

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 16, 2022

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met at the Board’s regular meeting place on Wednesday, March 16, 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; Mr. Bill Rosenbaum, engineer for the District; Ms. Kim Courte with Arthur J. Gallagher; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Mark Sappington of Sappington Engineering.

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. There were 85 disconnections in the District and 11 disconnections in Harris County Municipal Utility District No. 248 (“MUD No. 248”).

2. The Board then considered the minutes for the meeting held on March 9, 2022. Directors Solis and Kelley suggested two changes to the minutes. Upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the minutes as amended.

3. Mr. Rosenbaum then presented the engineer’s report, a copy of which is attached hereto. He introduced to the Board Mr. Sappington, an engineer performing due diligence work on behalf of a developer looking to construct an apartment building complex at 14120 Cypress N. Houston. Mr. Sappington approached the Board regarding its interest in providing water and sewer service to the tract, which is not currently located within the District’s boundaries. Mr. Sappington stated that the project would include a 5-story apartment building, with one level of parking and 4 stories containing approximately 240-250 apartment units. He stated that the project is not low-income or government-subsidized housing and is expected to have a taxable value of \$25,000,000 to \$35,000,000. Mr. Sappington then requested that the Board allow the District’s engineer to perform a feasibility study for the project, with the

developer presenting a check for \$5,000 to cover such study. After discussion, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved performance of the feasibility upon receipt of the \$5,000 fee from the developer. Mr. Sappington thanked the Board for its time.

Mr. Rosenbaum then presented and recommended approval of (i) Pay Application No. 1 in the amount of \$13,942.35 and (ii) Change Order No. 1 in the amount of \$6,827.25, both of which were submitted by CSI Consolidated, LLC d/b/a Aims Companies for their work in connection with the phase 8 sanitary sewer project television work. Mr. Homan noted that the change order relates to televising of a line that the District intended to televise in the future but was not originally included in this scope of work. In light of has been observed in doing the televising work so far, Mr. Homan stated that it made sense to include this new line in the current scope of work. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the change order.

After discussion, upon motion made by Director Kelley, seconded by ~~Director Barroso~~, and unanimously carried, the Board approved the engineer's report as presented.

4. Ms. Courte then approached the Board regarding the renewal of the District's insurance. She reviewed the District's policy coverages, noting that their premium is increasing only 11.74% over last year's premium, in part due to an increase in cyber security coverage costs. The Board had a robust debate as to whether the District should reduce its cyber security coverage by \$1,000,000 to reduce its policy premium. On the advice of Ms. Courte, the Board elected to keep its current level of coverage in place. After further discussion, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved renewal of the District's insurance per the proposal presented.

5. The Board considered payment of the general fund bills. 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.

6. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee presented the December SPA check from the City of Houston in the amount of \$126,302.19.

Ms. Magee reported that she registered the Board for the spring breakfast of the Association of Water Board Directors.

Mr. Breeding stated he continues to work on various development, reporting, and other matters.

Mr. Breeding also provided an update on the repair to the transmission needed to be performed a District truck. He reported that he received a quote from Joe Myers Ford for \$4,726.31, which was several hundred dollars less than the other quote received. The repair to the truck is currently underway.

Mr. Homan reported that District representatives met with the contractor for the N. Eldridge Parkway utilities relocation project on March 14, 2022. He stated that the meeting went well, and the contractor believes the project will be complete by June 1, 2022.

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

7. The Board lastly considered items for the next Board meeting.

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


Secretary

Short Term Action Items

1. Usual Business

Long Term Action Items

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