

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

June 5, 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, June 5, 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 and Anna Hunter of A&S Engineers, Inc. ("Engineer" or "A&S"); Mario Garcia and Claudia Garza of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); LaDonna Smith and Mary Jane Mendoza, employees of the District; Al Ghafil of D.R. Horton-Texas, Ltd.; and Barbara Hankins, paralegal, 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.

There being no 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 April 3, 2025, May 1, 2025 and May 6, 2025 meetings.

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 April 3, 2025, with corrections and the minutes of May 1, 2025 and May 6, 2025 meetings, as presented.

OPERATOR'S REPORT

Mr. Garcia presented the Operator's Report, 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. Garcia reported on the status of water capacity and production and the ultrasonic leak detection in the Fairgreen-High Meadows Service Area ("High Meadows"). Mr. Garcia stated there were no issues to report in the Fairgreen Service Area. Mr. Garcia next reported that STP Services ("STP") has been notified to repair the small pump tripping the breaker located at the Wastewater Treatment Plant ("WWTP"). Mr. Garcia noted that STP is working on the repair of the Water Plant No. 1 generator and that MOC will confirm that the repair of the stem valve leak and replacement at Water Plant No. 2 is complete and update the Board at the next meeting.

Mr. Garcia next reported that the WWTP auto dialer in the Northline Terrace Service Area ("Northline Terrace") and that the air compressor at the Water Plant are currently not operational. Mr. Garcia stated that upon inspection, MOC identified the solenoid valves were faulty and need replacement of such air compressor.

Mr. Garcia reminded the Board that STP is working on replumbing and installing the new non-potable pump at the WWTP in the Oakwilde Service Area ("Oakwilde").

Mr. Garcia next updated the Board on the status of the Shady Lane 96" Water Line, a segment of the West Harris County Regional Water Authority ("WHCRWA") Water Line Extension Project. Mr. Garcia stated that during excavation, Harper Brothers Construction ("Harper Brothers") ruptured the District's adjacent pressurized 12" water main.

Mr. Garcia further stated that MOC quickly isolated the water line segment in question and initial repairs were completed promptly; however, Mr. Garcia noted that additional repairs were required due to repressurization issues, and the District incurred costs of repair in the amount of \$37,728.66. Mr. Garcia recommended the Board authorize MOC to coordinate with Harper Brothers for the payment of the full costs of damages incurred by the District, subject to RAB's review.

Mr. Garcia reported that there were no issues to report in the Oak Glen Service Area ("Oak Glen").

Mr. Garcia next reported that Blower Pump No. 1 at the WWTP in the Woodland Oaks Service Area ("Woodland Oaks") is not working and has been pulled for repairs by STP. Mr. Garcia stated that Booster Pump No. 1 at the Water Plant has been removed for repairs and once installed, Booster Pump No. 2 is scheduled to be removed for repairs. Mr. Garcia further reported that Booster Pump No. 3 is leaking and will also need to be repaired. Mr. Garcia stated that the water meter at Water Plant No. 2 is currently not functioning and MOC is waiting on the City to inspect and address such issue.

Mr. Garcia then reported that Lift Pump Nos. 1 and 2 in the Heather Glen Service Area ("Heather Glen") are not working as suction is broken in both lines. Mr. Garcia stated MOC is also addressing the oil leak due to a broken seal on the barscreen of the gearbox. Mr. Garcia next reported that the alternator at the Water Plant is being replaced and is currently operating with two (2) pumps.

Director Wade requested that MOC ensure that items previously resolved be removed from the Operator's Report so as to not duplicate reporting on those issues each month.

Upon a **motion** by Director Powell, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, including MOC coordinating with Harper Brothers for reimbursement of the full cost of damages to the District's water line, subject to RAB's review.

