

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

October 25, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, October 25, 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. Jessica Espinoza, on behalf of the office manager for the District; Mr. Samuel Meza, operations manager for the District; Ms. Norma Catherman, tax assessor-collector for the District; Mr. Eddie Streich and Mr. Adam Anderson, engineers 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.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 95.47% collection rate for the 2022 tax year, with most other tax years being 99% collected or better. Ms. Catherman also noted that the District’s 2023 tax bills have been mailed, and the District’s website has been updated to reflect the new tax rate. Ms. Catherman also reported that she passed her tax assessor-collector’s exam. The Board congratulated her on a job well done.

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) \$40,604.33 and \$31,602.22 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$5,982.55 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$4,865.50 to Husch Blackwell, and (iv) \$273,483.00 to Weisinger. Subject to that discussion, upon motion made by Director Solis, seconded by Director Cangelose, 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 October 11, 2023. Upon motion made by Director Barroso, seconded by Director Morgan, 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 82,640,000 gallons from its wells, with an average daily flow of 2,754,667 gallons. There was 102% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 85,578,000 gallons with an average daily flow from the plants of 2,852,600 gallons per day. The District received 1.0 inches of rain during the month of September.

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 183,000 gallons and MUD No. 248 used 17,755,000 gallons.

As for personnel matters, a safety meeting on lockout/tagout procedures was held earlier in the month. A safety meeting on personal protective equipment is scheduled for November.

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

6. Mr. Streich 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, stating that the District's weekly meetings with the contractor seem to be moving the project along.

Mr. Streich then reported that the preconstruction meeting for phase 11 of the District's sanitary sewer rehabilitation project will be held in the next few weeks.

The engineer then recommended that the District delay the recoating of water plant no. 2 due to issues being experienced by the Fallbrook well and the well that feeds water plant no. 4. Mr. Homan stated that they received back the well monitoring report on the well for water plant no. 4, and its production is down from 1,200 gallons per minute to 800 gallons per minute. The engineer and the general manager recommended that the well at water plant no. 4 be pulled for further inspection. The Board agreed with such course of action.

The engineer then discussed the status of the Fallbrook water well, which recently was pulled for inspection after showing signs of failure. Mr. Homan and the engineer stated that they continue to work with the Texas Commission on Environmental Quality to obtain an

expedited review and determination as to whether the well's casing may be repaired rather than replaced.

Lastly, Mr. Streich reported that the North Harris County Regional Water Authority recently held a preconstruction meeting with regard to facilities that will bring surface water to the District.

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

7. The Board then reviewed a Resolution Authorizing Emergency Repairs under Section 49.274 of the Texas Water Code for an emergency pulling of the water well that feeds into water plant no. 4 for inspection. As mentioned during the engineer's report, the well is showing signs of failure, and the Board discussed in some detail the process of removing the components of a water well for inspection. After review and discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the resolution as presented.

8. The Board then discussed the relocation of District utilities in connection with Harris County's E132 drainage project. Mr. Streich stated that the District's plans for the proposed relocation of the affected utilities have been submitted to the appropriate agencies for approval, and no further action is required at this time.

9. 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. The Board asked a question regarding the presence of army worms on the District's detention facilities. Mr. Gray stated that no action was needed at this time because the impending cold weather would take care of the issue.

10. The Board next considered payment of the general fund bills listed on the report, 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.

11. Mr. Homan, Mr. Breeding, and Ms. Espinoza presented the management report. Ms. Espinoza presented the District's September financials.

Ms. Espinoza confirmed the registration of several directors for the upcoming fall seminar of the Association of Water Board Directors scheduled for October 30, 2023.

Mr. Breeding then presented the District's fall newsletter. The Board approved its transmission to the District's customers.




Mr. Breeding stated that he has begun to work on end-of-year matters, including, among many other things, the proposed budget for the District's fiscal year ending on December 31, 2024.

Lastly, Mr. Homan provided an update on a variety of matters, including the District's meeting schedule through the end of the year and the upcoming business to be addressed.

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.

12. At 6:55 p.m., the Board entered into executive session to discuss pending or threatened litigation. At 7:35 p.m., the Board exited executive session. Upon motion made Director Barroso, seconded by Director Solis, and unanimously carried, the Board authorized the attorney to prepare all necessary lawsuit paperwork.

13. The Board considered items for the next agenda, including an executive session to discuss pending or threatened litigation.

  
Secretary

Short Term Action Items

1. Executive Session to Discuss Threatened or Pending Litigation

Long Term Action Items

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