

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 27, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 27, 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; 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. Under customer inquiries and input, Ms. Magee stated that the District had disconnection day last week. There were 68 disconnections in the District and 14 disconnections in Harris County MUD No. 248.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 95.50% collection rate for the 2022 tax year, with most other tax years being 99% collected or better. Ms. Catherman also noted that notice of the District’s tax hearing on the proposed 2023 tax rate was published in the newspaper today. The hearing will be held on October 11, 2023.

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) \$24,152.50 and \$9,783.12 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$8,446.14 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$69.86 to the Radich Law Firm, (iv) \$3,065.50 to Husch Blackwell, and (v) \$7,743.00 to MB Eldridge Houston. The attorney stated that the check to MB Eldridge Houston

was for the settlement of Parcels 21 and 28 in connection with the District's ongoing condemnation project at N. Eldridge Parkway and F.M. 1960. 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 considered the minutes for the meeting held on September 13, 2023. Upon motion made by Director Solis, seconded by Director Barroso, 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 98,996,000 gallons from its wells, with an average daily flow of 3,193,419 gallons. There was 90% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 83,573,000 gallons with an average daily flow from the plants of 2,695,903 gallons per day. The District received 0.0 inches of rain during the month of August.

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 198,000 gallons and MUD No. 248 used 19,595,000 gallons.

As for personnel matters, a safety meeting on health, nutrition, wellness, and office security was held earlier in the month. A safety meeting on lockout/tagout procedures is scheduled for October.

Lastly, Mr. Breeding reported that the District recently hired a new employee.

After review, upon motion made by Director Cangelose, seconded by Director Morgan, 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.

Mr. Anderson presented the bids received for phase 11 of the District's sanitary sewer rehabilitation project and recommended that the District award the contract to the low bidder, Cruz Tech, Inc., proceeding with alternate bid no. 3 in the amount of \$1,192,330.00 and a contract time of 220 days. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the award of the contract to Cruz Tech, Inc. as recommended by the engineer.

The engineer then requested authorization to advertise for bids for the recoating of water plant no. 2. The engineer and Mr. Homan confirmed that the project would be undertaken

during low water usage months. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved the advertisement as requested.

The engineer 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 noted two pinhole leaks in the casing of the well. Mr. Homan and the engineer stated that they are working with the Texas Commission on Environmental Quality to determine whether the casing may be repaired rather than replaced. The gentlemen will update the Board when they have more information.

Lastly, Mr. Anderson noted that Mr. Eddie Streich from the engineer's office would be assisting him in the handling of the District's business and attending at least one District meeting per month.

After further review and discussion, upon motion made by Director Solis, 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. He also presented photos and a video showing the repairs made to a sinkhole at the Falls of White Oak pond. The Board expressed their satisfaction with the repair.

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. The Board then considered renewal of the District's employees' health insurance. Ms. Magee noted that the renewal would include a 3% premium increase. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the renewal proposal as presented.

10. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee presented the District's August financials.

Ms. Magee confirmed the registration of several directors for the upcoming fall seminar of the Association of Water Board Directors.

Mr. Breeding reported that he sent an invoice to Ezee Fiber for all of the damage that they recently have caused to the District's lines and facilities.

Mr. Breeding alerted the Board to a development project on Greenwater Drive. He noted that one of the houses being constructed is in very close proximity to a 36-inch District sanitary sewer line. Mr. Breeding and Mr. Homan stated that they encouraged the developer to modify her plans to locate the home further from the line, but the developer ignored such advice.

In light of the District's recent lower water accountability numbers, Mr. Breeding then presented a proposal from Samco for leak detection services in the amount of \$22,475.00 for phase one of a two phase project. This proposal would include leak detection monitoring for 31 miles of District water lines. The second phase will be scheduled for early 2024. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the proposal as presented.

Mr. Homan reported that he and Director Barroso attended the recent meeting of Harris County MUD No. 69 ("MUD 69") regarding the District's capital improvements plan and MUD 69's obligation to pay their pro rata portion of the projects identified on such plan. Mr. Homan noted that the attorneys for MUD 69 sent the District a letter stating that it is MUD 69's position that they are not required to financially contribute towards such projects. Mr. Homan and Director Barroso reported on the results of their attendance at the MUD 69 meeting, and the other Board members asked questions regarding the matter. Following that discussion, the Board requested that the attorney draft a response to MUD 69's letter. She agreed to do so.

Mr. Homan reported that he continues to investigate restaurants for the District's Christmas party.

Mr. Homan also noted that the North Harris County Regional Water Authority is holding a meeting on October 2, 2023.

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 the District's 2023 tax rate hearing and an executive session.

Secretary

Short Term Action Items

1. 2023 Tax Rate Hearing

Long Term Action Items

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