WATER METER REPLACEMENT PROJECT

Regarding the Water Meter Replacement Project, Mr. Garcia reported that MOC has currently replaced a total of 18 meters. Mr. Garcia stated MOC had Accurate Meter & Backflow, LLC ("Accurate") inspect water meters in Fairgreen and High Meadows and MOC recommends approval to repair/replace the seven (7) identified commercial water meters by Accurate in High Meadows in the amount of \$12,600.00. A discussion ensued.

Upon a **motion** by Director Jaramillo, seconded by Director Salazar, after full discussion and with all Directors present voting aye, the Board approved the repair/replacement of seven (7) water meters identified in the High Meadows in the amount of \$12,600.00, as presented.

ENGINEER'S REPORT

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

Fairgreen/High Meadows Service Area

Mr. Edwards reported no change regarding the Surface Water Transmission Line Project. The scope of this project is to extend the existing 12-inch (12") City of Houston ("City") water transmission line down JFK Boulevard and to supply water to the Marquita Water Plant. A&S provided RAB with an updated cost estimate to be used in an amendment to the existing interlocal agreement between the District and East Aldine District ("EAD").

Mr. Edwards next reported no change regarding the Marquita Water Plant Improvements in the EAD. The scope of work is a new 10,000-gallon Hydropneumatic tank with the associated piping and electrical/control modifications. A&S provided RAB with an updated cost estimate to be used in an amendment to the existing Interlocal Agreement with the District and EAD.

Mr. Edwards reported that A&S received comments from Texas Commission on Environmental Quality on February 4, 2025, and are currently addressing those comments relating the Elevated Storage Tank Variance request.

Regarding East Aldine Estates Single-Family Residential Subdivision Project, Mr. Edwards reported that the water, sanitary sewer, drainage and lift station construction is nearing completion. A&S is attending periodic construction meetings held by Harris County (the "County") and stated that testing results of the piping installed were obtained by A&S. Mr. Edwards reminded the Board that all annexation documents were provided to RAB. Mr. Edwards further reminded the Board that the 12-inch (12") water line was installed in the south right-of-way of Connorvale Road, but not connected, and that connection of the water line is included in such project.

Mr. Edwards next reported no change regarding the service request for 3940 Aldine Mail Route Road. The service request is for two (2) warehouse buildings totaling approximately 11,260 square feet in the amount of two (2) equivalent single-family connections ("ESFC"). A&S is currently waiting for the County and Fire Marshall's approved plans before issuing the No Objection Letter.

Regarding the service request for residential development of 15 ESFCs for 11955 Gloger Street, Mr. Edwards reminded the Board that preliminary plans are approved, and A&S is waiting for the County and Fire Marshall's approved plans. Mr. Edwards stated A&S is finalizing preparation of annexation documents for submission to RAB.

Regarding the service request for residential development of 15 ESFCs for 11947 Gloger Street. Mr. Edwards reminded the Board that the Applicant is the same owner and adjacent to the proposed development at 11955 Gloger Street. Mr. Edwards stated to the Board that preliminary plans are approved and A&S is waiting for the County and Fire Marshall's approved plans.

Mr. Edwards next reported no change regarding the service request for 2026 Connorvale Road. A&S notified the Applicant that annexation is required as a condition of service. Mr. Edwards reminded the Board that A&S provided the application for service and deposit requirements to the owner of the tract and awaiting response.

Northline Terrace Service Area

Mr. Edwards next reported no change regarding the West Gulf Bank Road Widening Project related to water and sewer line relocations. All service lines and water meters have been transferred to the new water line.

Oak Glen Service Area ("Oak Glen")

Mr. Edwards reminded the Board that construction is complete on the County's Oak Glen Drainage Improvement Project, including all modifications to the Oak Glen water distribution system. Mr. Edwards stated that the County provided A&S with an invoice in the amount of \$263,062.00 on April 4, 2025, which was included in the District's 2024-2025 Budget.

