

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 16, 2020

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 16, 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; Ms. Norma Hernandez, employee for the District; Mr. Bill Rosenbaum, engineer for the District; Ms. Jan Bartholomew, 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, Ms. Magee stated that today was disconnection day. There were 90 disconnections in the District and 8 disconnections in Harris County Municipal Utility District No. 248.

2. The Board considered the minutes for the meeting held on September 9, 2020. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

3. The Board discussed the District’s 2020 tax rate. Ms. Bartholomew reviewed the District’s financials with the Board, as well as certain information regarding the changes in the law implemented by the enactment of Senate Bill 2, which became effective on January 1, 2020, and recommended that, in light of that information, the Board levy a debt service tax of \$0.29 per \$100 assessed valuation. The Board discussed the future need for capital improvements projects and the uncertainty with value in the District as a result of the recent COVID-19 pandemic. The Board also discussed the District’s determination regarding the type of district it is for purposes of Chapter 49 of the Texas Water Code, determining that it was a developed district in a declared disaster area. Accordingly, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board adopted a Resolution (1) finding the District to be a developed district in a declared disaster area, (2) calling a public hearing on the District’s proposed 2020 tax rate for October 14, 2020, and (3) authorizing the

District's tax assessor-collector to prepare and publish notice of the public hearing, with the noticed rate being \$0.29.

4. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He discussed his receipt of a phone call from the U.S. Census Bureau regarding the District's phases 7 and 9 of its sanitary sewer rehabilitation project.

Mr. Rosenbaum also reviewed with the Board the status of the District's projects using the Series 2017 Bond Issue funds.

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

5. 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.

6. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Breeding provided an update on the status of the installation of the software needed for the District's automated meter program.

Mr. Breeding and Mr. Homan also provided an update on the status of the repair of the recent clarifier that was pulled at the Barwood wastewater treatment plant. Mr. Homan stated that the repairs would be paid from the District's emergency fund, with Harris County MUD No. 69 reimbursing the District for roughly 31.25% of such expense. Mr. Homan also requested the attorney to place on a future agenda a resolution regarding the reimbursement of such expense from other funds.

Mr. Homan then discussed a water leak experienced at N. Eldridge Parkway and Foxburo. This leak is close in proximity to a leak experienced earlier this year, which is leading Mr. Homan and Mr. Breeding to believe that the issue may be with the welds on the line. Mr. Homan stated that they are continuing to investigate the matter, but the water line may need to be replaced altogether.

Mr. Homan also reported that the Board for Timberlake Improvement District approached him regarding the District's purchase of one of their water plants, which is located adjacent to District lines. After some discussion, the Board requested Mr. Homan to continue to look into the matter.

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

7. The Board discussed the North Harris County Regional Water Authority, including their upcoming election and the costs associated with same. The Board also discussed the two candidates.

8. There was nothing to report with regard to the Water Users Coalition.

9. The Board discussed the litigation with Magellan Pipeline Company, L.P.

10. The Board lastly considered items for the next Board meeting, including review of the preliminary official statement for the upcoming Series 2020 Bond Issue, a resolution regarding reimbursement for capital expenditures, and discussion of the District's pending litigation against Magellan Pipeline Company, L.P.

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

Secretary

Short Term Action Items

1. Preliminary Official Statement and Notice of Sale for Series 2020 Bond Issue
2. Executive Session to Discuss the District's pending Litigation against Magellan Pipeline Company, L.P.
3. Discussion of TCDRS Retirement Plan

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