

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

Minutes of Meeting of Board of Directors

August 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, August 26, 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; Ms. Norma Hernandez, employee for the District; Mr. Bill Rosenbaum and Ms. Kelly Shipley, engineers for the District; Mr. Bob Ideus, bookkeeper 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. There were no customer inquiries or input for consideration.
2. Ms. Hernandez presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 95.99% 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 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. 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) \$43,897.84 and \$39,191.39 to Core & Main LP, (ii) \$88,291.35 to King Solutions Services, (iii) \$2,629,810.00 in connection with the District’s debt service payment, (iv) \$56,397.97 for engineering services, and (v) \$4,432.00 to Smith, Murdaugh, Little & Bonham, L.L.P. After discussion, upon motion made by Director Cangelose, 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 August 19, 2020. After discussion, upon motion made by Director Kelley, seconded by Director Morgan, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 72,791,000 gallons from its wells, with an average daily flow of 2,348,097 gallons. The ratio of water pumped to billed was 90% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 79,045,000 gallons with an average daily flow from the plants of 2,549,839 gallons per day. There were 5.8 inches of rainfall during the month of July.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 103 meters in the month of July and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 92,000 gallons and Harris County MUD No. 248 (“MUD No. 248”) used 13,425,000 gallons.

As for personnel matters, a safety meeting on health, wellness, and nutrition is scheduled for September.

After review, upon motion made by Director Cangelose, seconded by Director Solis, 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 provided an update on the Texas Commission Environmental Quality’s (the “TCEQ”) review of the Series 2020 Bond Application, which was submitted last month. He stated that he expects to receive approval from the TCEQ soon.

The engineer then reviewed a summary of estimated costs associated with the District’s relocation of water and sanitary sewer lines necessitated by the Texas Department of Transportation’s (“TxDOT”) expansion of N. Eldridge Parkway and F.M. 1960 W. The District discussed the sources of funding for the project, which will be mostly reimbursed by TxDOT but must be initially fronted by the District.

After further review and discussion, upon motion made by Director Solis, seconded by Director Cangelose, 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 Solis, seconded by Director Cangelose, 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 July financials with the Board. Ms. Magee pointed

out a few new items on the spreadsheet, including miscellaneous scrap metal and new fees paid by MUD No. 248 under their recent water supply and wastewater treatment agreements entered into with the District.

Mr. Breeding provided an update on the District's health insurance, a proposal for which should be presented at the next meeting.

Mr. Breeding reported that one of the A/C units for the District's administration building recently failed. After discussion, the Board agreed with the replacement of the unit at a cost of \$7,280.00.

Mr. Breeding also provided an update on the software to be utilized in connection with the District's new automated meters.

Mr. Homan then updated the Board on the status of the clarifier that failed at the Barwood wastewater treatment plant. The Board reviewed several quotes for the repair of the clarifier and surface preparation and coatings work. After discussion, upon motion made by Director Solis seconded by Director Morgan, and unanimously carried, the Board approved award of the contract for (i) removal and repair of the clarifier to Electrical Field Services in the amount of \$54,560.00 and (ii) surface preparation and coatings work to CFG Industries, LLC in the amount of \$33,500.00. Mr. Homan also noted that District employees will be doing approximately \$20,000 of additional work associated with the project.

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

9. At 6:35 p.m., the Board entered executive session to discuss the District's pending litigation against Magellan Pipeline Company, LP et al. At 6:43 p.m., the Board exited executive session and took no action.

10. The Board considered items for the next agenda, including renewal of the District's health insurance and a resolution authorizing emergency repairs.

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Secretary

### Short Term Action Items

1. Renewal of the District's Health Insurance
2. Resolution Authorizing Emergency Repairs

### Long Term Action Items

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