

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

June 28, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, June 28, 2023 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Mike Kelley, President
Jon Morgan, Vice President
Ben Solis, Secretary
Darrell A. Barroso, Assistant Secretary
Lary Cangelose, 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; Ms. Norma Catherman, tax assessor-collector for the District; Ms. Jessica Espinoza, District employee; Mr. Jake Kocurek, engineer for the District; Ms. Kayla Ray, 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 then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 94.79% collection rate for the 2022 tax year, with most other tax years being 99% collected or better.

Mr. Homan reported that Ms. Catherman is nearing completion of the certification program to become an official tax assessor-collector. To date, in performing the District’s tax assessor-collector duties, Ms. Catherman has been working under Ms. Kathy Schyma, a licensed tax assessor-collector. The Board expressed their satisfaction with Ms. Catherman’s diligence in her pursuit of this endeavor.

After further review of the report, upon motion made by Director Barroso, seconded by Director Morgan, 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. Ms. Ray presented the fund manager’s report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$24,272.77 and \$19,000.28 to Lockwood, Andrews, and Newnam for engineering services (ii) \$25,651.80 to Smith, Murdaugh, Little and

Bonham, LLP, (iii) \$108,400.65 to Worldwide Power Products, (iv) \$4,502.90 to Uline, (v) \$12,540.00 to Stout, and (vi) \$209,520.00 to Texas Pride Utilities. Subject to that discussion, upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

4. The Board discussed the ethics letter and update by Investment Officers Jerry Homan, Brian Breeding, Pam Magee, and Mary Jarmon. The attorney noted that annually the District's investment officers are required to disclose whether they have any personal business relationships with any entities seeking to sell an investment to the District. The investment officers indicated that they have no such relationships. The attorney confirmed the disclosures would be filed with the Texas Ethics Commission as required by law.

5. The Board then considered the minutes for the meeting held on June 21, 2023. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 63,839,000 gallons from its wells, with an average daily flow of 2,059,323 gallons. There was 84% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 90,529,000 gallons with an average daily flow from the plants of 2,920,290 gallons per day. The District received 10.6 inches of rain during the month of May.

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

With respect to out-of-district water use, Emerald Forest Utility District used 140,000 gallons and MUD No. 248 used 11,644,000 gallons.

As for personnel matters, a safety meeting on hurricane preparedness was held during the prior month. A safety meeting on heat stress is scheduled for July.

Mr. Meza and Mr. Breeding then reported on the failure of a lift pump at the Barwood wastewater treatment plant. Mr. Breeding recommended that the Board approve repair of the pump in the amount of \$16,945.20. As part of that discussion, Mr. Breeding and Mr. Meza stated that the conveyer belt and pulley system at the Hastings Green wastewater treatment plant has failed. Mr. Breeding recommended that the Board approve repair of the belt and pulley system and authorize the purchase of similar spare parts, all of which will amount to approximately \$12,240.00. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the aforementioned action items and expenditures.

After review, upon motion made by Director Morgan, 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. He reported that the contractor is scheduled to perform additional investigative work on July 5, 2023, following which a schedule for completion of the project should be made available.

Mr. Kocurek then noted that the contractor for the phase 10 sanitary sewer rehabilitation project continues. In connection with that discussion, the engineer presented and recommended payment of Pay Application No. 1 from Texas Pride Utilities LLC in the amount of \$209,520.00. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the pay application as presented.

Lastly, the engineer stated that members of his office are scheduled to meet with District representatives in July to discuss the District's capital improvements plan.

After further review and discussion, upon motion made by Director Barroso, 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.

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 Cangelose, seconded by Director Solis, 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 reported that the District received a check from Texas Mutual in the amount of \$8,405.70 for having a good track record with regard to workers' compensation claims filed.

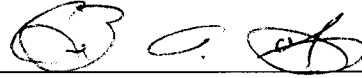
Mr. Homan and the Board discussed the recent conference of the Association of Water Board Directors. In connection with that discussion, the Board discussed the legislative update that was provided by various attorneys. Ms. Seipel noted that the District's fees of office have increased, and she will place a resolution to that effect on the next agenda. The Board briefly discussed whether to change its meeting schedule. It was requested that such matter be placed on the next agenda for further discussion.

Mr. Homan reported that he is scheduled to meet with Harris County Precinct No. 3 Commissioner Tom Ramsey to discuss Harris County's plans for the construction of drainage improvement projects within the District.

Lastly, Mr. Homan discussed the upcoming meeting of the North Harris County Regional Water Authority.

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

11. The Board considered items for the next agenda, including a resolution changing the fees of office and the District's meeting schedule.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Secretary

Short Term Action Items

1. Resolution Adopting Change in Fees of Office
2. Meeting Schedule

Long Term Action Items

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