

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**  
Minutes of Meeting of Board of Directors  
December 21, 2022

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, December 21, 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. 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. Under customer inquiries and input, Ms. Magee noted that today would have been disconnection day, but disconnections were not performed due to the holidays. Had disconnections been performed, there would have been 18 in Harris County MUD No. 248 and 94 in the District.

2. Ms. Catherman presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed an 97.34% collection rate for the 2021 tax year, with most other tax years being 99% collected or better. She noted that tax payments for 2022 taxes are being received.

After further review of the report, upon motion made by Director Solis, 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. 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) \$1,410.00 to Alexander, Dubose, & Jefferson, LLP, (ii) \$26,806.71 for engineering services, (iii) \$18,295.00 to Bone Computer, (iv) \$103,836.09 to Smith, Murdaugh, Little and Bonham, L.L.P., (v) \$80,437.50 to Persons Services Corp., and (vi) \$6,289.00 to the Harris County District Clerk. Mr. Russell also stated that the District earned \$52,429.57 in interest during the prior month.

Mr. Homan stated that, since the time of the report, an additional \$7.4 million dollars have been transferred from the District's SPA and emergency fund accounts at Amegy Bank to the District's Texpool accounts, where such funds will earn significantly greater interest. 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.

4. The Board next considered the minutes for the meeting held on December 14, 2022. 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.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 56,603,000 gallons from its wells, with an average daily flow of 1,886,767 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 81,751,000 gallons with an average daily flow from the plants of 2,725,033 gallons per day. The District received 5.3 inches of rain during November. Further, Mr. Meza stated that his previous report included an erroneous calculation with regard to the amount of rainfall received in the District during 2022. He noted that such miscalculation will not happen again.

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

With respect to out-of-district water use, Emerald Forest Utility District used 142,000 gallons and MUD No. 248 used 11,747,000 gallons.

As for personnel matters, a year-end safety meeting was held in December, and a safety meeting on hypothermia and winter hazards is scheduled for January. Mr. Homan explained in some detail the District personnel's process for presenting the monthly safety meetings. Director Kelley stated that he sat in on a recent safety meeting and was impressed with what he saw.

Lastly, Mr. Meza noted that District personnel have held several meetings this week in preparation for the anticipated winter weather coming to the area. He reported that the District personnel and facilities are ready for such conditions.

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

6. 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, are expected to meet with the contractor in early January to discuss what needs to be done to close out this project.

Mr. Anderson also reported that the District held a second pre-bid meeting with regard to the phase 10 sanitary sewer rehabilitation project, and the deadline for acceptance of bids has been extended one week. He noted that the deadline for bids was extended because certain contractors interested in bidding the project believe that it can be accomplished through use of cure-in-place methodology. The engineer has investigated the matter and now believes this may be possible. He stated that he will bring bids to a District meeting in January.

After further review and discussion, upon motion made by Director Cangelose, seconded by Director Morgan, 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.

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 November financials with the Board. Director Solis thanked her for amending line item 72800 of the budget to reflect a more appropriate title

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

Mr. Breeding reviewed with the Board the list of 2022 projects, both completed and ongoing, as well as anticipated 2023 projects. Mr. Homan noted that the District's staff and consultants remain very busy.

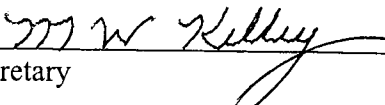
Mr. Breeding reported that the District's website has been updated to reflect information related to the anticipated freezing temperatures.

Mr. Homan then provided a summary of the recent meeting of the North Harris County Regional Water Authority.

Lastly, Director Barroso asked a question regarding the status of the Tower Oaks Bend Water Supply Corp. matter. It was noted that there is no new information at this 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.

  
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