

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
February 22, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, February 22, 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. Jake Kocurek, 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 81.89% 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 provided an update on the status of delinquent tax collections, noting that the District continues to receive payment on outstanding balances.

After further review of the report, upon motion made by Director Cangelose, seconded by Director Kelley, 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 then considered the attached Order Levying Additional Penalty for Delinquent Taxes. The Order levies a 20% penalty on 2022 delinquent taxes for real property on July 1, 2023. The attorney noted that the penalty goes to pay the District’s delinquent tax attorneys for their collection efforts. After review, upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board adopted the Order 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) \$11,250.00 to Core & Main, (ii) \$26,106.27 for engineering services, (iii) \$17,096.05 to Smith, Murdaugh, Little and Bonham, L.L.P., (iv) \$7,760.00 to Pitney Bowes, and (v) \$400.00 to Municipal Risk Management. Mr. Russell also stated that his office made the District's March 1, 2023 bond payment. The bookkeeper stated that the District's accounting books for the fiscal year ending on December 31, 2022 were provided to the auditor on February 13, 2023. Lastly, Mr. Russell reviewed with the Board the District's investment report. 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.

5. The Board then considered the minutes for the meeting held on February 15, 2023. Directly Kelley suggested one change, and upon motion made by Director Kelley, seconded by Director Morgan, 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 52,234,000 gallons from its wells, with an average daily flow of 1,684,968 gallons.

At the wastewater treatment plants, the total combined treatment amounted to 92,184,000 gallons with an average daily flow from the plants of 2,973,677 gallons per day. The District received 12.5 inches of rain during January.

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

With respect to out-of-district water use, Emerald Forest Utility District used 150,000 gallons and MUD No. 248 used 10,682,000 gallons.

As for personnel matters, a safety meeting on first aid, CPR, and the use of defibrillators is scheduled for March.

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

7. Mr. Kocurek 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. The third reimbursement package associated with this project is being finalized, and he anticipates that it will be submitted to the Texas Department of Transportation in March.

Mr. Kocurek noted that the contract for the phase 10 sanitary sewer rehabilitation project has been routed for execution, and a preconstruction meeting is scheduled in the coming weeks.

After further review and discussion, upon motion made by Director Solis, seconded by Director Cangelose, 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. He noted that the spring overseeding will be completed next month.

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 January financials with the Board.

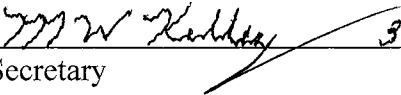
Mr. Homan reported that he and Mr. Breeding recently met in-person with Mr. Stephen Gilbreath from the engineer's office. Mr. Homan noted that the Board's expectations were communicated to Mr. Gilbreath. Mr. Homan also read an email from Mr. Gilbreath that was sent following their in-person meeting.

Lastly, Mr. Homan stated that he recently had lunch with Ms. Melissa Rowell, a director for the North Harris County Regional Water Authority.

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

11. Ms. Seipel then discussed with the Board the requirements of Senate Bill 625. The law requires districts to annually provide certain records and information concerning the District's finances and tax rates to the Texas Comptroller of Public Accounts. The comptroller has created a special information database on their website, where the information will be assembled, updated, and made available to the public free of charge. The required information is already publicly available in other places, but the law requires submission of the information to the comptroller. The information includes the name of the District, the names of the Board members, any employees, addresses, websites if applicable, names of certain consultants, the total amount of bonds authorized by District voters, the aggregate principal amount of bonds issued, the tax rate, and audited financial information. The attorney stated that her office will prepare and file the required report by the April 1, 2023 deadline.

12. 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