

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

February 8, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, February 8, 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; Mr. Adam Anderson, engineer for the District; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Ms. Melissa Rowell.

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, Ms. Rowell addressed the Board and inquired as to whether it would consider hiring security to patrol the Barwood neighborhood. In response, Mr. Homan provided some history on the District’s efforts to increase the presence of law enforcement in the District, including leasing a portion of its administration building site to law enforcement for a charge of \$1/year. The Board then noted that because such topic was not on the agenda, it could not take action or engage in further debate. The Board stated that it would consider placing the topic on a future agenda.

2. The Board considered the minutes for the meeting held on January 25, 2023. One correction to the minutes was suggested, and upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Anderson then presented the engineer’s report, a copy of which is attached hereto. He reported that work on the N. Eldridge Parkway sanitary sewer and water line relocation project continues, and he is hopeful that they will finish this month.

Mr. Anderson reported that a potential developer of the tract located at 14120 Cypress N. Houston requested additional information from his office with regard to the process and cost of annexation.

Mr. Anderson reported that Energy Transfer Partners is seeking to relocate an existing pipeline, and his office is analyzing whether the relocation affects the District's sanitary control easement around one of its water wells, among other impacts.

The engineer then stated that Harris County has provided 90% drawings with regard to the drainage improvement project to be constructed in Barwood and Tower Oaks Meadows. He stated that the drawings do include some significant changes from the 30% drawings that were previously provided, and his office is studying the new plans now. Director Kelley asked whether this project would require the District to construct a new lift station, and Mr. Anderson stated that he did not believe so.

Lastly, Mr. Anderson reported that he received an inquiry from a developer interested in annexing into the District a tract located off of Huffmeister. Mr. Homan provided some background on the tract, noting that, for reimbursement purposes, it likely would make more sense for it to be annexed into Harris County MUD No. 248 ("MUD No. 248").

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

4. The Board then considered renewal of the utility commitment letter for 12150 F.M. 1960. Ms. Seipel stated that the commitment letter previously issued has expired, and the development is seeking renewal. The engineer confirmed that the development is within the boundaries of the District, and the District has the capacity to serve them. Accordingly, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the letter as presented.

5. 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.

6. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee reported that the District performed 10 water terminations for failure to pay delinquent taxes, and 3 of those accounts have had their service restored following payment.

Mr. Breeding noted that MUD No. 248 held its meeting at the District's building today, during which it was confirmed that the annual CPI adjustment applied to payments from MUD No. 248 to the District has gone into effect.

Mr. Breeding reported that he is working on first quarter reporting matters.

Mr. Homan stated that District personnel continues to work with the engineer to complete the lead and copper GIS inventory required by new regulations of the Environmental Protection Agency. Mr. Breeding showed examples of the cataloging and photography involved in creating such inventory.

Mr. Homan provided an update on Senate Bill 40, legislation that would create and/or improve upon systems related to the issuance of boil-water and other customer notices.

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

7. The Board discussed the most recent meeting of the North Harris County Regional Water Authority (the “Authority”), which several directors and Mr. Homan attended. Mr. Homan summarized the speech he gave during the public comment portion of the meeting, stating the concerns of many directors regarding the direction being taken by the new board of directors for the Authority. The Board then shared their own personal concerns, including, but not limited to, the possibility that the Authority may fail to meet the 2025 mandate. Ms. Rowell responded to some of these comments, stating that she met with representatives of the Harris-Galveston Subsidence District who indicated a desire to cooperate with the Authority. Director Barroso offered a few additional thoughts on the recent meeting.

8. With regard to the Water Users Coalition (the “Coalition”), Mr. Homan noted that the Coalition intends to schedule meetings with the various regional representatives for the Authority to provide the community with an opportunity to share their concerns with recent events. Mr. Homan stated this idea is in response to an overwhelming number of phone calls and texts he has received from the Authority’s constituents expressing their displeasure and confusion with regard to actions being taken by the Authority’s new board.

9. At 7:10 p.m., the Board entered into executive session to discuss personnel matters. At 7:52 p.m., the Board exited executive session and directed Ms. Seipel to send certain correspondence to the District’s engineer.

10. The Board lastly considered items for the next Board meeting, including review of a 2023 arbitration report.

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

Secretary

Short Term Action Items

1. 2023 Arbitrage Report

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