Regarding Harris County Housing and Community Development's (the "HCHCD") Community Development Block Grant ("CDBG") 2024 plan year, Mr. Edwards reminded the Board that Ram Rod Utilities, LLC ("Ram Rod") was selected and awarded the project in the amount of \$631,631.00. Mr. Edwards reported that the Notice to Proceed was issued on May 19, 2025, which A&S reviewed and returned multiple submittals and waiting on mobilization by Ram Rod.

Regarding Oak Glen Water Line Replacement, Phase 2 Project, Mr. Edwards reminded the Board the scope of the proposed project is to replace all remaining water lines after Phase 1 is complete, approximately 7,670 linear feet of water lines. Mr. Edwards stated that A&S has sent the acceptance letter to HCHCD and requested attendance for a formal project kickoff meeting. Director Wade stated that he would like to be informed of the dates of the kickoff meeting. Mr. Edwards further stated A&S is coordinating with the surveyor.

Oakwilde Service Area

Mr. Edwards reminded the Board that R.P. Constructors, Inc. ("R.P.") was selected and awarded the WWTP and Lift Station Project in the amount of \$11,979,250.00 and the Notice to Proceed was issued on February 24, 2025. Mr. Edwards updated the Board relating to the continued installation of multiple concrete basins and other site work. Mr. Edwards then presented to the Board for consideration and payment R.P.'s Pay Application Nos. 2 and 3 in the amounts of \$457,266.07 and \$400,945.04, respectively, and stated that the amount reflects a ten percent (10%) retainage withheld. Mr. Edwards then stated A&S will submit to the Texas Water Development Board ("TWDB") applicable outlay reports, upon approval.

Mr. Edwards reported that construction plans for the Seven Mile Road Water Plant Improvements Project, which includes the ground storage tank, booster pump addition, new electrical service and upgrades to the existing electrical components as well as site modifications, have been approved by all agencies and that TWDB has approved advertising and taking of bids. Mr. Edwards stated that A&S will finalize the bids documents and prepare the advertisement and bidding schedule. Mr. Edwards reminded the Board that with the amendment to the Interlocal Agreement, the District will fund the remaining engineering (bidding and construction administration) and construction of the project with existing TWBD funds. Mr. Edward then presented for consideration an A&S Job Assignment Proposal in the amount of \$160,000.00 for the engineering and technical services relating to the bidding and construction administration of such project.

Mr. Edwards reminded the Board that C3 Constructors, LLC ("C3 Constructors") was selected and awarded the Hurlingham Water Plant Improvement Project in the amount of \$435,000.00 and is finalizing construction, while A&S is working to schedule final inspection. Mr. Edwards then presented to the Board for consideration and payment C3 Constructors' Pay Application No. 7 in the amount of \$15,075.00. Mr. Edwards stated that the amount reflects a ten percent (10%) retainage withheld.

Mr. Edwards reported that Sweeping Corporation of America, LLC ("Sweeping Corp.") was awarded the Oakwilde Smoke Testing Project, which will include smoke testing of the Oakwilde Service Area, including the wastewater collection Systems of both Mary Frances/Mary Eleanor and the North Houston Heights neighborhoods, and A&S has provided bond and insurance to RAB for review. Mr. Edwards recommends execution of the construction contract, subject to RAB's review.

Mr. Edwards reminded the Board that the County awarded the Westfield Estates Wastewater Collection and Lift Station Project to C.E. Barker and that construction has begun. Mr. Edwards stated A&S is attending periodic construction progress meetings being conducted by the County. Mr. Edwards reminded the Board that A&S continues to work with the County and their consultants regarding sanitary sewer installation and future residential sign-up. Mr. Edwards reported that A&S continues working with C.E. Barker on testing the sanitary sewer lines.

Heather Glen Service Area

Mr. Edwards then reminded the Board that there is no change regarding the Houston Food Bank's revised service request for multiple buildings totaling 432,350 square feet and a revised

capacity of 116 ESFCs. Mr. Edwards stated A&S has been provided the construction plans by the Applicant and are under review.

