

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 13, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 13, 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; Ms. Norma Catherman, tax assessor-collector for the District; Mr. Adam Anderson and Mr. Eddie Streich, engineers for the District; Mr. David Wood, financial advisor 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 August 23, 2023. Two changes to the minutes were suggested, and upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as amended.
3. The Board discussed the District’s 2023 tax rate. Mr. Wood reviewed the District’s financials with the Board and recommended that, in light of the District’s current financial position and its projected upcoming projects, the Board levy a debt service tax of \$0.26 per \$100 assessed valuation. The financial advisor reviewed the cash flow that would result from the assessment of such rate. The Board discussed the District’s determination regarding the type of district it is for purposes of Chapter 49 of the Texas Water Code, and after doing so, determined that it was a developed district. Accordingly, upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board adopted a Resolution (1) finding the District to be a developed district, (2) calling a public hearing on the District’s proposed 2023 tax rate for October 11, 2023, and (3) authorizing the District’s tax assessor-collector to prepare and publish notice of the public hearing, with the noticed rate being lowered to \$0.26.

4. The Board then considered an amendment to their Statement of Directors to reflect updated information with respect to the notice to purchaser required under Section 49.4521 of the Texas Water Code. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the statement of directors as presented.

5. Mr. Anderson 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. The contractor for the project has remobilized and begun work on the sanitary sewer line segments requiring modification.

Mr. Anderson reported that the contractor for phase 10 of the District's sanitary sewer rehabilitation project has completed the project, and a final inspection is to be scheduled. Mr. Breeding played a video of the interior of a segment of the new line.

With regard to phase 11 of the District's sanitary sewer rehabilitation project, the engineer stated that he will present the bids received at the next meeting, but the District received several bids.

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

6. The Board considered the 10-year capital improvements plan prepared with respect to the District's Barwood and Hastings Green wastewater treatment plants. Mr. Streich reviewed with the Board the contents of the plan, explaining both the projects anticipated to be performed and the methodology for prioritizing those projects. After a thorough review, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the report as presented. The Board thanked Mr. Streich for his hard work on this endeavor.

7. 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.

8. Ms. Magee and Mr. Homan presented the management report. Ms. Magee presented the District's June SPA check in the amount of \$113,934.85.

The Board also discussed an upcoming benefit for an employee experiencing a health issue.

Mr. Homan and Ms. Magee stated that they will be presenting for approval at the next meeting the District's health insurance renewal proposal.

Mr. Breeding stated that District representatives finally were able to locate and purchase a new truck, which came in several thousand dollars under budget.

Mr. Breeding reported that he and Mr. Homan met with representatives of Ezee Fiber regarding recent damage that they have caused to District facilities. Mr. Breeding stated

that he is preparing an invoice for the damage caused and, if they do not immediately pay it, the District's attorney will send a demand letter. The Board agreed with such course of action.

Mr. Homan discussed recent customer contact received in connection with the District's implementation of stage 2 of its drought contingency plan (the "DCP"). The Board discussed in detail the District's options with respect to enforcement of the water conservation measures set forth in the DCP, which include written notice of violation, the imposition of fines, and the termination of water service. Mr. Homan explained the staff's current policy regarding enforcement, and, after some discussion, the Board agreed with the approach Mr. Homan set forth. The Board requested that the attorney email them a copy of the latest DCP, and she agreed to do so.

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

9. The Board then discussed the most recent meeting of the North Harris County Regional Water Authority (the "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. The Board also discussed the Authority's recent decisions to lower their rates another \$0.50 and attempt to de-couple themselves from the City of Houston when it comes to the required implementation of the Authority's DCP, should the City implement their DCP.

10. There was no update on the Water Users Coalition.

11. Lastly, the Board considered items for the next agenda, including renewal of the District's health insurance.

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

Secretary

Short Term Action Items

1. Renew District Health Insurance

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