

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 10, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, January 10, 2024 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; Mr. Adam Anderson, engineer 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 December 20, 2023. Upon motion made by Director Barroso, seconded by Director Morgan, 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 reported that the final TCEQ inspection for phase 10 of the District’s sanitary sewer rehabilitation project is scheduled for January 18, 2024.

With regard to phase 11 of the District’s sanitary sewer rehabilitation project, the engineer stated that the rehabilitation work is scheduled to begin soon.

Mr. Anderson requested authorization to advertise for bids for a rehabilitation project at the Hastings Green lift station. Mr. Homan confirmed that such project is necessary but was delayed during COVID. Upon motion made by Director Barroso, seconded by Director Morgan, and unanimously carried, the Board approved the request to advertise.

As for Harris County’s (the “County”) E132 drainage improvement project, the engineer also requested authorization to advertise for bids for the relocation of District utilities

required by such project. The Board asked several questions about the status of the conveyance documents needed to transfer the District's detention ponds to Harris County for phase 1 of such project. Mr. Homan and Mr. Anderson stated that the District continues to wait on the final documents from the County, but they are expected to be finalized soon. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the request to advertise.

Mr. Anderson reported that he is scheduled to attend a progress meeting of the North Harris County Regional Water Authority for phase 31E of their surface water project.

Lastly, the engineer and Mr. Breeding stated that they anticipate that the well at water plant no. 4 will be placed back online in the next several weeks.

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

4. The Board then discussed the conveyance of land to the Wortham Landing Homeowners' Association (the "HOA"). Ms. Seipel stated that the engineer recently discovered that a tract of land upon which the HOA owns and operates its swimming pool is owned by the District. It appears that the developer of the neighborhood conveyed such tract of land to the District, rather than the HOA, without the District's knowledge. The attorney stated that the District likely will want to rectify this situation by conveying the land to the HOA, but the District's engineer and personnel would like to do some additional investigation to ensure that the District does not need to retain the land or any portion of it. Accordingly, the Board tabled the matter.

5. 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.

6. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee stated that she had nothing to report other than confirming registration of several directors for the upcoming meeting of the Association of Water Board Directors.

Mr. Breeding noted that MUD No. 248 held its meeting at the District's building today, during which it was confirmed that the annual CPI adjustment applied to payments from MUD No. 248 to the District has gone into effect.

Mr. Breeding reported that the District successfully purchased two additional trucks, which are scheduled to arrive soon.

Mr. Breeding stated that office personnel continue to receive weekly training on the new water billing and water smart software. Ms. Magee stated that such training is going well.

Mr. Homan reported that the controller for the generator at water facility no. 2 is not working; District personnel is working to repair the item. In connection with that discussion,

Mr. Homan confirmed that District personnel have taken steps to ensure that the District's facilities are ready for the anticipated freeze next week.

Mr. Homan noted that Harris County sent out a letter on January 9, 2024 stating that it will not hold joint elections with any other governmental entities, including the District.

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

7. 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. Specifically, the Board discussed the Authority's approval of the project that would involve the construction of lines that would bring surface water to the District, noting that the project prevailed in a 3-2 vote. The Board discussed the fact that the board for the Authority expressed a desire to reduce their rate again.

8. With regard to the Water Users Coalition, Mr. Homan stated that he is going to schedule a meeting during the first quarter.

9. There was no executive session.

10. Lastly, the Board considered items for the next agenda, including the order calling the 2024 directors' election and the 2024 tax exemptions.

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

Secretary

Short Term Action Items

1. Order Calling Directors' Election
2. Tax Exemptions for 2024

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