

**HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**

Minutes of Meeting of Board of Directors

May 10, 2023

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, May 10, 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. Jake Kocurek, engineer 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. There were no customer inquiries or input for consideration.

2. The Board considered the minutes for the meeting held on April 26, 2023. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

3. The Board considered the rotation of officers. The Board agreed the officers to begin serving in the following positions effective immediately are as follows:

Mike Kelley, President  
Jon Morgan, Vice President  
Ben Solis, Secretary  
Darrell A. Barroso, Assistant Secretary  
Lary Cangelose, Treasurer

4. Mr. Kocurek 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, as there are still deficiencies with respect to segments of the sanitary sewer line. Mr. Kocurek stated that members of his office as well as District personnel recently held a meeting with the contractor soon to discuss the corrective work to be performed. Mr. Kocurek and Mr. Homan reported that the meeting went well, and the parties intend to hold

a preconstruction meeting in short order. Mr. Homan stated that the contractor desires to properly complete the project and indicated a willingness to take the steps necessary to do so. Also, in connection with the N. Eldridge Parkway project, Mr. Kocurek reported that his office received a few minor comments on the District's third reimbursement package from the Texas Department of Transportation. Those comments were addressed on the same day, and therefore the engineer has inquired as to whether such timely response will prevent the 30-day review period from starting over.

Mr. Kocurek reported that the contractor for phase 10 of the District's sanitary sewer rehabilitation project obtained the requisite permits, and mobilization is imminent.

The engineer reported that phase 11 of the District's sanitary sewer rehabilitation project is still under design.

Lastly, Mr. Kocurek reported on the status of the plans to relocate certain District water and sanitary sewer lines to accommodate Harris County's drainage improvement project in Barwood and Tower Oaks Meadows. In connection with that discussion, Mr. Homan stated that the appraisals of the two District detention ponds, which will be conveyed to Harris County as part of this transaction, should be complete by the end of this week. Mr. Homan intends to provide the appraisals and other requested information to Harris County next week.

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

5. The Board then considered amendment of its Order Establishing Policy and Rates for Water and Sewer Service and Imposition of Penalties and the adoption of an Order for the Adoption of a Fee Schedule of Water and Sewer Service Fees and Rates. Ms. Seipel stated that, several months ago, she and District personnel began review of the District's existing rate order for purposes of amending it to reflect new law related to water terminations during "extreme weather emergencies." During that review, the attorney and District personnel decided that the rate order needed a more thorough overhaul, which included amendments to the rate order as well as the creation of a fee schedule that set forth District rates, fees, and charges in an easier to read fashion. Ms. Seipel and Mr. Homan stated that, substantively, the rate order and fee schedule are very similar to the rate order currently in effect. Specifically, Mr. Homan noted that there have been no increases in the water or sewer rates charged to customers. The Board asked several questions regarding the substantive changes to the rate order, which include (i) language related to the rights of customers during "extreme weather emergencies," as defined by the Texas Public Utility Commission and (ii) language related to entities that become non-taxable following installation of a tap. Following that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the Rate Order and Fee Schedule as presented.

6. The Board considered payment of the general fund bills. After review, upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved payment of the general fund bills as presented.

7. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Mr. Breeding reported that District personnel continues to work on development, construction, and administrative matters.

Mr. Homan then reported on the town hall meeting hosted by the District and the Water Users Coalition (the "Coalition"), along with the Association of Water Board Directors and Timber Lane Utility District, which occurred on May 4, 2023. The subject of the meeting was subsidence, and the Board watched a clip from the meeting. The Board then discussed the issue of subsidence. Mr. Homan stated that he attended a recent meeting of the Harris-Galveston Subsidence District, at which he gave remarks showing support for the subsidence district and their mission. The Board encouraged Mr. Homan to continue to speak out in favor of the surface water initiative.

Lastly, the Board discussed the great success of the District's recent family day at the Houston Zoo. The Board raved about the location of the event, and the District personnel and consultants concurred.

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

8. The Board discussed the most recent meeting of the North Harris County Regional Water Authority, which several directors and Mr. Homan attended. The Board discussed the events of the meeting and the direction being taken by their board of directors.

9. As for the Coalition, Mr. Homan reported that the group held another successful virtual meeting.

10. Lastly, the Board considered items for the next agenda, including the assignment of a utility commitment letter for Tommy Car Wash.

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

  
Secretary

Short Term Action Items

1. Assignment of Utility Commitment Letter for Tommy Car Wash

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