

## **HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**

Minutes of Meeting of Board of Directors

May 11, 2022

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, May 11, 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; Mr. Joseph Ellis, auditor 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. Mr. Ellis of McCall Gibson Swedlund Barfoot, PLLC presented an audit of the District's books and records for the fiscal year ended December 31, 2021. He stated that the District experienced another good year and his firm was issuing an unmodified opinion, meaning that the District's financial and other records for the year present fairly and accurately. Mr. Ellis reviewed the audit with the Board in detail. Director Kelley asked a question about the pension plans note in the report, which Mr. Ellis answered to his satisfaction. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the audit as presented, subject to finalization and approval by the attorney and District representatives, and authorized its filing as required by law. Mr. Ellis thanked the Board for its time and left the meeting.

2. Under customer input and inquiries, Mr. Homan noted that he and Mr. Breeding went to the Harris County MUD No. 248 meeting today.

3. The Board considered the minutes for the meeting held on April 27, 2022. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

4. The President of the Board executed the Certificates of Election indicating that Directors Barroso and Kelley were each elected without opposition to serve an additional four-year term on the Board pursuant to the cancellation of the May 7, 2022 election. The

newly-elected directors (i) presented their Statement of Appointed/Elected Officer and Letter of Qualification and (ii) completed the conflicts disclosure questionnaire. The Board accepted their Oaths of Office, and Directors Barroso and Kelley then began their new terms.

5. Ms. Seipel noted that, after approving the audit being presented at the meeting, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. She confirmed that her office would coordinate such effort.

6. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. The District's investment officers confirmed that the policy currently in place is working and recommended that it be affirmed. Mr. Homan also noted the tenants of the District's investment policy, which focus on the security and liquidity of the District's funds, among other factions. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives as presented.

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He reported that construction continues with regard to the District's relocation of water and sanitary sewer lines at the intersection of N. Eldridge Parkway and FM 1960, with the hope being that the project will be complete in June. The engineer and Mr. Homan also went into some detail regarding the process for converting from use of the existing water lines to the new lines.

Mr. Rosenbaum also reported that his office received an inquiry for service with regard to a tract of land located at the southwest corner of N. Eldridge Parkway and Cypress N. Houston Road. The tract of land is not located within the boundaries of the District and would need to be annexed. The engineer stated that he would obtain additional information about the project and bring it to the Board at a future meeting.

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

8. The Board then considered the engagement of Whitney & Associates to perform appraisals of easements sought by the North Harris County Regional Water Authority (the "Authority"). Upon motion made by Director Morgan, seconded by Director Kelley, and unanimously carried, the Board approved the proposal as presented and authorized Mr. Homan to use discretion in deciding which parcels to have appraised.

9. 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.

10. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee presented the District's February SPA check from the City of Houston in the amount of \$80,538.80.

Mr. Breeding reported that he continues to work on a variety of development and other District matters.

Mr. Homan noted that the recent District shrimp boil and family day were a huge success, with both events being well-attended and enjoyed by all. The Board thanked Mr. Homan, Mr. Breeding, and Ms. Magee for all their hard work in putting these events together.

Lastly, Mr. Homan confirmed that the District's annual sheriff's appreciation day will be held in June.

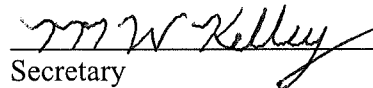
After discussion, upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the management report as presented.

11. The Board discussed the most recent meeting of the North Harris County Regional Water Authority (the "Authority"), which several directors attended. The Board discussed the engineer's report in some detail.

12. The Board briefly discussed the Water Users Coalition (the "Coalition"). Mr. Homan reminded the Board of the upcoming town hall sponsored in part by the Coalition to introduce to new members of Harris County Precinct No. 3 its commissioner, Tom Ramsey.

13. The Board lastly considered items for the next Board meeting, including discussion of litigation, the engagement of a new bookkeeper, and an order appointing the new bookkeeper as the District's investment officer.

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

 5-18-22  
Secretary

Short Term Action Items

1. Executive Session to Discuss Litigation Matters
2. Engagement of Bookkeeper
3. Order Appointing Investment Officer

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