix COM, LLC, DPTV Tango, LLC and Byrdson Services, LLC.

The Aging and Disability Advisory Committee (ADAC) approved the Fiscal Year 2027 funding at its August 20, 2026 regularly scheduled committee meeting.

Funding Source: Texas Health and Human Services Commission

Budgeted: Yes

Action Requested

Request authorization to contract with nutrition and transportation providers for \$6,347,540 and direct service providers for \$3,000,000. The total amount for all authorized services will not exceed \$9,347,540 for Fiscal Year 2027. (Staff Contact: Aaron Strugen)

**Houston-Galveston Area Council/Area Agency on Aging
FY2027 Area Agency on Aging Contract Recommendation
Attachment B – Direct Services**

Contractor Name	Service Provided
ABC Restoration, Inc.	Residential Repair
ADT LLC	Emergency Response Services
Aegis Senior Care Group, LLC	Personal Assistance/Respite
*Alert Medical Alarms, Inc.	Emergency Response Services
*Alert Response, LLC.	Emergency Response Services
Brown Sterling Builders, Inc.	Residential Repair
*D&M Remodeling & Construction, LLC.	Residential Repair
DPP II, LLC dba Home Care Providers of Texas	Personal Assistance/Respite
EntraMed, Inc	Health Maintenance
EveryFit, Inc. (dba QMedic)	Emergency Response
Haselden HomeCare, LLC	Personal Assistance/Respite
Ibn Sina Foundation, Inc.	Health Maintenance
Lifeline Systems Company	Emergency Response Services
Merc Medical Supply Company, Inc.	Health Maintenance
Mimac Health Services, Inc.	Personal Assistance/Respite
Mosher Initiatives, Inc.	Personal Assistance/Respite
SLJ Ventures LLC	Personal Assistance/Respite
Texas Mobile Dentists, Inc.	Health Maintenance
Valued Relationships, Inc.	Emergency Response
Direct Service Provider Total	\$3,000,000

* Indicates new provider

HOUSTON-GALVESTON AREA COUNCIL / AREA AGENCY ON AGING**FY 2027 Nutrition and Transportation Services****Attachment A****Funding Estimates by Service Provider**

County	Title IIIB Transportation Funds	Title IIIC1 Congregate Meals Funds	Title IIIC2 Home Delivered Meals Funds	Total Funds	Approved Contractor List
Austin		\$ 56,188	\$ 52,207	\$ 108,395	Helping One Another
	\$ 51,584			\$ 51,584	Colorado Valley Transit, Inc.
Brazoria	\$ 135,013	\$ 392,428	\$ 364,625	\$ 892,066	Actions, Inc.
Chambers	\$ 19,113	\$ 55,047	\$ 51,147	\$ 125,307	Chambers County Public Hospital District #1
Colorado	\$ 18,829	\$ 54,221	\$ 50,380	\$ 123,430	Wharton County Junior College
Fort Bend	\$ 280,540	\$ 620,200	\$ 758,237	\$ 1,658,977	Fort Bend Sr. Citizens, Inc.
		\$ 195,852		\$ 195,852	Catholic Charities
Galveston	\$ 148,076	\$ 430,454		\$ 578,531	Galveston Sr. Citizens
			\$ 399,958	\$ 399,958	Interfaith Ministries
Liberty	\$ 40,551	\$ 117,451	\$ 49,109	\$ 207,111	Cleveland Sr. Citizens Org.
			\$ 60,022	\$ 60,022	Grace Initiative of South Liberty County
Matagorda	\$ 24,527	\$ 70,806	\$ 65,789	\$ 161,122	Economic Action Committee
Montgomery	\$ 190,264	\$ 553,262	\$ 514,064	\$ 1,257,590	Montgomery Co. Committee on Aging
Walker	\$ 27,415	\$ 79,213	\$ 73,601	\$ 180,228	Senior Center of Walker County
Waller		\$ 57,513	\$ 53,438	\$ 110,951	Fort Bend Sr. Citizens, Inc.
	\$ 52,070			\$ 52,070	Colorado Valley Transit, Inc.
Wharton	\$ 28,037	\$ 81,025	\$ 75,284	\$ 184,347	Wharton County Junior College
Title III	\$ 1,016,021	\$ 2,763,659	\$ 2,567,860	\$ 6,347,540	

Footnotes:

Funding amounts are estimates only and are subject to change depending on federal funding availability.

2026 ADVISORY COMMITTEE AND AFFILIATE GROUP APPOINTMENTS

REGIONAL FLOOD MANAGEMENT COUNCIL

The Regional Flood Management Committee's purpose is to assist and advise elected officials in their decision-making responsibilities by making recommendations on issues related to all aspects of flood management in the Gulf Coast Planning Region.

Nominations received for terms expiring May 31, 2028:

Name	Representing	Nomination By
Ricardo Villagrand, P.E. (Alternate)	Walker County	Commissioner Brandon Decker

Action Requested

Request approval of the proposed advisory committee nomination as presented. (Staff contact: Rick Guerrero)