

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 19, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, April 19, 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; Mr. Joseph Ellis, auditor 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, Ms. Magee reported that today was disconnection day. There were 50 disconnections in the District and 9 disconnections in Harris County MUD No. 248.

2. The Board considered the minutes for the meeting held on April 12, 2023. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Ellis of McCall Gibson Swedlund Barfoot, PLLC presented an audit of the District’s books and records for the fiscal year ended December 31, 2022. He stated that the District experienced another good year, and his firm was issuing an unmodified opinion, meaning that the District’s financial and other records for the year present fairly and accurately. Mr. Ellis reviewed the audit with the Board in detail. Director Kelley asked several questions about the report and requested that the Board be given additional time to review it before approval. Mr. Ellis stated that he would gladly attend the District’s meeting next week to further discuss the audit if needed, and Director Kelley stated that he would like for Mr. Ellis to do so. The Board also requested that approval of the audit be placed on the next agenda, and the attorney agreed to do so.

4. Having tabled approval of the audit the Board also tabled discussion of compliance with Section 26.18 of the Tax Code.

5. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. The District's investment officers confirmed that the policy currently in place is working and recommended that it be affirmed. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives as presented.

6. 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. Mr. Anderson stated that his office recently received and reviewed tapes of the televised sanitary sewer line, and the deficiencies have been identified. He intends to schedule a meeting with District personnel and then the contractor to discuss the corrective work to be performed. Also, in connection with the N. Eldridge Parkway project, Mr. Anderson reported that the District's third reimbursement package was submitted to the Texas Department of Transportation last week.

Mr. Anderson reported that the contractor for phase 10 of the District's sanitary sewer rehabilitation project is scheduled to mobilize next week.

The engineer reported that members of his team are performing a final review of the easements being sought from the District by the North Harris County Regional Water Authority (the "Authority"). He stated that they have one remaining question for the Authority about an easement exhibit and are waiting on an answer. Ms. Seipel confirmed that the questions she had on the interlocal agreement conveying those easements have been answered but recommended that the Board table further consideration of the agreement until the engineering issues have been resolved. The Board agreed.

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

7. The Board then considered proposals for the appraisal of two District detention ponds, which the District intends to convey to Harris County in exchange for compensation to be put towards the relocation of District water and sanitary sewer lines that must be moved in connection with a major drainage improvement project in Barwood and Tower Oaks Meadows. Upon motion made by Director Kelley, seconded by Director Morgan, and unanimously carried, the Board approved the proposals as presented.

8. The Board tabled consideration of the proposed interlocal agreement with the Authority pending receipt of additional information from the Authority as requested by the District's engineer.

9. 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.

10. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Mr. Breeding reminded the Board that the District is hosting its annual shrimp boil at the Barwood wastewater treatment plant on April 20, 2023.

Mr. Breeding then provided an update on the new generator for the Barwood wastewater treatment plant. He noted that District personnel are still investigating which generator to purchase.

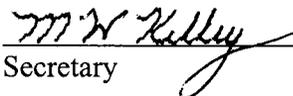
Mr. Breeding also noted that the overhaul to the District's rate order is almost complete, and the Board should expect to be presented with a new rate order for their review in the coming weeks.

Lastly, the Board discussed the most recent meeting of the Authority, which several directors and Mr. Homan attended. The Board recalled the substance of the discussion at the meeting.

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

11. Lastly, the Board considered items for the next agenda, including the interlocal agreement with the Authority and the audit.

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

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Secretary

Short Term Action Items

1. Interlocal Agreement with NHCRWA
2. Audit for FYE 12/31/22

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