

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 26, 2022

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, January 26, 2022 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; Mr. Johnny Williams with Champions Hydrolawn; 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 36.60% collection rate for the 2021 tax year, with all other tax years excluding 2020 being 99% collected or better. Ms. Catherman also presented a request for waiver of penalties and interest from a District taxpayer who failed to pay her 2019 taxes on time. The attorney advised the Board that the Tax Code limits the circumstances under which the Board is permitted to waive penalties and interest, and she did not believe that the request being made qualified for waiver. Subject to that discussion, the Board elected to take no action with respect to the request. After further review of the report, upon motion made by Director Morgan, seconded by Director Solis, 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 considered tax exemptions for the 2022 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. The Board also considered the attached Order Adopting Homestead Exemption. In prior years, the District has provided an exemption of 20% on residential homesteads and can continue such

exemption with adoption of this Order. Upon motion duly made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled and Order Adopting Homestead Exemption as presented.

4. 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) \$415.00 to Amegy Bank, (ii) \$46,028.88 for engineering services, (iii) \$64,452.60 to Persons Services Corp., and (iv) \$73,131.95 to Alexander, Dubose and Jefferson, LLP. After discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

5. The Board then considered the minutes for the meeting held on January 19, 2022. After discussion, upon motion made by Director Kelley, 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 52,144,000 gallons from its wells, with an average daily flow of 1,682,065 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 80,557,000 gallons with an average daily flow from the plants of 2,598,613 gallons per day. There were 2.7 inches of rainfall during the month of December.

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 zero residential and commercial meters.

With respect to out-of-district water use, Emerald Forest Utility District used 235,000 gallons and MUD No. 248 used 8,961,000 gallons.

As for personnel matters, a safety meeting on confined space entry is scheduled for February.

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

7. Mr. Williams then presented a report on behalf of Champions Hydrolawn with regard to the condition of the District's drainage facilities. He noted that there is erosion at the shoreline of the detention pond in Ravensway Lakes, which was caused by ducks and nutria. He outlined two repair methodologies: (i) the installation of a material called Flexamat for a cost of \$80,223.00 and (ii) the reshaping of the shoreline and installation of new sod for a cost of \$31,485.00. Mr. Homan recommended that the Board select the second option. After some discussion, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board authorized Champions Hydrolawn to make repairs to the Ravensway Lakes pond in the amount of \$31,485.00.

8. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With regard to the District's project to relocate its water and sanitary sewer

lines at N. Eldridge Parkway and F.M. 1960, Mr. Rosenbaum presented and recommended approval of Pay Application No. 3 in the amount of \$64,452.60 to Persons Services Corp. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

The engineer provided an update on the status of the reimbursement package with the Texas Department of Transportation, noting that it has moved to review by the Right-of-Way Division.

Mr. Rosenbaum noted that a preconstruction meeting for the phase 8 television work was held today.

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 then considered an Order for Election of Directors. Ms. Seipel noted that Director Barroso and Director Kelley are up for reelection. After discussion, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved the order as presented.

10. 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 Kelley, and unanimously carried, the Board approved payment of the general fund bills as presented.

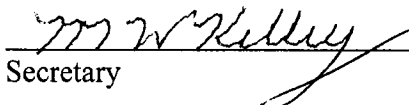
11. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's 2021 financials with the Board. Mr. Homan noted that the District's budgeted projections closely matched its actual revenue and expenditures, with the District having received 99.6% of budgeted revenues and having spent 100.42% of budgeted expenditures. The Board expressed its satisfaction with the District employees' methodology for preparing the budget each year.

Mr. Breeding noted that he continues to work on usual District business.

Mr. Homan reminded the Board of the upcoming conference of the Association of Water Board Directors in Galveston, Texas.

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

12. The Board considered items for the next agenda.

 2-9-2022
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