

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

September 14, 2023

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 September 14, 2023; whereupon, the roll was called of the members of the Board of Directors, to-wit:

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

All members of the Board of Directors were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Josh Maas of M. Marlon Ivy & Associates, Inc.; Chad Abram of IDS Engineering; Brenda McLaughlin of Bob Leared Interests; Cameron Thatcher of Huntington Capital Markets.; Leonard Schweinle of the Property Owner's Association; and several 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. **PUBLIC COMMENTS.** A resident complimented the operators for recently restoring lost water service. He stated they did a great job.

Another resident asked if there is a warning system for water system issues. He added that a gas line was hit. Josh Maas explained that they did have a “one call” ticket and the gas line was mis-marked. He stated that they needed to isolate a leak in a broken line. Mr. Maas added that there could be more leaks after the next big rain.

The resident next discussed traffic on the Golf Course. He stated that there are motorcycles and kids on the Golf Course. He suggested adding some signage. Director Haupt stated that the Board can look into putting signs on the Golf Course property. Leonard Schweinle suggested calling Harris County Precinct No. 3 in Baytown. The resident stated the Constables have already been to one of the kids’ houses and talked to the parents. Director Fields asked for information that he can post on Facebook.

Mr. Schweinle discussed increasing security participation. Director Stefaniak stated the Board will need more information about the Constable’s response to the issue on the Golf Course property.

2. MINUTES OF MEETINGS. The next item to come before the Board of Directors was the review and approval of the minutes of the meetings of August 10, 2023 and August 16, 2023. Following a discussion, it was moved by Director Stefaniak and seconded by Director Fields that the minutes of the meetings of August 10, 2023 and August 16, 2023 be approved, which carried unanimously, 5-0.

3. 2023 TAX RATE. The Board next discussed the 2023 Tax Rate. Cameron Thatcher presented the 2023 Tax Rate Recommendation, a copy of which is attached as Exhibit “A”. He stated the District is a “developing district”. Mr. Thatcher recommended decreasing the debt service tax rate from \$0.15 to \$0.14 and decreasing the maintenance tax rate from \$0.40885 to \$0.4054 for a total tax rate of \$0.5454. Brenda McLaughlin explained the publication language.

She stated that she will advertise in the Lake Houston Observer and the public hearing to set the tax rate would be listed as the next regular meeting, on October 12, 2023, at 7:00 p.m.

Following further discussion, a motion was made by Director Stefaniak and seconded by Director Armstrong to consider setting the debt service tax rate at \$0.14, and the maintenance tax rate at \$0.4054, for a total tax rate of \$0.5454, to set a public hearing for October 12, 2023 at 7:00 p.m., and to authorize publication of the required notice for such hearing in the Lake Houston Observer, which motion carried unanimously, 5-0.

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

The Board next discussed the Golf Course property, at length. Director Cooke discussed using the Golf Course for “disc” golf. He stated that it would be less maintenance.

5. INTERLOCAL AGREEMENT WITH HARRIS COUNTY PRECINCT NO. 1. The Board tabled this item.

6. OPERATOR’S REPORT. Josh Maas presented the monthly operations report for the month of August, a copy of which is attached as Exhibit “B”. He reported the District has 655 water connections. He noted the Sewage Treatment Plant was compliant with its permit for the month, operating at 14% of capacity. Accountability for the water system was 92.28%.

Mr. Maas reported that two main breaks were repaired.

Mr. Maas informed the Board that the billing for Harris County MUD No. 544’s trailer was changed to “residential”.

Following further discussion, it was moved by Director Cooke and seconded by Director Fields that the operator’s report be approved, which motion carried unanimously, 5-0.

7. AMENDMENT TO RATE ORDER. The Board next considered amending

the District's Rate Order. Chris Richardson explained the amendment to add 10% to the Groundwater Reduction Plan fee for lost water and administrative costs. A copy of the amended Rate Order is attached as Exhibit "C".

Following further discussion, it was moved by Director Stefaniak and seconded by Director Armstrong to approve amending the Rate Order to add 10% to the Groundwater Reduction Plan fee, which motion carried unanimously, 5-0.

8. ENGINEER'S REPORT. Chad Abram presented the Engineer's Report, a copy of which is attached hereto as Exhibit "D". Mr. Abram discussed the Rehabilitation of the Sanitary Sewer System Phases 1B and 2. He reported that they are currently reviewing post construction videos. Mr. Abram stated that they will schedule a final inspection upon completion of the review.

Mr. Abram discussed the Whitefeather culverts and swales around the Pro Shop. He reported that they received a request for final payment from the contractor, but Mr. Abram will check that vegetation is being established in the disturbed areas before final payment is made.

Mr. Abram next discussed the Golf Course Drainage Swales project. He reported that excavation is underway.

Mr. Abram reported that they are tentatively scheduled to begin the next annual review of the Emergency Preparedness Plan in May 2024.

Mr. Abram discussed the Wastewater Treatment Plant discharge permit renewal. He reported that they received the final Notice of Application and Preliminary Decision for publication. Mr. Abram stated that the Notice is scheduled to be published on September 20, 2023.

Mr. Abram discussed the Water Plant Inspection Program.

Mr. Abram informed the Board that they received a request, on August 29, 2023, from the City of Houston for updated HGSD Groundwater Permit Projections for the Permit Year 2024. He

stated that the City's projected usage amount is consistent with District's annual usage and less than the 40-year water demand projections. Mr. Abram further stated that they find no reason to request an increase.

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. Brenda McLaughlin presented the tax report for the month of August 2023, a copy of which is attached as Exhibit "E". The report reflected the District has collected 97.55% of its 2022 taxes and 98.96% of its 2021 taxes.

Following a discussion, it was moved by Director Stefaniak 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. HCAD NOMINATION. The Board next considered approving the Resolution Nominating a Candidate for a Position on the Board of Directors of HCAD. The Board did not take any action.

11. TREASURER'S REPORT. Director Stefaniak reviewed the report, a copy of which is attached as Exhibit "F". 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 Fields that the Treasurer's report, and those checks as listed thereon be approved, which motion passed unanimously, 5-0.

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 12th day of October, 2023.


Secretary

(DISTRICT SEAL)

HC58/ag&min/minutes/2023/2023

