

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 22, 2021

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 22, 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. Samuel Meza, operations manager for the District; Mr. Bill Rosenbaum, engineer 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. Under customer inquiries and input, Ms. Magee stated that the District had disconnection day, which was delayed due to power outages at the District’s administration building last week. There were 36 disconnections in the District and 3 disconnections in Harris County Municipal Utility District No. 248.

2. Ms. Catherman presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 95.48% collection rate for the 2020 tax year, with all other tax years excluding 2020 being 99% collected or better. After further review of the report, upon motion made by Director Morgan, 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. The Board called the public hearing for public comment on the proposed 2021 tax rate to be set in the District. Ms. Seipel noted that the hearing was the opportunity for the Board to receive comment from the public on the proposed tax rate. Mr. Homan, as a property owner in the District, provided a brief comment on the proposed tax rate. The Board thanked Mr. Homan for his commentary and then closed the public hearing.

4. Following the public hearing, the Board considered the Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax for 2021. Ms. Magee and Ms.

Catherman confirmed that they had published the required notice which reflects that the District would consider a tax rate of \$0.29 per \$100 valuation. Ms. Seipel then presented an Amendment to Statement of Directors which reflects the newly-adopted tax rate, a copy of which will be recorded in the Real Property Records of Harris County, Texas. After review, and upon motion made by Director Kelley, seconded by Director Solis, the Board voted unanimously to approve the Order setting the District's 2021 tax rate at \$0.29 per \$100 valuation and the Amendment to Statement of Directors.

5. Mr. Ideus then presented the fund manager's report, a copy of which is attached hereto. The report showed checks and/or wire transfers in the amounts of (i) \$52,363.37 for engineering services, (ii) \$550.00 to a paying agent in connection with the payment of its debt service obligations, and (iii) \$1,175.00 in checks associated with the N. Eldridge Parkway project. 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.

6. The Board then considered the minutes for the meeting held on September 15, 2021. After discussion, upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

7. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 70,106,000 gallons from its wells, with an average daily flow of 2,261,484 gallons. The ratio of water pumped to billed was 96% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 77,737,000 gallons with an average daily flow from the plants of 2,507,645 gallons per day. There were 3.6 inches of rainfall during the month of August.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District made zero commercial taps and changed out 161 meters in Harris County MUD No. 248 ("MUD No. 248").

With respect to out-of-district water use, Emerald Forest Utility District used 213,000 gallons and MUD No. 248 used 15,269,000 gallons.

As for personnel matters, a meeting on housekeeping and worksite safety is scheduled for October.

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

8. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He noted that, with regard to the District's project to relocate its water and sanitary sewer lines at N. Eldridge Parkway and F.M. 1960, construction is scheduled to begin on October 18, 2021.

Mr. Rosenbaum also discussed the redevelopment of several tracts within the District. Director Kelley asked several questions regarding the redevelopment of a fast-food restaurant into a Valvoline station. Mr. Homan and Mr. Rosenbaum explained the process for redevelopment of buildings and the disconnection and reconnection of District wastewater and water facilities to serve such tracts. During this discussion, Mr. Homan and Mr. Breeding also explained the District's protocols for reviewing and retaining site plans for development projects within the District.

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 as presented.

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 Solis, 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 August financials with the Board.

Mr. Homan reminded the Board that the District has received several requests for easements from the North Harris County Regional Water Authority (the "Authority"). Mr. Homan confirmed that he is still working to schedule meeting with the Authority to discuss the matter in a more comprehensive manner.

Mr. Homan stated that he and Mr. Breeding have begun to work on the District's budget for next year.

Mr. Homan provided an update on the District's protocols for COVID-19 as it relates to operations and employee matters. The Board expressed its satisfaction with the plan in place.

Lastly, Ms. Seipel presented a legal memorandum on legislative changes related to a person's ability to carry a firearm at District meetings and on District property. After discussion, the Board confirmed that no action was necessary.

Upon motion made by Director Solis, 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 utility commitment letter for the tract located at 10816 Huffmeister.


Secretary

Short Term Action Items

1. Utility Commitment Letter for Tract Located at 10816 Huffmeister

Long Term Action Items

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