

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
October 26, 2022

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, October 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, P.E., engineer for the District; Mr. Bill Russell, bookkeeper for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; 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, the Board discussed the multitude of positive feedback it has received regarding the recent information session the District hosted with the North Harris County Regional Water Authority. Mr. Homan noted that such success was due to the team effort amongst District staff and the Board.

2. Ms. Catherman presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 96.61% collection rate for the 2021 tax year, with most other tax years being 99% collected or better. After further review of the report, upon motion made by Director Kelley, seconded by Director Morgan, 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 2022 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 2022. Ms. Magee and Ms.

Catherman confirmed that they had published the required notice which reflects that the District would consider a tax rate of \$0.28 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 2022 tax rate at \$0.28 per \$100 valuation and the Amendment to Statement of Directors. With regard to Section 26.18 of the Texas Tax Code, Ms. Seipel noted that the District's online posting required under that statute would be amended to reflect the proposed 2022 tax rate. Ms. Magee also noted that the 2022 tax bills will be mailed to customers this week.

5. Mr. Russell 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) \$39,690.00 to Alexander, Dubose, & Jefferson, LLP, (ii) \$42,967.03 for engineering services, (iii) \$4,475.00 to Software Solutions, and (iv) \$14,653.55 to Smith, Murdaugh, Little & Bonham, LLP. Mr. Russell also provided an update on the closing of several certificates of deposit and the procurement of remaining District records from the District's prior bookkeeper. He also noted that he has almost finalized the bond comparison sheet used to track use of the District's bond proceeds going forward. Lastly, Mr. Homan and Mr. Russell discussed the transfer of certain District operating accounts to a TexPool fund, where the interest rates continue to increase. The Board agreed with the proposed course of action. Subject to that discussion, upon motion made by Director Cangelose, seconded by Director Kelley, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

6. The Board next considered the minutes for the meeting held on October 19, 2022. One change was suggested, and after discussion, upon motion made by Director Morgan, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as amended.

7. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 68,651,000 gallons from its wells, with an average daily flow of 2,288,367 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 83,755,000 gallons with an average daily flow from the plants of 2,791,833 gallons per day. There were 2.9 inches of rainfall during the month of September.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected.

With respect to out-of-district water use, Emerald Forest Utility District used 175,000 gallons and MUD No. 248 used 16,121,000 gallons.

As for personnel matters, a safety meeting on defensive driving is scheduled for November.

After review, upon motion made by Director Cangelose, seconded by Director Morgan, 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 presented and recommended approval of Pay Application No. 6 and Final from CSI Consolidated, LLC for their work in connection with the phase 8 television work. Mr. Homan and Mr. Breeding also reported that, upon final review of the tapes, it appears that the District's trunklines are in good condition, with only approximately 15% of them requiring replacement. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

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

9. Mr. Gray presented a report on behalf of Champions Hydro-Lawn, copy attached. He noted that all of the District's facilities are in good shape. He continues to work with Harris County on the de-silting of its channel near the Crossbend Village pond, which he mentioned has stalled.

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

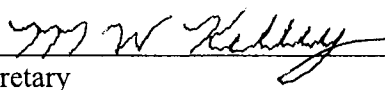
11. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reviewed the District's September financials with the Board.

Mr. Breeding and Mr. Homan reported that they continue to work on end-of-year items, such as employee reviews and budgetary matters. Such topics of discussion will be placed on November and December meeting agendas. The Board also discussed its November and December meeting schedule.

Mr. Homan presented a request from Tower Oaks Bend Water Supply Corp. for a temporary interconnect and supply of water, which is needed while they make repairs to their water plant facilities. The Board agreed in concept to the proposal and instructed the attorney and Mr. Homan to work on the details.

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

12. The Board considered items for the next agenda.

 11.9.22
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