

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
October 28, 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, October 28, 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 94.80% collection rate for the 2019 tax year, with all other tax years being 99% collected or better. The Board asked several questions regarding figures contained in the report.

Ms. Hernandez then noted that the District’s 2020 tax bills have been mailed to homeowners.

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 subject to clarification of some of the figures set forth therein.

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) \$6,708.10 to Array, (ii) \$15,531.57 and \$300.00 to Veritext, LLC, (iii) \$10,000.00 and \$11,000.00 to Whitney & Associates, (iv) \$55,133.60 for engineering services, and (v) \$10,593.00 to Smith, Murdaugh,

Little & Bonham, L.L.P. After discussion, upon motion made by Director Cangelose, seconded by Director Solis, 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 October 21, 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 64,412,000 gallons from its wells, with an average daily flow of 2,147,067 gallons. The ratio of water pumped to billed was 114% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 82,708,000 gallons with an average daily flow from the plants of 2,765,933 gallons per day. There were 14.5 inches of rainfall during the month of September.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 3 meters in the month of September and made no commercial or residential taps.

With respect to out-of-district water use, Emerald Forest Utility District used 154,000 gallons, Harris County MUD No. 248 used 14,699,000 gallons, and Harris County MUD No. 69 used 420,000 gallons.

As for personnel matters, a safety meeting on slips, trips, and falls is scheduled for November.

Mr. Homan noted that clarifier no. 1 at the Barwood wastewater treatment plant is back online.

After review, upon motion made by Director Kelley, seconded by Director Cangelose, 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. With regard to the 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., Mr. Rosenbaum requested authorization from the Board to advertise for the project. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved advertisement as requested.

Mr. Rosenbaum then noted that his office continues to work with the North Harris County Regional Water Authority (the "Authority") with regard to their connection to District water plants for the purpose of receiving surface water. The Board discussed the necessary chloramine conversion associated with receipt of water from the Authority.

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 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 September financials with the Board. The Board asked several questions regarding percentages contained on the spreadsheet.

Mr. Breeding then reported that the District is making significant progress with Harris County with regard to repaving the intersection at Foxburo Drive and N. Eldridge Parkway.

Mr. Breeding also noted that he received a phone call from the Texas Commission on Environmental Quality requesting information related to the District's tier 2 reporting. Mr. Breeding provided the requested information, and the inquiry was resolved.

Mr. Breeding also reported that the District staff is scheduled to be trained to use the Neptune 360 software that services the new automated meter system, and the District is still on schedule to begin full use of the automated meter system in early 2021. Mr. Homan stated that he would bring information on the cost-savings experienced by the District as a result of its own staff installing the new automated meters, rather than a third-party contractor.

Mr. Homan also provided an update on the District's investigation into the water plant that Timber Lake Improvement District ("Timber Lake") has offered to sell to the District. Mr. Homan stated that it was his recommendation that the District not proceed with the purchase of the plant, given that he and the engineer agreed that it would cost the District significant amounts of money to rehabilitate it and the District would receive little benefit from having done so. After some discussion, the Board agreed and elected to decline the offer from Timber Lake.

Lastly, Mr. Homan reviewed the schedule of remaining matters to cover in 2020.

Upon motion made by Director Kelley, 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 the District's budget for F.Y.E. December 31, 2021.

Secretary

Short Term Action Items

1. Budget for F.Y.E. December 31, 2021

Long Term Action Items

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