

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

December 8, 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 December 8, 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 Warfield.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Josh Maas of M. Marlon Ivy & Associates, Inc.; Teague Harris of IDS Engineering; Steve Fields and Craig Schueler.

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. QUALIFYING DIRECTORS AND ELECTION OF OFFICERS. Chris Richardson stated after each Directors election, the candidates receive a Certificate of Election and execute their Statements of Elected Officer and the Oaths of Office, and consider the election of

officers. Directors Armstrong, Stefaniak and Fields executed the Statements of Elected Officer and Oaths of Office for the terms beginning November 8, 2022 and ending November 4, 2026. A motion was made by Director Stefaniak and seconded by Director Fields that the Oaths of Office and Statements of Elected Officer be approved, which motion carried unanimously, 5-0.

A motion was made by Director Stefaniak and seconded by Director Fields to elect Director Armstrong as First Vice President and Assistant Secretary, Director Fields as Second Vice President, and to maintain the remaining officer positions, which motion carried unanimously, 5-0.

2. PUBLIC COMMENTS. Craig Schueler asked the Board questions regarding drainage.

3. APPROVAL OF AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2022. Director Stefaniak stated that the report will be available in January. The Board tabled this item.

4. MINUTES OF MEETINGS. The next item to come before the Board of Directors was the review and approval of the minutes of the meeting of November 10, 2022. Following a discussion, it was moved by Director Stefaniak and seconded by Director Armstrong that the minutes of the meeting of November 10, 2022 be approved, which carried unanimously, 5-0.

The Board next considered approval of the minutes of the meeting of November 22, 2022. Following a discussion, it was moved by Director Cooke and seconded by Director Stefaniak that the minutes of the meeting of November 22, 2022 be approved, which carried unanimously, 5-0.

5. MANAGEMENT AND SECURITY REPORT. The Board reviewed the Security Report.

Director Haupt informed the Board that the pool management contract is now over \$25,000. He stated that he will seek two more proposals.

6. OPERATOR'S REPORT. Josh Maas presented the monthly operations report for the month of November, a copy of which is attached as Exhibit "A". He reported the District has 650 water connections. He noted the Sewage Treatment Plant was compliant with its permit for the month, operating at 18% of capacity. Accountability for the water system was at 101.64%.

Mr. Maas presented a proposal for an emergency alert system, which would notify the customers of any District news via text message and/or email. He explained the system will be set up through Off Cinco. Mr. Maas stated there is a one-time set-up fee of \$750.00, a monthly service fee of \$200.00, unlimited emails and a text message charge of \$0.05 per text. He added that they will insert a flyer into the water bill to inform the customers of the new option.

Mr. Maas discussed the notice pursuant to TAC 24.173(d) regarding extreme weather emergency disconnects. He explained it is a requirement of all municipal utility districts, and the notice needs to be inserted into the water bills by January 31, 2023.

Mr. Maas next discussed the generator proposals for the D37 Lift Station. He presented a proposal for a natural gas generator, in the amount of \$43,796.69 and a proposal for a diesel generator, in the amount of \$74,509.15. A motion was made by Director Stefaniak, seconded by Director Cooke and unanimously carried to approve the proposal for the natural gas generator for the D37 Lift Station, 5-0.

Following further discussion, it was moved by Director Cooke and seconded by Director Stefaniak that the operator's report be approved, that the emergency alert system be approved, and to authorize the operator to insert the extreme weather notice into the January water bill, which motion carried unanimously, 5-0.

7. AMENDMENT TO RATE ORDER. Director Stefaniak reported the utility contract with TXU is coming due in March. He stated the current rate is 7.3 cents per kwh and the proposed rate from TXU is 7.7 cents per kwh.

Director Stefaniak recommended amending the Rate Order to add a 4% increase to all water rates and all sewer rates. A copy of the Rate Order is attached as Exhibit "B". Following further discussion, it was moved by Director Stefaniak and seconded by Director Armstrong that the amendment to the Rate Order be approved, which motion carried unanimously, 5-0.

8. ENGINEER'S REPORT. Teague Harris presented the Engineer's Report, a copy of which is attached hereto as Exhibit "C". Mr. Harris discussed the Rehabilitation of the Sanitary Sewer System Phases 1B and 2. He reported that T. Gray Construction is still preparing their record drawings and construction reports to submit for review. Mr. Harris stated that upon receipt of the drawings and reports, they will determine the scope of the final field inspection.

Mr. Harris discussed the Whitefeather culverts and swales around the Pro Shop. He recommended approval of Pay Application No. 4, in the amount of \$12,779.99.

Following further discussion, it was moved by Director Armstrong and seconded by Director Stefaniak that the engineer's report be approved, which motion carried unanimously, 5-0.

9. TAX ASSESSOR'S REPORT AND DELINQUENT TAX REPORT. Director Stefaniak presented the tax report for the month of November 2022, a copy of which is attached as Exhibit "D". The report reflected the District has collected 6.925% of its 2022 taxes and 97.97% of its 2021 taxes.

Following a discussion, it was moved by Director Cooke and seconded by Director Armstrong that the report be approved, along with the checks on the tax account, which motion carried unanimously, 5-0.

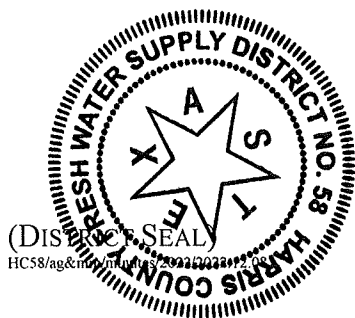
10. TREASURER'S REPORT. Director Stefaniak reviewed the report, a copy of which is attached as Exhibit "E". The Board reviewed the checks, investments, and financial statements. Director Stefaniak reviewed the profit and loss statement, the balance sheet and the general ledger for the general fund, the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

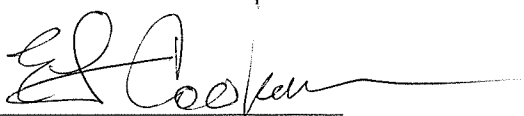
Following further discussion, it was moved by Director Armstrong and seconded by Director Cooke that the Treasurer's report, and those checks as listed thereon be approved, which motion passed unanimously, 5-0.

11. REVIEW OF INVESTMENT POLICY. Mr. Richardson explained an annual review of the Investment Policy is required by the Public Funds Investment Act. He stated there are no recommended changes. Following a discussion, it was moved by Director Stefaniak and seconded by Director Cooke to approve the Order Reviewing and Confirming Investment Policy with the updated brokers list, which motion carried unanimously, 5-0. A copy of said Order is attached as Exhibit "F".

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 12th day of January, 2023.




Secretary