

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

February 14, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, February 14, 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
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. Eddie Streich and Mr. Steve Gilbreath, engineers 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 January 24, 2024. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.
3. Mr. Streich 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, with work slated to complete in late spring or early summer.

With regard to phase 11 of the District’s sanitary sewer rehabilitation project, the engineer stated that his office is waiting on arrival of the videos taken of the lines in question.

As for Harris County’s (the “County”) E132 drainage improvement project, the engineer presented the bids received for the relocation of District utilities required by such project. Mr. Streich stated that Scohil Construction Services, LLC was the low bidder in the amount of \$340,779.00 with a contract time of 60 days, and he recommended that the District award the contract to such bidder. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board awarded the contract to Scohil Construction Services, LLC as recommended.

Mr. Streich reported that the bids for the District lift station rehabilitation project will be presented at the next meeting.

Lastly, Mr. Homan expressed his satisfaction with the engineering services being provided by Mr. Streich and his team. He stated that he has witnessed a marked improvement during the last several months, to which Mr. Breeding and Ms. Seipel concurred.

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 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. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee presented the District's November SPA check from the City of Houston in the amount of \$102,949.08.

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. Breeding stated that the District's first quarter reporting is underway.

Mr. Breeding reported that the generator for the Barwood wastewater treatment plant is in Houston and should be installed in the next several weeks. Some preparatory work is needed prior to install, but that work is slated to begin soon.

Mr. Homan reported that contract discussions with Harris County MUD No. 222 continue, and he recently sent the District's budget information to their president in connection with that discussion.

Mr. Homan provided an update on the status of the District's receipt of surface water from the North Harris County Regional Water Authority (the "Authority"), which is slated for 2025.

Lastly, Mr. Homan provided information regarding the District's efforts to repair and replace parts and facilities in this current climate, where lead times for parts is extremely long. The Board agreed with this proposed course of action.

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

6. The Board then discussed the most recent meeting of 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 fact that the board for the Authority continues efforts to reduce their water rates, despite recommendations from the financial advisor and others not to do so.

7. With regard to the Water Users Coalition, Mr. Homan stated that he is working to schedule another town hall presentation to discuss subsidence.

8. At 6:45 p.m., the Board entered into executive session to discuss pending litigation. At 6:47 p.m., upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the proposed settlement with Chick-fil-a on the terms presented.

9. Lastly, the Board considered items for the next agenda, including the order cancelling the 2024 directors' election.

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

Secretary

Short Term Action Items

1. Order Cancelling Directors' Election

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