

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

July 26, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, July 26, 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. Adam Anderson, 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 95.25% collection rate for the 2022 tax year, with most other tax years being 99% collected or better.

After further review of the report, upon motion made by Director Barroso, seconded by Director Cangelose, 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) \$7,467.80 and \$4,689.25 to Lockwood, Andrews, and Newnam for engineering services (ii) \$10,770.30 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$23,353.00 to the Radich Law Firm, PLLC, and (iv) \$8,342.00 to the Harris County District Clerk. The Board also discussed the difference between TexPool and TexStar. Ms. Ray provided some explanation but stated that she would bring additional information to the next meeting that she attends. Subject to that discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager’s report and the checks listed thereon.

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

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 70,074,000 gallons from its wells, with an average daily flow of 2,335,800 gallons. There was 90% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 84,820,000 gallons with an average daily flow from the plants of 2,827,333 gallons per day. The District received 2.4 inches of rain during the month of June.

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 165,000 gallons and MUD No. 248 used 13,516,000 gallons.

As for personnel matters, a safety meeting on heat stress was held during the prior month. A safety meeting on slips, trips and falls is scheduled for August.

Mr. Breeding and Mr. Homan then reported that District personnel located and repaired a sizable leak near Greenwater Drive, with the hope being that the repair of such leak will improve the District's water accountability figures.

Lastly, Mr. Homan and Mr. Breeding reported that the Texas Commission on Environmental Quality held an inspection of the Barwood wastewater treatment plant, and such inspection went very well.

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

6. 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. He reported that his team and District management continue to work with the contractor to devise a methodology and schedule for completing the project. The engineer also stated that he is scheduled to attend a site restoration meeting on July 27, 2023 for various completed tracts.

Mr. Anderson then noted that the phase 10 sanitary sewer rehabilitation project continues. In connection with that discussion, Mr. Homan stated that a change order would be required for the project because a 10-foot segment of the line is greater in size than what was shown on the plans. Mr. Homan stated that the suggested price for such change exceeds that which he and the engineer believe is reasonable. Mr. Homan requested authority to negotiate the change order with the contractor, and the Board approved such request.

Mr. Anderson also noted that advertisement for phase 11 of the District's sanitary sewer rehabilitation project is scheduled for July 28, 2023.

Lastly, the engineer stated that members of his office are scheduled to meet with District representatives on July 28, 2023 to discuss the recoating of water plant no. 2.

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.

7. 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, but he will bring a proposal for the repair of a sinkhole at the Falls of White Oak pond to next month's meeting.

8. 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 Barroso, and unanimously carried, the Board approved payment of the general fund bills as presented.

9. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee reported presented the District's June financials.

Mr. Breeding stated that he continues to work on a variety of pending matters, including, but not limited to, the District's newsletter.

Mr. Homan reported that he continues to work with Harris County (the "County") regarding their plans for the construction of drainage improvement projects within the District. Mr. Homan stated that, at this time, the District is waiting on the County's appraisers to complete their valuation of the ponds to be conveyed by the District to the County.

Lastly, Mr. Homan discussed the upcoming meeting with the District's engineers to discuss the District's capital improvements plan.

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

10. The Board considered items for the next agenda, including an agreement with the engineer and the engagement of condemnation counsel.

Secretary

Short Term Action Items

1. Agreement with LAN
2. Engagement of Condemnation Counsel

Long Term Action Items

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