

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

June 24, 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, June 24, 2020 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Darrell A. Barroso, President
Lary J. Cangelose, Vice President
Mike Kelley, Secretary
Jon Morgan, Assistant Secretary
Ben A. Solis, 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. Bill Rosenbaum and Ms. Kelly Shipley, engineers for the District; Mr. Bob Ideus, bookkeeper for the District; Mr. David Wood, financial advisor 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 on the steps being taken by the District to comply with Harris County Judge Lina Hidalgo’s recent mask order.

2. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 96.02% 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 Solis, seconded by Director Morgan, 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. 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) \$118,194.04 to Core and Main, L.P., (ii) \$87,088.50 to Pardalis Industrial Enterprises, Inc., (iii) \$16,600.73 to the District, and (iv) \$45,656.72 for engineering services. After discussion, upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the fund manager’s report and the checks listed thereon.

4. The Board then considered the minutes for the meeting held on June 17, 2020. One change to the minutes was suggested, and after discussion, upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 64,043,000 gallons from its wells, with an average daily flow of 2,065,903 gallons. The ratio of water pumped to billed was 89% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 74,804,000 gallons with an average daily flow from the plants of 2,413,032 gallons per day. There were 5.0 inches of rainfall during the month of May.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 561 meters in the month of May and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 62,000 gallons and Harris County MUD No. 248 used 11,848,000 gallons.

As for personnel matters, a safety meeting on heat stress is scheduled for July.

Mr. Homan noted that automated meters have now been installed at all residential properties. The installation of automated meters at commercial properties continues.

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

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He reviewed with the Board the Series 2020 bond application. Mr. Wood also discussed with the Board the schedule for selling the bonds and closing the transaction, with the estimate being sometime this fall.

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

7. 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 Solis, and unanimously carried, the Board approved payment of the general fund bills as presented.

8. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's May financials with the Board. The directors asked several questions regarding various line items, including an expense associated with the purchase of a new District truck and a credit received for lack of any workers' compensation claims.

Mr. Homan reported that the contractor for the recoating of water plant no. 3 is nearing completion of the project.

Mr. Homan also noted that phases 7 and 9 of the sanitary sewer rehabilitation project are continuing to go well.

Lastly, the Board discussed the status of the warranty inspections for the prior phases of the District's sanitary sewer rehabilitation project.

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

9. The Board considered items for the next agenda, including a resolution authorizing the filing of the Series 2020 bond application with the Texas Commission on Environmental Quality.

Secretary

Short Term Action Items

1. Resolution Authorizing Filing of Series 2020 Bond Application

Long Term Action Items

1. Contract Negotiations with Various Entities Served by the District
2. Plans for use of SPA Funds