

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

July 28, 2021

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, July 28, 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; 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 95.58% collection rate for the 2020 tax year, with all other tax years excluding 2020 being 99% collected or better. Mr. Homan requested that the attorney prepare a report showing the number of outstanding taxes owed and the attorney’s office’s efforts to collect same. Ms. Seipel stated that she would ask the attorney who handles the District’s delinquent tax collections to do so. 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) \$13,426.18 for engineering services, (ii) \$227,058.53 in checks associated with the N. Eldridge Parkway Project, and (iii) a check in the amount of \$4,725.00 to Hankinson PLLC, which was later noted to have been changed to \$2,362.50. The report also showed receipt of \$570,095.25 from Harris County Municipal Utility District No. 248 for their recent purchase of water and wastewater capacity. Mr. Homan also requested that the bookkeeper open a construction account for the relocation of the District’s water and sanitary sewer lines at N. Eldridge Parkway and F.M. 1960, from which

the District will issue checks to its contractor on the project. Mr. Ideus agreed to do so. After discussion, upon motion made by Director Kelley, seconded by Director Cangelose, 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 July 21, 2021. After discussion, upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Breeding presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 60,104,000 gallons from its wells, with an average daily flow of 2,003,467 gallons. The ratio of water pumped to billed was 96% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 79,583,000 gallons with an average daily flow from the plants of 2,651,000 gallons per day. There were 8.6 inches of rainfall during the month of June.

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

With respect to out-of-district water use, Emerald Forest Utility District used 235,000 gallons and Harris County MUD No. 248 ("MUD No. 248") used 13,210,000 gallons.

As for personnel matters, a meeting on proper lifting and preventing back injuries is scheduled for August.

After review, upon motion made by Director Cangelose, seconded by Director Kelley, 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. He presented and recommended payment of Pay Application No. 1 in the amount of \$113,333.40 to Persons Service Corp. in connection with their work on the District's project to relocate its water and sanitary sewer lines at N. Eldridge Parkway and F.M. 1960.

Mr. Rosenbaum also provided an update on an inquiry for service received from a group looking to develop a multifamily apartment complex on the 8.3-acre vacant tract located at Huffmeister Road and Birdcall Lane. The engineer confirmed that he would request that representatives for the developer attend an upcoming District meeting to explain the project to the Board.

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

7. In connection with the operator's report, the Board considered a Resolution Authorizing Emergency Repairs, as authorized by Section 49.274 of the Texas Water Code, for the repair and rehabilitation of the motor for water well no. 2 at the District's water plant no. 2 in an estimated amount of \$48,820.00. The Board discussed in some detail why it was preferable at this time to repair, rather than replace, the motor, noting that it would take four to six months to receive a new motor, as opposed to the two to four weeks that it will take to repair the existing motor. The Board also noted that the replacement was much more expensive than the repair. Mr. Breeding again confirmed that a claim has been made with the District's insurer in connection with this repair, given that it was necessitated by a lightning strike at the plant. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the resolution as presented.

8. 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.

9. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's June financials with the Board. Director Kelley asked a question regarding the amount of the annual audit fee. Ms. Magee stated that she believed the increase in cost was related to additional work performed to reconcile tax accounts, but she would confirm.

Mr. Homan also provided a brief update on matters related to the North Harris County Regional Water Authority, including their decision to return to in-person meetings.

Lastly, Mr. Homan and Mr. Breeding reported that the new field laborer hired quit earlier in the week.

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

10. At 6:37 p.m., the Board entered executive session to discuss pending litigation. At 7:22 p.m., the Board exited executive session and voted unanimously to amend the District's contract with Smith, Murdaugh, Little, and Bonham, L.L.P. as related to the Texas Department of Transportation's acquisition of District property.

11. The Board considered items for the next agenda.

Secretary

Short Term Action Items

1. Normal Business

Long Term Action Items

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