

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 25, 2023

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, January 25, 2023 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. Adam Anderson, 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. There were no customer inquiries or input for consideration.

2. Ms. Catherman presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed an 42.5% collection rate for the 2022 tax year, with most other tax years being 99% collected or better. She noted that tax payments for 2022 taxes continue to be received. Ms. Seipel also noted that water termination letters for many delinquent tax accounts were mailed last week, and water terminations will be performed in February for those taxpayers who fail to pay.

After further review of the report, upon motion made by Director Morgan, seconded by Director Cangelose, 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 considered tax exemptions for the 2023 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. The Board also considered the attached Order Adopting Homestead Exemption. In prior years, the District has provided an exemption of 20% on residential homesteads and can continue such exemption with adoption of this Order. Upon motion duly made by Director Solis, seconded by

Director Cangelose, and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled and Order Adopting Homestead Exemption as presented.

4. 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) \$22,331.85 to Core & Main, (ii) \$35,753.55 for engineering services, and (iii) \$18,864.08 to Smith, Murdaugh, Little and Bonham, L.L.P. Mr. Russell also stated that his office will make the District's March 1, 2023 bond payment prior to the deadline. The bookkeeper stated that the District's accounting books for the fiscal year ending on December 31, 2022 are almost ready for submission to the auditor. Lastly, Mr. Russell stated that his office finally has access to the District's certificate of deposit at Bank of Texas, but that such certificate does not expire until March. Because the early forfeiture penalty is quite high, Mr. Russell recommended that the District close the account in August, to which the Board agreed. Subject to that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

5. The Board next considered the minutes for the meeting held on January 18, 2023. Director Solis recommended one change, and upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as amended.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 57,079,000 gallons from its wells, with an average daily flow of 1,841,258 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 88,850,000 gallons with an average daily flow from the plants of 2,866,129 gallons per day. The District received 3.7 inches of rain during December.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced one meter and installed one commercial tap during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 160,000 gallons and MUD No. 248 used 10,590,000 gallons.

As for personnel matters, a safety meeting on utility coordination and use of the 811 system is scheduled for February.

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

7. Mr. Anderson 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 continues, and members of his office, along with District personnel, met with the contractor earlier in the week to discuss what needs to be done to close out this project. The engineer stated that his is hopeful that the project will be complete in the coming weeks.

Mr. Anderson also reported that he, Mr. Homan, and Mr. Breeding met with representatives for Harris County (the "County") regarding the proposed drainage improvement project to be constructed in Barwood and Tower Oaks Meadows. Mr. Homan stated that the project will require that the District relocate many of its water and sanitary sewer facilities, which the County has requested that the District perform at its own cost. However, the County also would like to purchase two District detention ponds for further drainage of the area. Mr. Homan stated that at the meeting, the parties discussed the County covering the cost of the required water and sanitary sewer relocations in exchange for the District conveying the ponds to the County. Mr. Homan stated that the meeting was productive, and he will keep the Board apprised of any updates or further correspondence from the County.

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.

8. 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.

9. 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.

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

Ms. Magee confirmed the Board's car and hotel reservations for the upcoming conference of the Association of Water Board Directors.

Mr. Breeding noted that the District's new employee has started work.

Mr. Homan lastly noted that Jan Bartholomew, the District's financial advisor, has retired, and her replacement will be Mr. David Wood, with whom the District has worked for several years.

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.

11. The Board considered items for the next agenda.


Secretary 2.8.23

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