

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 8, 2021

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 8, 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
Ben A. Solis, Treasurer

and the following were absent:

Jon Morgan, Assistant Secretary

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; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Michael Hampton.

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 input or inquiries for the Board’s consideration.
2. The Board considered the minutes for the meeting held on August 25, 2021. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.
3. Mr. Breeding then presented the engineer’s report, a copy of which is attached hereto. He reported that the District is in the process of scheduling a preconstruction meeting with its contractor for the relocation of its water and sanitary sewer lines at the intersection of N. Eldridge Parkway and F.M. 1960 W.

Mr. Homan also noted that he is still working to schedule a meeting with the North Harris County Regional Water Authority (the “Authority”) regarding some easements that they need from the District.

After discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the engineer’s report as presented.

4. The Board considered a request for a utility commitment from a developer of a retail store at 12445 FM 1960. Mr. Hampton described the proposed project, which would serve as a likely shoe store. The attorney noted that the tract is located within the boundaries of the District, and the District has the requisite water and sanitary sewer capacity to serve the

development. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved issuance of the commitment letter. The Board also discussed a request from the developer to install a sign within water and sanitary sewer easements held by the District. Ms. Seipel noted that the District's engineers have studied the request and have confirmed that it is acceptable provided that the consent to the encroaching sign include certain terms. She stated that she would revise the consent to include those terms for final approval by the engineer. Subject to that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the consent to encroachment as described. Mr. Hampton thanked the Board for their time and left the meeting.

5. The Board considered payment of the general fund bills. After review, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

6. The Board then considered renewal of its health insurance. Mr. Homan noted that the District's current provider, BlueCross/BlueShield, increased its rate 4.5%, which the District's insurance representatives believed to be reasonable. The Board also reviewed other proposals received, which did not present a cost savings for a comparable product. As such, it was recommended that the District renew its insurance with BlueCross/BlueShield at the proposed rate. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved renewal of the District's health insurance. The Board also considered renewal of the District employees' dental, vision, and disability benefits. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved renewal of those policies as well.

7. Ms. Seipel reviewed with the Board the arbitrage report issued by Arbitrage Compliance Specialists for the District's Series 2016 bonds, noting that the report stated that the bonds complied with the regulations of the Internal Revenue Service and thus it was recommended that no action be taken at this time.

8. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Breeding noted that the installation of residential meters in Harris County MUD No. 248 is complete.

Mr. Homan reported that District personnel continues to work on a variety of matters, including the sanitary sewer rehabilitation project, the relocation of District facilities at N. Eldridge Parkway and FM 1960, and the implementation of the District's new tax software.

After discussion, upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the management report as presented.

9. The Board then tabled discussion of the meeting of the Authority and the Water Users Coalition.

10. The Board considered items for the next Board meeting, including discussion of the Authority and the Water Users Coalition.

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

Secretary

Short Term Action Items

1. North Harris County Regional Water Authority
2. Water Users Coalition

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