

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**

Minutes of Meeting of Board of Directors

February 26, 2020

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met at the Board’s regular meeting place on Wednesday, February 26, 2020 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Ben A. Solis, President  
Darrell A. Barroso, Vice President  
Lary J. Cangelose, Secretary  
Mike Kelley, Assistant Secretary  
Jon Morgan, Treasurer

and the following were absent:

None.

Also present were Mr. Jerry Homan, general manager for the District; Mr. Brian Breeding, assistant general manager for the District; Ms. Pam Magee, office manager for the District; Mr. Samuel Meza, operations manager for the District; Mr. Bob Ideus, fund manager for the District; Mr. Johnny Collins, tax assessor-collector for the District; Mr. Bill Rosenbaum and Ms. Kelly Shipley, engineers for the District; and Ms. Jennifer B. Seipel, attorney for the District.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. Under customer inquiries and input, Ms. Magee read a note from a customer thanking the District for providing safe water to drink.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 60.51% collection rate for the 2019 tax year, with all other tax years being 99% collected or better. After further review of the report, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the tax assessor-collector’s report and payment of the bills listed thereon with checks drawn from the tax fund.

3. The Board then considered the attached Order Levying Additional Penalty for Delinquent Taxes. The Order levies a 20% penalty on 2019 delinquent taxes for real property on July 1, 2020. After review, upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board adopted the Order as presented.

4. Mr. Ideus then presented the fund manager’s report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$77,192.30 to Core and Main, L.P., (ii) \$428,703.75 in connection with the District’s biannual debt service payments, and (iii) \$58,452.79 for engineering services. The Board also discussed adding to the fund manager’s

report a breakdown that provides additional information regarding the engineering services rendered for the month. The fund manager agreed to do so. The Board also authorized the fund manager to transfer \$200,000.00 from the District's SPA account to their land and easement acquisitions account in order to pay bills associated with the District's N. Eldridge Parkway utilities relocation project, which is necessitated by the Texas Department of Transportation expansion of that road. Upon motion made by Director Barroso, seconded by Director Morgan, and unanimously carried, the Board approved the fund manager's report as presented.

5. The Board then considered the minutes for the meeting held on February 19, 2020. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 51,500,000 gallons from its wells, with an average daily flow of 1,661,774 gallons. The ratio of water pumped to billed was 105% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 76,038,000 gallons with an average daily flow from the plants of 2,452,839 gallons per day. There were 4.5 inches of rainfall during the month of January.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 354 meters in the month of January and made no residential or commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 203,000 gallons and Harris County MUD No. 248 used 11,130,000 gallons.

As for personnel matters, a safety meeting on CPR is scheduled for March.

After review, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the operations report as presented.

7. The attorney noted that the District is required to review the FTC identity theft red flag program on an annual basis. Ms. Magee and Mr. Homan recommended that no changes be made to the program. Accordingly, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board voted to adopt the attached Resolution Affirming Identity Theft Prevention Program.

8. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With regard to the backslope swale and outfalls to be installed at the Wortham Falls detention pond, the engineer requested authorization to advertise for bids. The engineer estimated that the project will cost approximately \$100,000.00. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved advertisement of the project.

The engineer also requested authorization to advertise for bids for phases 7 and 9 of the District's sanitary sewer rehabilitation project. These phases will involve work in the

White Oak Landing, Meisterwood, and Oak Cliff Place neighborhoods. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved advertisement of the project.

After further review and discussion, upon motion made by Director Barroso, seconded by Director Morgan, and unanimously carried, the Board approved the engineer's report as presented.

9. The Board considered a request for a utility commitment letter for the tract of land located at 11811 Fallbrook Drive. The engineer confirmed that the property is within the boundaries of the District, and the District has the capacity to serve it. Accordingly, upon motion made by Director Morgan, seconded by Director Kelley, and unanimously carried, the Board approved the utility commitment request.

10. The Board next considered payment of the general fund bills listed on the report prepared by Ms. Magee, a copy of which is attached hereto. After review, upon motion made by Director Morgan, seconded by Director Barroso, and unanimously carried, the Board approved payment of the general fund bills as presented.

11. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee reviewed the District's January financials with the Board.

Mr. Breeding then reported that he and Mr. Homan met with representatives of Core & Main and Neptune regarding the upcoming installation of collector sites for use in connection with the automated meters being installed throughout the District. He stated that they are looking at between 4-5 different sites.

Mr. Homan then provided an update on the recoating of water plant no. 3.

Lastly, Mr. Homan reported that the District's auditors have begun their work on the audit for the fiscal year ending on December 31, 2019.

Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the management report as presented.

12. Ms. Seipel then confirmed that her office was preparing the required annual report to the Texas Comptroller pursuant to Senate Bill 625. Upon motion made by Director Cangelose, seconded by Director Kelley, and unanimously carried, the Board authorized the attorney to make the filing on the District's behalf.

13. The Board considered a certificate executed by the Secretary of the Board certifying that the candidates in the May 2, 2020 directors election are unopposed. Upon motion made by Director Barroso, seconded by Director Kelley, and unanimously approved, the Board adopted the attached Order Declaring Unopposed Candidates Elected and Canceling the May 2, 2020 Directors Election.

14. The Board considered items for the next agenda, including renewal of the District's insurance.

There being no further business to come before the Board, the meeting was adjourned.

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Secretary

Short Term Action Items

1. Renewal of District Insurance

Long Term Action Items

1. 222 Rate Analysis for Wastewater Usage
2. Plans for use of SPA Funds
3. Trunk Line Repair - Complete; Discussion of Costs with MUD 222 and MUD 248