

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 24, 2021

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, March 24, 2021 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 Catherman, employee for the District; Mr. Bill Rosenbaum, Ms. Kelly Shipley, and Mr. Greg Garner, 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. Catherman presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 87.41% collection rate for the 2020 tax year, with all other tax years excluding 2020 being 99% collected or better. There were a few checks with missing information that Ms. Catherman noted would be corrected. 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) \$320.70 to Core & Main, (ii) \$500.00 to Bank of New York Mellon as the District’s paying agent on its outstanding bonds, (iii) \$44,626.92 for engineering services, (iv) \$450.00 to Easy-Serve, LLC for process server services, (v) \$75,240.12 to Smith, Murdaugh, Little & Bonham, L.L.P., and (vi) \$13,000.00 to Whitney & Associates. After discussion, upon motion made, seconded, 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 March 17, 2021. A change to the minutes was presented, and after discussion, upon motion made by Director Solis, seconded by Director Cangelose, 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 54,095,000 gallons from its wells, with an average daily flow of 1,931,964 gallons. The ratio of water pumped to billed was 107% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 75,117,000 gallons with an average daily flow from the plants of 2,682,750 gallons per day. There were 3.4 inches of rainfall during the month of February.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District made two commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 131,000 gallons and Harris County MUD No. 248 used 11,698,000 gallons.

As for personnel matters, a meeting on power tool and motor safety is scheduled for April.

The Board discussed need to rebuild the motor at water plant no. 4. Mr. Breeding presented a proposal for that work in the amount of \$24,600.

After review, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the operations report and authorized the repair of the motor at water plant no. 4 as presented.

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He presented for approval and recommended payment of Change Order No. 1 in the amount of \$34,400.60 to Persons Services Corp. for their work in connection with the relocation of District water and sanitary sewer lines at N. Eldridge Parkway and F.M. 1960 W., as required by the Texas Department of Transportation's expansion of that intersection. Mr. Rosenbaum noted that the change order resulted from an increase in the cost of piping materials. This change order amounts to half of the increase in cost of the material. The engineer recommended that the Board approve the second half of the materials cost increase upon satisfactory completion of the project. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved Change Order No. 1 and the proposed course of action as recommended by the engineer.

Mr. Rosenbaum then presented and recommended for approval Change Order No. 1 in the amount of \$17,053.50 to King Solutions Services, LLC 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 Cangelose, and unanimously carried, the Board approved the change order as presented.

Lastly, Mr. Rosenbaum reviewed with the Board the few remaining projects to be completed pursuant to the Series 2017 bond issue, noting that almost all projects financed by the bond sale have been completed.

After further review and discussion, upon motion made by Director Morgan, 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 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 February financials with the Board.

Ms. Magee reminded the Board of the upcoming shrimp boil on April 15, 2021.

Mr. Homan gave an update on the status of various pieces of legislation pending before the Texas Legislature, including Senate Bill 526.

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

9. At 6:19 p.m., the Board entered executive session to discuss the status of its litigation against Magellan Pipeline Company, L.P. At 6:45 p.m., the Board exited executive session.

10. The Board considered items for the next agenda.

Secretary

Short Term Action Items

1. Normal Business

Long Term Action Items

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