

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

November 29, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, November 29, 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. Eddie Streich, engineer for the District; Ms. Kayla Ray, bookkeeper for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; Ms. Jessica Espinoza; 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 95.62% 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 has begun to receive tax payments for 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) \$38,203.02 and \$52,137.25 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$4,244.56 to Smith, Murdaugh, Little and Bonham, LLP, and (iii) \$3,360.00 to Husch Blackwell. After some discussion, Ms. Ray also confirmed that she will transfer funds from the District’s construction account to its land and easements account to cover the portion of the check to Lockwood, Andrews, and Newnam that related to engineering work done in connection with the Harris County E132 project. Subject to

that discussion, upon motion made by Director Barroso, 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 November 15, 2023. One addition to the minutes was suggested, and upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 69,323,000 gallons from its wells, with an average daily flow of 2,236,226 gallons. There was 100% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 87,252,000 gallons with an average daily flow from the plants of 2,814,581 gallons per day. The District received 3.2 inches of rain during the month of October.

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 229,000 gallons and MUD No. 248 used 14,558,000 gallons.

As for personnel matters, a safety meeting on personal protective equipment procedures was held earlier in the month; Mr. Breeding and Mr. Homan discussed that meeting in greater detail, showing pictures to the Board. A year-end recap safety meeting is scheduled for December.

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

6. Mr. Streich 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 he continues to believe that the project will conclude in early 2024.

Mr. Streich then reported that the notice to proceed for phase 11 of the District's sanitary sewer rehabilitation project was issued for December 4, 2023.

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, after receiving approval from the Texas Commission on Environmental Quality to install a swage patch on the casing to the well, such patch was successfully installed last week. Mr. Breeding presented video of the completed patch, and it was noted that, through the efforts of the District's management and engineering teams, the District was able to save more than half a million dollars to repair the well casing. The engineer stated that he expects the well to be placed online in short order.

Mr. Streich then stated that the conveyance documents needed in connection with the District's sale of two detention ponds to Harris County for their E132 detention improvement project are still pending.

Lastly, Mr. Streich reported that his office will commence work on the District's drought contingency plan in early 2024.

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

7. The Board then considered repairs to the water well at water plant no. 4, which was pulled for investigation pursuant to a Resolution Authorizing Emergency Repairs under Section 49.274 of the Texas Water Code adopted last month. The engineer stated that such investigation was performed, and he recommends that the District perform certain rehabilitation work, including replacement of the pump, shaft, and column pipe, among related components. In connection with that work, Mr. Breeding presented a proposal from Weisinger in the total amount of \$359,885.00, which includes the investigatory work and the repair. After review and discussion, upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved the proposal as presented.

8. 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. Director Kelley inquired as to whether the District should remove certain graffiti on a concrete structure located within a detention facility. After some discussion, it was decided to take no action at this time.

9. 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.

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

Ms. Magee presented the District's August SPA check from the City of Houston in the amount of \$102,379.13.

Ms. Magee reminded the Board of the District's Christmas party on December 2, 2023.

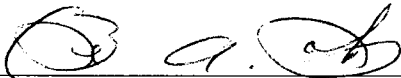
Mr. Breeding then stated that he continues to work on end-of-year matters.

Lastly, Mr. Homan provided an update on a recent meeting of the Harris County Commissioners Court, at which there was discussion of making significant changes to their constable program.

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. At 6:40 p.m., the Board entered into executive session to discuss pending or threatened litigation and personnel matters. At 9:35 p.m., the Board exited executive session. Upon motion made Director Barroso, seconded by Director Solis, and unanimously carried, the Board (i) approved a 3.2% cost-of-living raise for all District personnel and (ii) provided additional merit-based raises up to 2.3% and bonuses on a case-by-case basis.

12. 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