

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
November 8, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, November 8, 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. Adam Anderson and Mr. Steve Gilbreath, engineers for the District; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Ron Chapman.

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. Director Kelley welcomed Mr. Chapman to the meeting.

2. The Board considered the minutes for the meeting held on October 25, 2023. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

3. 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. Anderson stated that the contractor is progressing on schedule, and they still expect 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 pre-construction meeting will be held later this month.

Mr. Anderson and Mr. Breeding then provided an update on the status of the Fallbrook well. The gentlemen reported that the Texas Commission on Environmental Quality approved the casing repair, and such repair is scheduled to be performed soon.

As for the water well that feeds water plant no. 4, Mr. Breeding stated that the contractor has pulled the well for investigation. The preliminary results of such investigation did not reveal any major problems, but there is additional work to be performed.

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

4. 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.

5. The Board then discussed extension of the District's wastewater treatment agreement with Harris County MUD No. 222 ("MUD No. 222"). Ms. Seipel stated that the current agreement is set to expire on November 16, 2023. Mr. Homan and the president for MUD No. 222 have been in negotiations for a new agreement, but both gentlemen agree that additional time is needed to finalize that agreement. Accordingly, the attorney recommended that the District request that the agreement be extended for 120 days to allow the parties to negotiate and finalize a new agreement, and Ms. Seipel presented a letter to be sent to MUD No. 222 to that effect. The Board encouraged Ms. Seipel and Mr. Homan to attempt to negotiate the agreement in fewer than 120 days. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the letter as presented.

6. Ms. Seipel discussed the District's receipt of a notice from 3M Company and Dupont (collectively, the "Companies") stating that the District is a member of a class that may be entitled to compensation related to the Companies' production of certain PFAs chemicals that may have infiltrated the District's water system. The attorney stated that, upon the advice of attorneys involved in the litigation, the District should opt-out of these class-action settlements because the funds that it will receive likely will not be sufficient to cover the testing, monitoring, and removal of the PFAs chemicals at issue, should the District's water system actually have been affected by such chemicals. Opting out of the litigation will allow the District an opportunity to properly test for the chemicals at issue and pursue the Companies if there is a problem. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the resolution, affidavit, and all other required paperwork opting the District out of the proposed class-action settlements with the Companies.

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

Mr. Breeding stated that he continues to work on end-of-year business, including the budget, personnel reviews, and the schedule for 2024.

Mr. Breeding reported that the District received a check from Ezee Fiber for the recent damage that they have caused to District facilities.

Mr. Homan noted that the Board received a draft of the operating budget for December 31, 2024. The Board will review the budget in greater detail at next week's meeting.

Lastly, Mr. Homan reported that progress continues to be made with respect to the conveyance of two District detention ponds to Harris County.

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

8. 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.

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

10. At 6:47 p.m., the Board entered executive session to discuss threatened litigation. At 7:05 p.m., the Board exited executive session.

11. Lastly, the Board considered items for the next agenda, including review of the December 31, 2024 operating budget and an executive session to discuss threatened litigation.

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

Secretary

Short Term Action Items

1. Review of December 31, 2024 Operating Budget
2. Executive Session to Discuss Threatened Litigation

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