SUNBELT FRESH WATER SUPPLY DISTRICT

MINUTES OF MEETING OF BOARD OF DIRECTORS

February 6, 2025

The Board of Directors (individually referred to as "Directors," collectively, the "Board") of Sunbelt Fresh Water Supply District (the "District"), met in a regular session at 5:00 p.m. on Thursday, February 6, 2025, at 410 West Gulf Bank Road, Houston, Texas, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Nathan Wade	President
Sandra Jaramillo	Vice President
Elizabeth Santiago	Secretary
Lynda Powell	Assistant Secretary
Ruben Salazar	Director

All Board members were present, thus constituting a quorum. Also attending were Justin Edwards of A&S Engineers, Inc. ("Engineer" or "A&S"); Lonnie Wright of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); LaDonna Smith and Mary Jane Mendoza, employees of the District; Elliot M. Barner, attorney, of Radcliffe Adams Barner PLLC ("Attorney" or "RAB"); and Mr. Lamar Santos, a member of the public.

The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 5:00 p.m. and declared it open for such business as may regularly come before it.

PUBLIC COMMENT

The President then opened the meeting to public comment. Mr. Lamar Santos, an applicant for service, introduced himself to the Board and asked questions regarding the $42,000.00 cost of connecting to the District for water and wastewater service for the mechanic's shop he proposes to open. In response to a question from the Board, the Engineer and Operator confirmed that Mr. Santos's engineer had requested a two-inch (2") commercial meter, which is the basis for such cost. A discussion ensued regarding whether the size of the meter could be reduced, but that the other fees associated with the tap fee could not be reduced due to the specific development. Further discussion ensued.

There being no further public comments, the President directed the Board to proceed with the agenda.

APPROVE MINUTES OF PRIOR MEETING

The President next directed the Board to consider the approval of the minutes of the regular meeting held on January 7, 2025. Upon a **motion** by Director Santiago, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the minutes of the regular meeting held on January 7, 2025, including certain revisions to the item under the Oak Glen Service Area ("Oak Glen") section of the Engineer's Report.

OPERATOR'S REPORT

Mr. Wright next presented the Operator's Report to the Board, a copy of which is available upon request, and reviewed with the Board the general operations, maintenance and repairs that occurred within the District, including water and wastewater operations and water accountability for the District's service areas.

Mr. Wright reported that there was a service line leak at 13502 Long Glen in the Fairgreen-High Meadows Service Area ("High Meadows").

Mr. Wright then reported that the two (2) pumps have been installed and are now operational at Water Plant No. 2 in High Meadows.

Mr. Wright next reported that the Non-Potable Pump 1 at the Wastewater Treatment Plant ("WWTP") in the Oakwilde Service Area ("Oakwilde") is leaking and noted that repairs would be made soon.

Mr. Wright next presented a proposal for ultrasonic leak detection in Oak Glen. Mr. Wright explained that Mr. Dubiel will present further information to the Board at the next meeting.

Mr. Wright then reported that a two-inch (2") water main repair was made within the Oak Glen area at 14122 Landfair Street. Mr. Wright stated that such repair was made while the line was still under pressure so no boil water notice was required.

Mr. Wright reported that Booster Pump No. 1 at the Water Plant in the Woodland Oaks Service Area ("Woodland Oaks") has been removed for repairs and Booster Pump No. 2 is scheduled to be removed for repairs soon. Mr. Wright further reported that Booster Pump No. 3 is leaking and will also need to be repaired.

Mr. Wright then reported that Blower No. 1 at the Woodland Oaks WWTP is not working. Mr. Wright stated that the lift pump was removed to determine the cause, but no issue was found. Mr. Wright then noted that the lift pump was then put back in place; however, it is still causing the breaker to trip.

Next, Mr. Wright reported that the alternator located at the Water Plant in the Heather Glen Service Area ("Heather Glen") is being replaced and is currently operating with two (2) pumps.

Mr. Wright further reported that the WWTP at Heather Glen has an oil leak due to a broken seal on the barscreen of the gearbox. Mr. Wright stated that there is a small water leak on Non-Potable Pump No. 1.

Mr. Wright next explained that the China Wok restaurant received a high surcharge for violations of the Industrial Waste Order ("IWO"). Mr. Wright stated that as a result, China Wok installed a larger grease trap. A discussion ensued. It was the consensus of the Board that Ms. Smith determined the amount of the payment split over 12 months for the surcharge violations.

Upon a **motion** by Director Jaramillo, seconded by Director Powell, after full discussion and the question being put to the Board, the Board voted three (3) in favor and two (2) against, the Board authorized a payment plan for the surcharge violations accrued by China Wok over a 12-month period, subject to confirmation of the monthly payment amount.

WATER METER REPLACEMENT PROJECT

Regarding the Water Meter Replacement Project, Mr. Wright reported that MOC continues to replace meters within certain areas of the District and that records regarding such replacements have been provided to Ms. Smith. Mr. Wright further reported that MOC received 150 meters and have replaced 58 so far.

