

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
October 11, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, October 11, 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
Darrell A. Barroso, Assistant Secretary
Lary Cangelose, Treasurer

and the following were absent:

Ben Solis, Secretary

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. Steve Gilbreath, engineers 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 September 27, 2023. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.
3. The Board called the public hearing for public comment on the proposed 2023 tax rate to be set in the District. Ms. Seipel noted that the hearing was the opportunity for the Board to receive comment from the public on the proposed tax rate. Mr. Homan, as a property owner in the District, provided a brief comment on the proposed tax rate. The Board thanked Mr. Homan for his commentary and then closed the public hearing.
4. Following the public hearing, the Board considered the Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax for 2023. Ms. Magee and Ms. Catherman confirmed that they had published the required notice which reflects that the District would consider a tax rate of \$0.26 per \$100 valuation. After review, and upon motion made by Director Kelley, seconded by Director Morgan, the Board voted unanimously to approve the Order setting the District’s 2023 tax rate at \$0.26 per \$100 valuation.
5. Ms. Seipel then presented an Amendment to Statement of Directors which reflects the newly-adopted tax rate, a copy of which will be recorded in the Real Property

Records of Harris County, Texas. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously approved, the Board approved the Amendment to Statement of Directors as presented.

6. 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. Mr. Homan stated that the contractor expects to complete the project sometime in early 2024.

Mr. Anderson reported that the final inspection for phase 10 of the District's sanitary sewer rehabilitation project was performed, and the contractor is working on the final punch list.

With regard to phase 11 of the District's sanitary sewer rehabilitation project, the engineer stated that the contracts have been routed for execution.

With regard to the recoating of water plant no. 2, the engineer stated that the pre-bid meeting is scheduled for October 17, 2023. However, Mr. Homan stated that water well that feeds into water plant no. 4 is experiencing some potential issues, so a well performance test has been scheduled. Mr. Homan stated that, should the well test reveal any significant problems, the District may need to delay the recoating project for water plant no. 2, as it would not be advisable to take that plant offline while another plant is experiencing issues. Mr. Homan stated that he will bring additional information to the Board as it becomes available.

Mr. Anderson then provided an updated on the status of the Fallbrook well. He reported that his office is working with the Texas Commission on Environmental Quality to repair, rather than replace, the casing to the well, which has a minor crack.

Lastly, Mr. Gilbreath introduced himself to the Board, stating that the District is an important client to his firm and that he will be attending meetings from time to time. The Board thanked Mr. Gilbreath for attending.

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

7. The Board considered the sale of two District detention ponds to Harris County (the "County"). Ms. Seipel and Mr. Homan stated that the documents needed to effectuate the transaction are under final review with the County. Due to time constraints with regard to getting approval this transaction placed on the County Commissioners' Court agenda for November, Ms. Seipel and Mr. Homan recommended that the Board approve the conveyance documents subject to their final approval. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the sale subject to finalization and approval by the District's attorney and general manager.

8. 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.

9. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee stated that she had nothing to report.

Mr. Breeding stated that Samco has commenced its work to determine water leaks in the District. He noted that several minor leaks have been identified.

Mr. Breeding reported that he continues to work with representatives of Ezee Fiber to get them to pay for the recent damage that they have caused to District facilities. Mr. Breeding stated requested authorization for the attorney to send Ezee Fiber a demand letter, should payment not be promptly received. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board authorized its attorney to send such letter.

Lastly, Mr. Homan reported that the District's staff had a security meeting this week. The Board expressed their satisfaction with such course of action.

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

10. 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 decision to change officers.

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

12. At 6:39 p.m., the Board entered executive session to discussed threatened litigation. At 7:17 p.m., the Board exited executive session. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board requested that the attorney send Harris County MUD No. 69 a notice of termination of the entities' emergency water supply agreement. Upon motion made by Director Cangelose, seconded by Director Morgan, and unanimously carried, the Board approved the engagement of Polley Garza and Quiddity to assist in the District's dispute with Harris County MUD No. 69. Upon motion made by Director Barroso, seconded by Director Morgan, and unanimously carried, the Board requested that the attorney send a letter to the District's engineer.

13. Lastly, the Board considered items for the next agenda.

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


Secretary

Short Term Action Items

1. Normal Business _____

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