

## HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

December 14, 2022

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, December 14, 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; 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, Mr. Breeding read a letter from a customer of Harris County MUD No. 248 regarding the District’s outstanding customer service. The Board noted that the District receives many compliments from its customers and attributed that to the good job done by the District staff.

2. The Board considered the minutes for the meeting held on December 7, 2022. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Rosenbaum then presented the engineer’s report, a copy of which is attached hereto. With regard to the District’s ongoing water and sanitary sewer line replacement project at F.M. 1960 and N. Eldridge Parkway, the engineer presented and recommended approval of Pay Application No. 11 in the amount of \$80,437.50 to Person Services Corp. Mr. Rosenbaum noted that there will be a final pay application, but Mr. Homan recommended that the District not approve any additional pay applications or release any of the 10% retainage until certain work performed has been redone by the contractor. The Board questioned whether the pay application being presented should be paid, and the engineer stated that he believed it should be paid because it covers work done several months ago. The Board then asked many questions regarding which work was done improperly. Mr. Breeding and Mr. Homan provided several examples. The Board asked who is to blame with regard to these issues, and Mr. Homan stated that he believed the contractor and the engineer were both at fault. Mr. Homan noted that the

District staff continues to work with the contractor and the engineer to see that all issues are promptly resolved. Mr. Homan and Mr. Breeding stated that the project continues to require a significant amount of District employee time. The Board asked Mr. Rosenbaum what he had to say with regard to the matter, and he confirmed what Mr. Homan said with regard to the failures of the engineer's inspector. Mr. Homan also stated that the contractor and the engineer are trying to schedule a meeting next week with District representatives. ~~next week~~ to discuss what needs to be done to close out this project. He stated that he will have additional information for the Board following that meeting. Subject to that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

The engineer also reported that two new parties are interested in developing the tract located at 14120 Cypress N. Houston. In connection with that discussion, Mr. Homan and Ms. Seipel discussed the concept of public facilities corporations with the Board.

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

4. 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.

5. Ms. Magee and Mr. Breeding next presented the management report. Ms. Magee presented the District's September SPA check from the City of Houston in the amount of \$194,166.45.

Mr. Breeding then reported that the District recently received and installed new defibrillators at District facilities.

Mr. Homan then provided details with regard to expenses incurred under line item 72800 ("Employee/Director Expenses") of the operating budget. Mr. Homan recommended changing the title of the line item to "Meetings and Events" to better reflect the use of those funds, and the Board agreed with that recommendation.

Mr. Homan also noted that the board of directors for Harris County MUD No. 248 met at the District's office today, and the meeting went well. In connection with that discussion, the Board discussed possible future dealings with Harris County and several of its detention ponds.

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

6. At 6:36 p.m., the Board entered into executive session to discuss personnel matters, real estate matters, and potential litigation. At 7:50 p.m., the Board left executive session and took no further action.

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.

W W Kelley 12.21.22  
Secretary

Short Term Action Items

1. Normal Business

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