

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 25, 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, March 25, 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; Ms. Pam Magee, office manager for the District; Mr. Bill Rosenbaum, engineer 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, Mr. Homan reported that several customers have expressed their gratitude for the District’s office remaining open for the duration of the Stay Home, Work Safe Order issued by Harris County.

2. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 91.82% 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 Kelley, seconded by Director Barroso, 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 considered the attached Order Authorizing General Manager and Assistant General Manager to Sign Disbursements, which, pursuant to Section 49.151(b) of the Texas Water Code, allows Mr. Homan and Mr. Breeding to sign checks disbursing District funds. After review, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board adopted the Order as presented.

4. Ms. Magee then presented the fund manager’s report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$225,487.66 to Core and Main, L.P., (ii) \$500.00 to the Bank of New York as the paying agent for the District’s debt service payments, (iii) \$27,746.24 as a reimbursement to the District’s operating account for expenses

incurred in connection with the water main repair at Foxburo Drive and N. Eldridge Parkway, and (iv) \$56,200.53 for engineering services. The report also identified a check to Texas American Title Company in the amount of \$2,500.00, but the check was not physically present for signature. With the bookkeeper not being in attendance, Ms. Magee stated that she would look into the matter. After discussion, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon, with the exception of the check to American Title Company.

5. The Board then considered the minutes for the meeting held on March 18, 2020. Upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Homan presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 47,623,000 gallons from its wells, with an average daily flow of 1,642,172 gallons. The ratio of water pumped to billed was 99% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 69,879,000 gallons with an average daily flow from the plants of 2,09,621 gallons per day. There were 1.6 inches of rainfall during the month of February.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 602 meters in the month of February and made no residential or commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 197,000 gallons and Harris County MUD No. 248 used 10,543,000 gallons.

As for personnel matters, a safety meeting on CPR was rescheduled for April.

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

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With regard phases 7 and 9 of the District's sanitary sewer rehabilitation project, the engineer reported that the District received several bids and recommended award of the contract to King Solution Services, LLC in the amount of \$1,387,650.00 with a contract time of 260 days. The Board discussed the fact that this contractor has done prior work on prior phases of the District's sanitary sewer rehabilitation project and did a satisfactory job. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board awarded the contract to King Solution Services, LLC upon the recommendation of the engineer.

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

8. 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 Kelley, and unanimously carried, the Board approved payment of the general fund bills as presented.

9. Mr. Homan and Ms. Magee presented the management report. Ms. Magee reviewed the District's February financials with the Board.

Mr. Homan then provided the Board with a detailed explanation of all the steps that the District is taking to create a safe environment for its employees and customers amidst the coronavirus/COVID-19 pandemic (the "Virus"). The Board expressed their satisfaction with the District's handling of the situation. Mr. Homan noted that, although the District is considered an essential business under the guidelines provided by the state and the federal government, it may be necessary to make adjustments to District employees' schedules to reflect changes in mandates issued by the government or to account for people who become sick. After discussion, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board authorized Mr. Homan to make adjustments to the staff's schedule and take other actions as necessary to address the Virus.

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

10. The Board considered items for the next agenda.

Secretary

Short Term Action Items

1. Normal Business

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