Upon a **motion** by Director Jaramillo, seconded by Director Powell, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented.

ENGINEER'S REPORT

Mr. Edwards next presented to the Board the Engineer's Report, a copy of which is available upon request.

Fairgreen-High Meadows Service Area

Regarding the proposed Marquita Water Treatment Plant Distribution Line Improvement Project, Mr. Edwards reminded the Board that Harris County (the "County"), on behalf of the East Aldine District (the "EAD"), is extending Bethany Lane near EAD's Town Centre, which impacted the alignment of such distribution line. Mr. Edwards then reminded the Board that it had previously awarded a project to ISJ Underground Utilities, LLC ("ISJ Underground") that includes construction of connection point nos. one (1) and three (3). Mr. Edwards reported that the Notice to Proceed date was for July 15, 2024. Further, Mr. Edwards stated that construction activities are complete but there is an issue with a mismatched paint color that is being addressed. Mr. Edwards stated that once the mismatched paint is corrected the final inspection will be scheduled.

Regarding the Elevated Storage Tank Variance Request to the Texas Commission on Environmental Quality ("TCEQ"), Mr. Edwards reported the Water Model and Engineering Report will be submitted by the end of the week.

Regarding the service request to an existing manufactured home park at 2730 Ladin Drive, just northwest of the boundaries of High Meadows, Mr. Edwards reminded the Board that service is being requested in the amount of 38 equivalent single-family connections ("ESFC") for the existing portion and expansion of such park, which was reduced from the original request of 41 ESFCs. Mr. Edwards reported that all annexation documents for this development will be provided to RAB by the end of the week.

Northline Terrace Service Area

Mr. Edwards reported that construction is ongoing on the West Gulf Bank Road Widening Project and added that A&S is monitoring the relocation of the District's water and wastewater lines. Mr. Edwards further reported that MOC is coordinating with the contractor to connect Carroll Elementary School's water service line to the newly constructed water line of the District's.

Oak Glen Service Area ("Oak Glen")

Mr. Edwards then reported that construction is complete on the County's Oak Glen Drainage Improvement Project.

Regarding the Harris County Housing and Community Development's (the "HCHCD") funding for the Community Development Block Grant ("CDBG") 2024 plan year, Mr. Edwards reported that A&S advertised the pre-bid on January 23rd and January 30th, a pre-bid conference was held today and the bid opening is scheduled for February 13th and anticipates presenting bids to the Board at the February 20th Board meeting. The Board discussed and directed that the item be placed on such agenda.

Regarding the Oak Glen Water Line Replacement Phase 2, Mr. Edwards stated that A&S is awaiting approval. Mr. Edwards further stated that the estimated project total is $1,066,020.00 and the District is required to contribute 25% towards the overall project cost, which is estimated at $271,020.00.

Oakwilde Service Area

Mr. Edwards updated the Board regarding the WWTP and Lift Station Project. Mr. Edwards reminded the Board that R.P. Constructors, Inc. was selected and awarded the project in the amount of $11,979,250.00. Further, Mr. Edwards stated that bonds and insurance were approved by RAB. Mr. Edwards further stated that a complete contract manual was sent to the Texas Water Development Board ("TWDB") and an issuance of the Notice to Proceed was approved. Mr. Edwards stated that the pre-construction meeting was held on January 28th and the Notice to Proceed is scheduled for February 24, 2025. Mr. Edwards the presented a Job Assignment Proposal for items associated with the construction phase services.

Mr. Edwards next updated the Board regarding the Seven Mile Road Water Plant Improvements Project, which includes construction of a water well, a new ground storage tank, booster pumps, new electrical service, and upgrades to the existing components as well as site modifications. Mr. Edwards reported that the City of Houston ("City") approved the A&S construction plans. Mr. Edwards further reported the plans are back with the County waiting for approval. Mr. Edwards then reported that the TWDB approved the Engineering Feasibility Report and the Environmental Clearance for such project. Mr. Edwards then stated that A&S is finalizing the contract manual.

Regarding the Oakwilde Hurlingham Water Plant Improvement Project, which includes construction of a new hydropneumatic tank ("HPT"), Mr. Edwards updated the Board on the status of such project. Mr. Edwards then presented Change Order No. 1 in the amount of $21,115.00 for two (2) insertion valves and Pay Application No. 3 in the amount of $41,503.50.

Mr. Edwards reported a brief service interruption when the gate valve was installed.

Mr. Edwards then updated the Board regarding the application for service for a proposed 0.9052-acre development to be located at 11709 Aldine Westfield Road, outside the boundaries of the District. Mr. Edwards reported that A&S and RAB are preparing the necessary documents for annexation.

