

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

October 13, 2022

THE STATE OF TEXAS §

COUNTY OF HARRIS §

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 58 §

The Board of Directors of Harris County Municipal Fresh Water Supply District No. 58 met in regular session, open to the public, at its regular meeting place inside the boundaries of the District on October 13, 2022; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Harry Haupt	President
Ron Warfield	First Vice President/Asst. Secretary
O.J. Armstrong	Second Vice President
Ed Cooke	Secretary
Larry Stefaniak	Treasurer

All members of the Board of Directors were present except Director Cooke.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Josh Maas of M. Marlon Ivy & Associates, Inc.; Brenda McLaughlin of Bob Leared Interests; Teague Harris of IDS Engineering; Captain Ganey of the Harris County Constable's Office; Eric Couch; and District residents.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting was given in compliance with the law.

1. CONDUCT 2022 TAX RATE PUBLIC HEARING. The Board President called to order the Public Hearing on the 2022 Tax Rate at 7:01 p.m.. The Board noted that no taxpayer

appeared to take part in the Public Hearing, as published by law. The Board President then closed the Public Hearing at 7:04 p.m..

2. APPROVE 2022 DEBT TAX RATE. The Board considered setting the 2022 Debt Service Tax Rate, and reviewed the recommendation from the financial assessor. The Board agreed to set a debt service tax rate of \$0.15, a decrease from last year's debt service rate of \$0.17. A copy of the Order Setting 2022 Debt Service Tax Rate is attached as Exhibit "A". Following discussion it was moved by Director Warfield and seconded by Director Armstrong to set the 2022 Debt Tax Rate at \$0.15, and to approve the related Order, which motion carried unanimously, 4-0.

3. APPROVE 2022 MAINTENANCE TAX RATE. The Board considered setting the 2022 Maintenance Tax Rate and reviewed the recommendation from the financial advisor. The Board agreed to set a maintenance tax rate of \$0.40885. A copy of the Order Setting 2022 Maintenance Tax Rate is attached as Exhibit "B". Following discussion, it was moved by Director Warfield and seconded by Director Armstrong to set the 2022 Maintenance Tax Rate at \$0.40885, and to approve the related Order, which motion carried unanimously, 4-0.

4. APPROVE AMENDMENT TO NOTICE TO SELLERS AND PURCHASERS. Chris Richardson presented the Amendment to Notice to Sellers and Purchasers, a copy of which is attached as Exhibit "C" and explained the document must be amended and filed in the property records when the tax rate is changed; all Directors present are required to sign the document. Following further discussion, it was moved by Director Stefaniak and seconded by Director Warfield that the Amendment to Notice to Sellers and Purchasers be approved, which motion passed unanimously, 4-0.

5. PUBLIC COMMENTS. Residents asked about the golf course. Director Haupt stated that the developers will have to purchase the property from the District if they want to develop. He added that two school districts and the MUD will have to be paid the back taxes owed on the tract, at a minimum.

6. MINUTES OF MEETING. The next item to come before the Board of Directors was the review and approval of the minutes of the meeting of September 8, 2022. Following a discussion, it was moved by Director Warfield and seconded by Director Stefaniak that the minutes of the meeting of September 8, 2022 be approved, which carried unanimously, 4-0.

7. MANAGEMENT AND SECURITY REPORT. Captain Ganey reviewed the Security Report. He discussed incidents in the District and the difficulty with policing.

Eric Couch discussed incidents at the golf course. He stated there was criminal trespassing, which was reported to the Constable's Office. Mr. Couch added that they will also contact the Game Warden.

8. OPERATOR'S REPORT. Josh Maas presented the monthly operations report for the month of September, a copy of which is attached as Exhibit "D". He reported the District has 650 water connections. He noted the Sewage Treatment Plant was compliant with its permit for the month, operating at 26% of capacity. Accountability for the water system was at 91.78%.

Following further discussion, it was moved by Director Warfield and seconded by Director Armstrong that the operator's report be approved, which motion carried unanimously, 4-0.

9. ENGINEER'S REPORT. Teague Harris presented the Engineer's Report, a copy of which is attached hereto as Exhibit "E". He discussed the Rehabilitation of the Sanitary Sewer System Phases 1B and 2. Mr. Harris reported that the work is complete, and T. Gray Construction will submit videos of the completed work.

Mr. Harris discussed the Whitefeather culverts and swales around the Pro Shop. He reported they have requested ISJ to proceed with the work and they have authorized the construction staking to be placed. He stated they expect the work to be completed next week.

Mr. Harris reported the construction staking for the drainage swales at the Golf Course will begin next week.

Mr. Harris informed the Board that Harris County MUD No. 544 requested a letter stating that the District would not serve Harris County MUD No. 544. Chris Richardson reported he resent Ms. Bihlet the two letters the District previously provided, stating the District would not serve Harris County MUD No. 544.

Mr. Harris discussed the emergency interconnect request from the City of Houston.

Mr. Harris informed the Board that another District has a generator available to buy, if the District is interested. He suggested the District could offer to buy the generator, subject to a test. Mr. Harris stated that he will get information on the cost to refurbish a generator. He added that a new generator costs approximately \$60,000 plus \$10,000 for an auto-transfer switch. The Board authorized the engineer and operator to evaluate the generator.

Following further discussion, it was moved by Director Armstrong and seconded by Director Warfield that the engineer's report be approved, and to authorize the engineer and operator to test the generator available for purchase, which motion carried unanimously, 4-0.

10. TAX ASSESSOR'S REPORT AND DELINQUENT TAX REPORT. Brenda McLaughlin presented the tax report for the month of September 2022, a copy of which is attached as Exhibit "F". The report reflected the District has collected 97.54% of its 2021 taxes and 98.52% of its 2020 taxes.

Following a discussion, it was moved by Director Warfield and seconded by Director Stefaniak that the report be approved, along with the checks on the tax account, which motion carried unanimously, 4-0.

11. TREASURER’S REPORT. Director Stefaniak reviewed the report, a copy of which is attached as Exhibit “G”. The Board reviewed the checks, investments, and financial statements. Director Stefaniak reviewed the profit and loss statement, the balance sheet and the general ledger for the general fund, the debt service fund and the capital projects fund.

Director Stefaniak informed the Board that Comerica Bank does not want to continue doing business with Municipal Utility Districts. He stated the operator has recommended a different bank they use.

Following further discussion, it was moved by Director Armstrong and seconded by Director Warfield that the Treasurer’s report, and those checks as listed thereon be approved, which motion passed unanimously, 4-0.

12. ADJOURNMENT/ OTHER BUSINESS. There being no further business, a motion was made, seconded, and unanimously carried, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 10th day of November, 2022.


Secretary

(DISTRICT SEAL)

HC58/ag&min/minutes/2022/2022.10.13

