

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 9, 2020

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 9, 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. 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. The Board first considered a Resolution Authorizing Emergency Repairs, as authorized by Section 49.274 of the Texas Water Code, for the repair of a clarifier at the Barwood wastewater treatment plant. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the resolution as presented.

2. At 5:34 p.m., the Board then entered executive session to discuss the District’s pending litigation against Magellan Pipeline Company, L.P., et al. At 5:38 p.m., the Board exited executive session and took no action.

3. There were no customer inquiries or input for consideration.

4. The Board then considered the minutes for the meeting held on August 26, 2020. Upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Rosenbaum then presented the engineer’s report, a copy of which is attached hereto. He presented and recommended approval of Pay Application No. 3 in the amount of \$121,337.06 to King Solutions Services, Inc. for their work in connection with phases 7 and 9 of the District’s sanitary sewer rehabilitation project. Upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the pay application as presented.

The engineer then provided an update on the status of the District's Series 2020 bond application. He stated that the Texas Commission on Environmental Quality ("TCEQ") contacted him with concerns regarding the District's elevated storage capacity. He confirmed with the TCEQ that the District uses the TCEQ's criteria for determining the proper amount of elevated capacity.

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

6. The Board considered payment of the general fund bills. 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.

7. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee noted that she registered all of the directors for the mid-winter conference of the Association of Water Board Directors.

Mr. Breeding stated that the District's automated meters are almost ready to be tested and brought online. He noted that the towers and software associated with the automated meters have been installed and are ready.

Mr. Homan stated that a clarifier no. 1 at the Barwood wastewater treatment plant is being repaired and should be back online in approximately two weeks.

Mr. Homan also noted that the District is preparing to (i) invoice Harris County Municipal Utility District No. 69 ("MUD No. 69") for their share of the Barwood wastewater treatment plant clarifier project, and (ii) submit to MUD No. 69 and Harris County Municipal Utility District No. 222 a list of capital improvement projects to assist with their internal budgeting, as authorized by the District's contracts with those entities. He also stated MUD No. 69 pays a rate of \$1.00 less than the District's wastewater rate for its other customers. The District will need to raise its wastewater treatment rate in order for MUD No. 69 to pay additional money for the services being provided by the District.

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

8. The Board then considered renewal of its health insurance. Mr. Homan noted that the District's current provider, BlueCross/BlueShield, increased its rate 2.9%, which the District's insurance representatives believed to be reasonable. As such, it was recommended that the District renew its insurance with BlueCross/BlueShield at the proposed rate. Upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved renewal of the District's health insurance.

9. The Board lastly considered items for the next Board meeting, including discussion of the District's 2020 tax rate, an update on the status of litigation with Magellan Pipeline Company, L.P., discussion of the North Harris County Regional Water Authority, and the Water Users Coalition.

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

Secretary

Short Term Action Items

1. Discussion of the District's 2020 Tax Rate
2. Update on Status of Litigation with Magellan Pipeline Company, L.P.
3. North Harris County Regional Water Authority
4. Water Users Coalition

Long Term Action Items

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