

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

June 23, 2021

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, June 23, 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, tax assessor-collector 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 the Board’s consideration.
2. Ms. Catherman presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 93.70% collection rate for the 2020 tax year, with all other tax years excluding 2020 being 99% collected or better. Ms. Catherman and Ms. Magee also presented a request for waiver of penalties and interest made by a customer who recently purchased property in the District and did not receive his tax bills. After further review of the report, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved (i) the tax assessor-collector’s report and payment of the bills listed thereon with checks drawn from the tax fund and (ii) the waiver of penalties and interest for the account discussed.
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) \$14,240.58 to Alexander Dubose and Jefferson, LLP, (ii) \$24,701.45 for engineering services, and (iii) \$369.50 to Veritext Legal Solutions. After discussion, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the fund manager’s report and the checks listed thereon.

4. Ms. Seipel presented a contract with Arbitrage Compliance Specialists for work associated with the District's Series 2016 Bonds, noting that the contract authorizes them to perform a review of those bonds for purposes of compliance with Internal Revenue Service regulations and other legal requirements. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board authorized engagement of Arbitrage Compliance Specialists to provide arbitrage rebate services for the bonds as discussed.

5. The Board then considered the minutes for the meeting held on June 16, 2021. After discussion, upon motion made by Director Morgan, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 56,241,000 gallons from its wells, with an average daily flow of 1,814,226 gallons. The ratio of water pumped to billed was 88% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 81,528,000 gallons with an average daily flow from the plants of 2,629,935 gallons per day. There were 12.3 inches of rainfall during the month of May.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District made no commercial or residential taps and changed out three meters.

With respect to out-of-district water use, Emerald Forest Utility District used 210,000 gallons and Harris County MUD No. 248 ("MUD No. 248") used 10,522,000 gallons.

As for personnel matters, a meeting on lock out/tag out is scheduled for July.

After review, upon motion made by Director Cangelose, seconded by Director Kelley, and unanimously carried, the Board approved the operations report as presented.

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He provided a brief update on the status of the District's project to relocate its water and sanitary sewer lines at N. Eldridge Parkway and F.M. 1960.

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.

8. Ms. Seipel confirmed that the required information has been submitted to CenterPoint Energy to comply with the emergency operations critical load status for District facilities. This will register with CenterPoint Energy and other emergency operations agencies the District's critical water and wastewater infrastructure, and those facilities will be given priority for restoring service after a hurricane or other disaster.

9. 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.

10. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's May financials with the Board.

Mr. Breeding then reported that he and Mr. Homan met with representatives for Timber Lake Utility District regarding the renewal of an interconnect agreement between the parties. Ms. Seipel noted that she has drafted the proposed agreement, which was provided for Timber Lake Utility District's review.

Mr. Homan reminded the Board that the District's annual family day is scheduled for June 26, 2021. Ms. Magee provided information regarding parking and other logistics.

Mr. Homan reported that District employees will begin the process of installing automated meters throughout MUD No. 248 in the coming weeks. The Board was reminded of the fact that MUD No. 248 will share in the District's costs associated with use of the software and hardware needed to utilize the automated meters.

Mr. Homan also provided a brief update on matters related to the North Harris County Regional Water Authority.

Mr. Homan reported that the District is in the process of interviewing people to fill open field laborer positions.

Lastly, Mr. Homan stated that he is working to schedule this year's sheriff appreciation day.

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

11. The Board considered items for the next agenda, including a request for utility commitment for a Valvoline oil change station and an engagement letter for an arbitrage analysis for the District's Series 2011 bonds.

Secretary

Short Term Action Items

1. Utility Commitment Letter for Valvoline Oil Change Station
2. Series 2011 Arbitrage Analysis Engagement Letter

Long Term Action Items

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