

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

November 30, 2022

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, November 30, 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 recent boil water notice issued by the City of Houston. Mr. Homan and Ms. Magee noted that, although the District was not under the boil water notice, the District received a multitude of calls from customers regarding the situation. Ms. Magee noted that all questions received were promptly answered.

2. Ms. Catherman presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 97.27% collection rate for the 2021 tax year, with most other tax years being 99% collected or better.

The Board then considered a request with regard to the waiver of penalties and interest on the Venture Partners, Ltd. tax account. Ms. Catherman explained that they failed to pay their 2019 taxes but were unaware of such failure until they received their latest tax bill, which included the past balance. She read a letter written on behalf of the entity explaining that they did not receive their 2019 bill and have otherwise paid all of their taxes on time. Subject to that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board authorized the waiver of \$858.98 in penalties and interest, which did not include waiver of the attorneys’ fees incurred in connection with the account.

After further review of the report, upon motion made by Director Solis, 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. 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) \$13,690.00 to Alexander, Dubose, & Jefferson, LLP, (ii) \$36,797.43 for engineering services, (iii) \$1,875.00 to Core & Main, (iv) \$9,000.00 to Whitney & Associates, (v) \$16,400.00 to DEX Imaging, and (vi) \$11,610.87 to Allterra. Mr. Russell also stated that District personnel now has access to transfer money into the District's Texpool accounts. Subject to that discussion, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

4. The Board next considered the minutes for the meeting held on November 16, 2022. Upon motion made by Director Morgan, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 72,985,000 gallons from its wells, with an average daily flow of 2,354,355 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 79,364,000 gallons with an average daily flow from the plants of 2,560,129 gallons per day.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced three meters and installed no commercial or residential taps during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 175,000 gallons and MUD No. 248 used 16,410,000 gallons.

As for personnel matters, a year-end safety meeting is scheduled for December.

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

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He noted that the water and sanitary sewer line project at N. Eldridge Parkway and F.M. 1960 is ongoing.

Mr. Rosenbaum then reported that he is retiring at the end of the year, and the District's new representative will be Mr. Adam Anderson. He noted that he will still be doing some work in a limited capacity and is available if needed. The Board thanked Mr. Rosenbaum for his many years of service to the District.

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

7. 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, with the exception of a nutria burrow at the Ravensway pond. He presented a proposal in the amount of \$1,875.00 for the removal of the nutria and repair of the damage to the pond. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the proposal as presented.

8. 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.

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

Mr. Breeding reported that he continues to work on end-of-year items, such as employee reviews and other regulatory matters.

Mr. Homan then explained the process for performing personnel reviews, which will be conducted at the December 7, 2022 meeting. Mr. Homan noted that the Board's packet includes information related to all District employees and asked that the information be brought back to the next meeting.

Mr. Homan confirmed that the District's employee Christmas party will be on December 8, 2022 from 11:00 a.m. to 2:00 p.m. at the District's administration building.

Mr. Homan provided a summary of the recent budget workshop held by the North Harris County Regional Water Authority (the "Authority"). In connection with that discussion, Mr. Homan noted that he met with the general manager for the Authority regarding easements needed from the District. He stated that he will keep the Board apprised of the situation.

Lastly, the Board discussed the status of the Tower Oaks Bend Water Supply Corp. matter. It was noted that the temporary interconnect with the District likely will not be needed for some time.

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

10. The Board considered items for the next agenda, including an executive session to discuss personnel matters.

Secretary

Short Term Action Items

1. Executive Session for Personnel Matters

Long Term Action Items

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