

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

August 23, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, August 23, 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. Also present was Mr. Rusty Sandefer, a District resident.

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, Mr. Sandefer introduced himself and asked several questions regarding the recent water conservation rules implemented by the District.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 95.44% 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 Solis, seconded by Director Barroso, 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) \$15,396.17 and \$9,691.78 to Lockwood, Andrews, and Newnam for engineering services and (ii) \$10,447.30 to Smith, Murdaugh, Little and Bonham, LLP. Ms. Ray also noted that the District’s September 1 debt service payment has been made. 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. One change to the minutes was suggested, and upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 82,258,000 gallons from its wells, with an average daily flow of 2,653,484 gallons. There was 82% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 86,116,000 gallons with an average daily flow from the plants of 2,777,935 gallons per day. The District received 2.7 inches of rain during the month of July.

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 211,000 gallons and MUD No. 248 used 14,471,000 gallons.

As for personnel matters, a safety meeting on slips, trips and falls was held earlier in the month. A safety meeting on health, nutrition, wellness, and office security is scheduled for September.

Lastly, Mr. Homan reported that one employee recently resigned, and another employee has taken short term disability leave.

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.

Mr. Anderson also noted that the bid opening for phase 11 of the District's sanitary sewer rehabilitation project is scheduled for September 6, 2023.

Lastly, the engineer stated that he will present an updated capital improvements plan at the next meeting.

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

7. The Board then discussed the status of the Fallbrook water well, which recently was pulled for inspection after showing signs of failure. Mr. Homan reported that the contractor, Weisinger, performed an inspection and recommended that the District rehabilitate the well. Mr. Breeding and Mr. Homan presented a proposal from Weisinger for such work in the amount of \$366,640.00. Mr. Homan also noted that components needed for the rehabilitation of the well are being purchased through the Texas BuyBoard Purchasing Cooperative. It was also noted that the Board previously adopted a resolution authorizing these emergency repairs pursuant to Section 49.274 of the Texas Water Code. Subject to that discussion, upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the proposal 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 with the exception of one sinkhole at the Falls of White Oak pond that needs repair. He presented a proposal for such repair in the amount of \$7,030.00. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the proposal as presented.

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 Barroso, 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 presented the District's June financials. She also presented the District's May SPA check from the City of Houston in the amount of \$101,119.66.

Ms. Magee also provided additional information related to the budgeted amount for office communications.

Mr. Breeding stated that he continues to work to procure a new District vehicle, which District personnel have been trying to obtain for many months. Subject to that discussion, the Board gave Mr. Breeding authorization to immediately purchase a vehicle without additional Board approval or consideration, should one be located.

Mr. Homan reported that he recently met with representatives for Harris County MUD No. 222 regarding the District's capital improvements plan and the negotiation of a new wastewater treatment agreement between the parties. Mr. Homan reported that the meeting went well. He said that he also intends to meet with representatives for Harris County MUD No. 69 regarding similar matters.

Mr. Homan reported that the restaurant where the District was scheduled to host its Christmas party burned down, so District personnel are looking for a new location.

Mr. Homan also noted that the North Harris County Regional Water Authority is holding a special meeting on August 24, 2023, at which he intends to speak.

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 discussion of the District's 2023 tax rate and the capital improvements plan.

Secretary

Short Term Action Items

1. 2023 Tax Rate Discussion
2. Capital Improvements Plan

Long Term Action Items

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