Mr. Edwards next updated the Board on the status of the Oakwilde Smoke Testing Project, which will include smoke testing of the District's Wastewater Collection Systems within Oakwilde, the Mary Frances/Mary Eleanor neighborhood, and the North Houston Heights neighborhood. Mr. Edwards stated that A&S is preparing bid documents and coordinating with the TWDB.

Mr. Edwards then updated the Board regarding the application for service for a proposed 7,945 foot building that would serve as a banquet hall located at 11730 Aldine Westfield Road in the amount of two (2) ESFCs. Mr. Edwards noted that the application reflects that it would not service food. Mr. Edwards reported that A&S is awaiting plans from the Applicant for review.

Heather Glen Service Area

Next, Mr. Edwards reminded the Board that the Houston Food Bank ("Food Bank") requested service to an industrial warehouse-office building to be located on West Mount Houston Road, west of Ella Boulevard. Mr. Edwards informed the Board that A&S has received a revised Application for Service and the amount of service requested is 116 ESFCs for a building totaling 432,350 square feet. Mr. Edwards reported that A&S has provided the Feasibility Study to the Applicant and is awaiting final plans for review.

Woodland Oaks Service Area

Mr. Edwards next reminded the Board that D.R. Horton's development of a 47-acre tract of land, which is currently located outside the boundaries of the District and is being developed into a single-family residential development of 281 homes. Mr. Edwards and Mr. Barner then updated the Board on the four (4) water and wastewater line easements needed for such development.

Mr. Edwards further stated that A&S received comments from the City and County regarding the construction plans for the water and wastewater lines that will be located in the above-mentioned easements are currently addressing those comments.

Regarding the extension of the off-site water and sewer line installation to serve D.R. Horton's development, Mr. Edwards reported that A&S received eight (8) bids on Tuesday, January 28, 2025. Mr. Edwards further reported that ISJ Underground submitted the lowest bid in the amount of $360,143.05. Mr. Edwards then stated that ISJ Underground recently installed the water distribution line extension at the Marquita Water Plant and on Aldine Mail Route Road. Mr. Edwards then recommended that the Board award the contract to ISJ Underground.

Miscellaneous Service Requests

Regarding Keith-Wiess Park, Phase I project located at 12300 Aldine Westfield Road, Mr. Edwards reminded the Board that A&S received a service request for a proposed park, trails, and pavilion located south of East Aldine Town Center. Mr. Edwards reported that A&S provided a Utility Commitment Letter to the Applicant and is awaiting plans for review.

West Harris County Regional Water Authority Water Line Extension

Mr. Edwards reminded the Board that construction is underway on an approximately 36-mile long, multiple-segment, eight-foot (8') diameter water transmission line, portions of which will be located within the District. Mr. Edwards further reminded the Board that the route of Segment A includes parts of Oakwilde. Mr. Edwards reported that a portion of the water distribution system will be relocated and reserved for a future wastewater collection system. Mr. Edwards further reported that the route of Segment B includes parts of Oakwilde, Northline Terrace, Heather Glen, and Woodland Oaks. Mr. Edwards noted that there will be less impact in these areas as tunneling will be primarily used during construction.

Water Line Rehabilitation Within District

Mr. Edwards reminded the Board that the preliminary Water Line Rehabilitation cost estimate for Oakwilde, High Meadows, Woodland Oaks, Oak Glen, Northline Terrace, and Heather Glen, was provided to staff personnel of Texas State Representative Armando Walle.

Fairgreen-High Meadows Service Area (Cont.)

Mr. Edwards reported that the EAD prepared and submitted a TWDB application for funding to install a sanitary sewer system in the Castlewood Subdivision, just west of High Meadows. Mr. Edwards stated that the District would be able to add sewer-only accounts and eventually take over ownership of the future sanitary sewer line, similar to the arrangement in place with the Mary Eleanor/Mary Francis subdivisions. Additionally, the future wastewater collection system and lift station would be conveyed to the District for operation and maintenance.

Upon a **motion** by Director Salazar, seconded by Director Powell, after full discussion and with all Directors present voting aye, the Board: 1) approved the Engineer's Report, as presented; 2) approved execution of an updated Job Assignment Proposal; 3) approved Change Order No. 1 in the amount of $21,115.00; 4) approved payment of C3 Constructors Pay Application No. 3 in the amount of $41,503.50; and 5) accepted the bid submitted by ISJ Underground in the amount of $360,143.05 for D.R. Horton's development; 6) approved issuance of Notice of Award to ISJ Underground in the amount of $360,143.06, subject to receipt of funds from D.R. Horton; 7) approved execution of the contract, subject to Attorney review of bonds and insurance and receipt of a Form 1295 Certificate of Interested Parties from ISJ Underground; and 8) authorized issuance of the Notice to Proceed, subject to execution of the contract with ISJ Underground.

Attorney's Report

Mr. Barner reported that he had nothing further to report.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

PASSED AND APPROVED this 3rd day of April, 2025.

Elizabeth Santiago

Elizabeth Santiago, Secretary
Sunbelt Fresh Water Supply District