

## HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 26, 2023

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, April 26, 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. Samuel Meza, operations manager for the District; Mr. Adam Anderson, engineer for the District; Ms. Kayla Ray and Mr. Bill Russell, bookkeepers for the District; Mr. Joseph Ellis, auditor 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. 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. Directors Barroso and Kelley asked several questions about the information contained in the audit, and Mr. Ellis answered those questions to their satisfaction. As such, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the audit as presented and authorized its filing as required by law. Mr. Ellis thanked the Board for its time and left the meeting.

3. Ms. Seipel noted that, after approving the audit being presented at the meeting, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. The attorney confirmed that she will work with Ms. Magee and Ms. Catherman to update the compliance document and post it on the internet.

4. Ms. Magee presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed an 92.40% collection rate for the 2022 tax year, with most other tax years being 99% collected or better. Mr. Homan also noted that the District continues to receive payments on outstanding balances owed for prior years.

After further review of the report, upon motion made by Director Kelley, seconded by Director Solis, 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.

5. Ms. Ray presented the fund manager's report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$5,962.03 and \$16,776.33 for engineering services and (ii) \$56,775.25 to Smith, Murdaugh, Little and Bonham, LLP. Though not reflected on the report, a check also was issued to Alexander Dubose Jefferson in the amount of \$25,990.00. In light of Mr. Russell's upcoming retirement, Mr. Homan and the Board thanked him for his service to the District. 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.

6. The Board then considered the minutes for the meeting held on April 19, 2023. Upon motion made by Director Morgan, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

7. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 59,217,000 gallons from its wells, with an average daily flow of 1,910,226 gallons. There was 84% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 83,318,000 gallons with an average daily flow from the plants of 2,687,667 gallons per day. The District received 1.6 inches of rain during the month of March.

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

With respect to out-of-district water use, Emerald Forest Utility District used 146,000 gallons and MUD No. 248 used 11,725,000 gallons.

As for personnel matters, a safety meeting on traffic control and setting up a work zone was held earlier in the month. A safety meeting on rigging and lifting is scheduled for May.

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

8. 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. His office is awaiting receipt of a survey of the sewer line, which will clarify the modifications that must be made to complete the project. There have been no comments received from the Texas Department of Transportation with regard to the third reimbursement package.

Mr. Anderson then noted that the contractor for the phase 10 sanitary sewer rehabilitation project is scheduled to mobilize next week.

Lastly, the engineer stated that his office is finalizing their design of the District's water and sanitary sewer lines that must be relocated in connection with the Harris County's drainage improvement project in Barwood and Tower Oaks Meadows.

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.

9. The Board then considered an interlocal agreement with the North Harris County Regional Water Authority (the "Authority"), whereby the District will allow the Authority, in furtherance of its surface water initiative, to construct water lines on property owned by the District. Ms. Seipel explained the terms of the agreement and the compensation to be paid. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the agreement as presented.

10. 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 then presented a proposal for the de-silting of the Falls at White Oak pond in the amount of \$6,700.00. Upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved the proposal as presented.

11. 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.

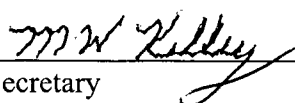
12. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Mr. Homan noted that the shrimp boil was very well-attended and a great success.

Mr. Homan reminded everyone that the District's annual family day will be held on April 29, 2023 at the Houston Zoo.

Lastly, Mr. Homan noted that the adoption of a new rate order and associated fee schedule will be on the next agenda.

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.

13. The Board considered items for the next agenda, including the District's rate order and rotation of officers.

  
Secretary 5.16.23

Short Term Action Items

1. Rate Order
2. Rotation of Officers

Long Term Action Items

1. Contract Negotiations with Various Entities Served by the District
2. Plans for use of SPA Funds