

SUNBELT FRESH WATER SUPPLY DISTRICT
MINUTES OF MEETING OF BOARD OF DIRECTORS

June 19, 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 Bookkeeping and Management Session, at 5:00 p.m. on Thursday, June 19, 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, except Director Powell, thus constituting a quorum. Also attending were LaDonna Smith and Mary Jane Mendoza, employees of the District; Susan Hill of Governmental Financial Reporting, LLC ("Bookkeeper"); Greg Dubiel of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Justin Edwards of A&S Engineers, Inc. ("Engineer" or "A&S"); Suzanne Villarreal of McCall Gibson Swedlund Barfoot Ellis PLLC ("Auditor"); Adria Semien of Ad Valorem Records ("AVR"); and Elliot M. Barner, attorney, of Radcliffe Adams Barner PLLC ("Attorney" or "RAB").

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.

As no public comments were offered, the President directed the Board to proceed with the agenda.

SOLID WASTE COLLECTION REPORT

The Board postponed the Republic's Solid Waste Collection Report, as Ms. Nussa was unable to attend the meeting.

AUDITOR ENGAGEMENT FOR PREPARATION OF AUDIT FOR FISCAL YEAR ENDING ("FYE") JUNE 30, 2025

Ms. Villarreal presented a proposal for auditing of the financial statements for the FYE June 30, 2025, a copy of which is available upon request. A discussion ensued regarding such proposal.

Upon a **motion** by Director Jaramillo, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the engagement of the Auditor to perform the District's audit for the FYE June 30, 2025.

MINUTES

The President next directed the Board to consider the approval of the minutes of the regular meeting held on May 15, 2025.

Upon a **motion** by Director Santiago, seconded by Director Jaramillo, after full discussion and with all Directors present voting aye, the Board approved the minutes of May 15, 2025, with corrections.

BOOKKEEPER'S REPORT

Ms. Hill then presented the Bookkeeper's Report, a copy of which is available upon request.

Ms. Hill next reviewed with the Board the District's current bills and financial statements and responded to questions from the Board.

Upon a **motion** by Director Jaramillo, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, including authorized payment of current bills, as presented.

ORDER ADOPTING BUDGET FOR FYE JUNE 30, 2026 (THE FYE "JUNE 2026 BUDGET")

The Board took no action on this item, as a special meeting to further review the draft FYE 2026 Budget is scheduled for Tuesday, June 26, 2025, at 10:00 a.m.

OPERATOR'S REPORT

Mr. Dubiel 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. Dubiel reported that at Water Plant No. 1 in the Woodland Oaks Service Area ("Woodland Oaks"), the air compressor operating in manual mode has been fixed.

Mr. Dubiel next reported that at Water Plant No. 2 in Woodland Oaks, the auto dialer system not operating properly has been fixed.

Mr. Dubiel then reported that at Water Plant No. 2 in the High Meadows Service Area, the booster pump coupling is broken and Booster Pump No. 2 is tripping the breakers. Mr. Dubiel indicated after initial inspection the pump might be bad and will update the Board at the next meeting.

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

ANNUAL REVIEW OF RATE ORDER

Mr. Barner reminded the Board that the District's Rate Order is reviewed at this time each year to determine if the Board needs to consider increases in rates and fees. A brief discussion ensued and it was the consensus of the Board to review such order at a later meeting.

OFFICE REPORT

Ms. Mendoza presented the Monthly Revenue and Water Accountability Report, a copy of which is available upon request.

Ms. Smith reviewed the Door Tag Report and Returned Check Report for May 2025. Ms. Smith further stated that 70 accounts were disconnected last month.

Ms. Smith presented the Meter Reread Report and updated the Board on the number of re-reads for the previous billing cycle.

Ms. Smith reviewed with the Board the email breach on District emails. A discussion ensued.

Upon a **motion** by Director Jaramillo, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board accepted the Office Report, as presented.

Ms. Smith updated the Board regarding the District's billing software consultant, I3Verticals, formally, AVR. A representative from I3 then responded to and answered questions. A discussion then ensued regarding the amendment to the agreement for professional services, which is for the lease of the credit card terminal hand-held devices.

Upon a **motion** by Director Jaramillo, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board accepted the I3Verticals amendment, as presented.

RENEWAL OF DISTRICT'S INSURANCE THROUGH TEXAS MUNICIPAL LEAGUE ("TML") FOR DISTRICT FACILITIES

Ms. Mendoza then reminded the Board that the District's current insurance coverage through TML expires on July 3, 2025. Ms. Smith next presented the Board with information regarding the renewal of the District's insurance policy with TML. An extensive discussion ensued regarding the District's insurance coverage and such policy.

Upon a **motion** by Director Jaramillo, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board accepted the TML insurance renewal policy, as presented.

DIRECTOR'S REPORT

Director Wade reminded the Board of the District's need to consider the disposal of the old boardroom chairs as surplus property. Mr. Barner reminded the Board that it should adopt a resolution declaring the old boardroom chairs as surplus property and determine whether to sale them or dispose of them.

The Board then discussed the upcoming community crime prevention seminar and Fourth of July celebrations within the District. A discussion ensued.

Upon a **motion** by Director Jaramillo, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board declared the sale of the old boardroom chairs as surplus property, as presented.

ATTORNEY'S REPORT

Mr. Barner presented to the Board for approval an Assignment and Assumption of Agreement for Financing of Facilities governing the development of approximately 46.932 acres of real property located within the extraterritorial jurisdiction of the City Houston (Pine Haven residential subdivision). Mr. Barner reminded the Board that D.R. Horton, developer of the tract, is assigning the agreement to one of its associated entities. A discussion ensued.

Upon a **motion** by Director Jaramillo, seconded by Director Santiago, after full discussion and with all Directors present voting aye, the Board approved the Attorney's Report, including the Assignment and Assumption of Agreement for Financing of Facilities, as presented.

EXECUTIVE SESSION

Pursuant to Chapter 551 of the Texas Government Code, Subchapter D, of the Open Meetings Act, the President called the Executive Session to order at 6:51 p.m. to discuss personnel matters. Present for the Executive Session were the Board of Directors of the District; and Mr. Barner.

As of 6:56 p.m., the President declared the Executive Session was ended and the public session was resumed.

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

PASSED AND APPROVED this 17th day of July, 2025.



(DISTRICT SEAL)



Elizabeth Santiago, Secretary
Sunbelt Fresh Water Supply District