

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
December 20, 2023

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, December 20, 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. Adam Anderson and Mr. Eddie Streich, engineers 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. Ms. Magee stated that today would have been disconnection day, but disconnections were not performed due to the holidays.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 96.43% collection rate for the 2022 tax year, with most other tax years being 99% collected or better. Ms. Catherman also noted that the District continues to receive tax payments for 2023. Mr. Homan also reported that District personnel recently toured the District to confirm the inclusion of all commercial properties that pay a portion of their sales tax to the District under its strategic partnership agreement with the City of Houston.

After further review of the report, upon motion made by Director Solis, seconded by Director Morgan, 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) \$44,796.68 and \$14,558.22 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$4,244.56 to Smith, Murdaugh, Little and

Bonham, LLP, (iii) \$5,469.36 to Husch Blackwell, (iv) \$40,275.00 to Software Solutions, and (v) \$165,461.00 to Weisinger. Mr. Homan also suggested that the fund manager open a separate account that contains the funds received from Harris County in connection with their payment of the District for the two ponds being purchase as part of their E132 drainage improvement project. Ms. Ray agreed to do so at the appropriate time. 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 December 6, 2023. Upon motion made by Director Solis, seconded by Director Cangelose, 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 59,726,000 gallons from its wells, with an average daily flow of 1,990,867 gallons. There was 94% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 86,832,000 gallons with an average daily flow from the plants of 2,894,400 gallons per day. The District received 3.4 inches of rain during the month of November.

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 year-end recap safety meeting was held earlier in the month. A safety meeting on fire prevention and response is scheduled for January.

Mr. Homan also reported that the Fallbrook well is back online.

After review, upon motion made by Director Barroso, seconded by Director Solis, 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 and work is anticipated to start in January.

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. He also reported that the District's plans for the relocation of certain utilities needed in connection with that project have been submitted to the County for review.

Lastly, Mr. Streich reported that the repair to water well no. 4 is underway.

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

7. Ms. Seipel reported that pursuant to Texas law, all entities with the power of eminent domain must annually submit certain information to the Texas Comptroller. The District will be required to submit not later than February 1st of each year a report containing records and other information needed for the Controller's eminent domain database, including the following: (i) name, (ii) address and public contact information, (iii) the name of a representative and their contact information, (iv) the type of entity, (v) each provision of law that grants the District eminent domain authority, (vi) the focus or scope of eminent domain authority, (vii) the earliest date on which the District had the authority to exercise eminent domain, (viii) the District's taxpayer identification number, if any, (ix) whether the District exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition, and (x) the District's website address or, if it does not have one, the contact information to enable a member of the public to obtain information from the District. The attorney requested that the Board authorize her office to file the annual report with the Texas State Comptroller not later than the February 1, 2024 deadline. Upon unanimous vote, the Board authorized the attorney to make the submission as required by law.

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.

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 November financials.

Ms. Magee presented the District's September SPA check from the City of Houston in the amount of \$105,916.24.

Mr. Breeding then stated that he continues to work on end-of-year matters and has begun to prepare for 2024.

Mr. Homan provided an update on the status of the conveyance of two District ponds to Harris County in connection with their E132 drainage improvement project. Mr. Homan stated that the title company contacted him requesting a signed letter from the Board stating that both Mr. Homan and/or Mr. Breeding are authorized agents for the District who may sign whatever documentation is necessary to close the transactions. Ms. Seipel has prepared such letter for signature, and the Board unanimously approved it as presented.

Lastly, Mr. Homan requested that the Board grant him with discretion to allow employees to carry over additional unused vacation days to the following year. The Board agreed to such proposal.

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 6:39 p.m., the Board entered into executive session to discuss pending or threatened litigation. At 6:44p.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 correspondence to Harris County MUD No. 69.

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