Woodland Oaks Service Area

Regarding the service request from D.R. Horton for an out-of-District property located adjacent to the Urban Logistics Park project, Mr. Edwards updated the Board that annexation documents were provided to the City by RAB and A&S will assist with any revisions necessary.

Mr. Edwards next updated the Board regarding the extension of the off-site water and sewer line installation to serve the D.R. Horton development, which the Board awarded the contract to ISJ Utilities, LLC ("ISJ Utilities") in the amount of \$360,143.05. Mr. Edwards stated the developer provided the necessary deposit and the Notice of Award was distributed. Mr. Ghafil with D.R. Horton addressed the Board regarding an Assignment and Assumption of Agreement for Financing of Facilities with Pinehaven Developers, Inc. A brief discussion ensued. It was the consensus of the Board to address said assignment at the next Board meeting.

Mr. Edwards next reported that A&S has started the design for the Hillwood lift station upgrades and will coordinate with the electrical engineer.

Mr. Edwards then reported that A&S has started the design for the Woodland Oaks Water Plant upgrades and will coordinate with the electrical engineer.

Mr. Edwards reported that A&S received a service request for Building No. 7 located at 11201 Tanyard Creek Drive, within the defined area of Woodland Oaks, in the southern half of the Hillwood Development. Mr. Edwards stated that A&S has reviewed plans and provided the No Objection Letter to MOC to prepare the tap fee quote. Mr. Edwards further stated that the developer will not seek reimbursement through traditional public water, sewer, and drainage ("WS&D") criteria, since such criteria will extend the process to get Building No. 7 on-line. Mr. Edwards stated that A&S will periodically inspect the project, and once installation and testing is complete, the WS&D utilities will be conveyed to the District for operation and maintenance. Mr. Edwards reported to the Board that all public WS&D utilities are required to be installed within designated easements. Mr. Edwards further stated that A&S is recommending approval of such easements, subject to RAB's review.

WHCRWA Water Line Extension

Mr. Edwards reported that construction will continue through the summer on the eight-foot (8') diameter water transmission line through Oakwilde (south of Hopper Road along Shady Lane, west of Halls Bayou). Mr. Edwards stated that upon completion of the transmission line, an eight-inch (8") water line is proposed for installation in the west right-of-way of Shady Lane.

Water Line Rehabilitation Within District

Director Salazar next updated the Board the District has secured a grant through Texas State Representative Armando Walle's office has allocated \$12 million for water line replacement funds, under the TWDB budget, pending final approval by Governor Abbott. A discussion ensued. Service area includes all District areas, except Woodland Oaks.

EAD Application for Wastewater Collection System in the Castlewood Subdivision

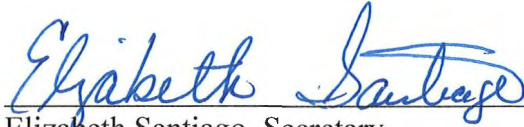
Other Items

Mr. Edwards reported that A&S has updated the value of the District's facilities for insurance purposes and discussed the updates with the Board. Ms. Hunter stated that A&S submitted revisions to the TML renewal pricing, which provided detail discrepancies to TML's renewal quotes relating to unjustified random increases. A&S is waiting a response from TML. An extensive discussion ensued.

Upon a **motion** by Director Salazar, seconded by Director Powell, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, as presented, including: 1) R.P.'s Pay Application Nos. 2 and 3 in the amounts of \$457,266.07 and \$400,945.04, respectively; 2) A&S's Job Assignment Proposal in the amount of \$160,000.00 for engineering and technical services for the bidding and construction administration for the Seven Mile Water Plant Improvements Project; 3) C3 Constructors' Pay Application No. 7 in the amount of \$15,075.00; 4) Sweeping Corp.'s construction contract for the Oakwilde Smoke Testing Project, subject to RAB's review; and 5) approval of WS&D utilities required easements, subject to RAB's review.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at 6:05 p.m.

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



Elizabeth Santiago, Secretary
Sunbelt Fresh Water Supply District