

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 13, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, March 13, 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. Adam Anderson, engineers for the District; Ms. Kim Courte, insurance broker for the District; and Ms. Jennifer B. Seipel, attorney for the District. Also present was Mr. Ken Atchison, a resident of a nearby municipal utility 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 February 28, 2024. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.
3. Ms. Courte approached the Board regarding the renewal of the District’s property insurance. She reviewed the District’s current policy coverages, noting an 18% increase in the District’s premium resulting from rising replacement value costs as well as an increase in covered events in the region. Ms. Courte presented the Board with several options to reduce their premium, one of which being to raise the District’s deductible from \$10,000 to \$25,000. Mr. Homan and the Board agreed with that recommendation. After further discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved renewal of the District’s insurance proposal in the amount of \$180,499.00 as presented.
4. 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 there are no pay applications for approval but work is underway.

As for Harris County's (the "County") E132 drainage improvement project, the engineer stated that the preconstruction meeting with the contractor, Scohil Construction Services, was held last week and went well.

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

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 presented the District's December SPA check from the City of Houston in the amount of \$131,258.08.

Mr. Breeding stated that office personnel continue to receive weekly training on the new water billing and water smart software. In connection with that discussion, Mr. Breeding presented drafts of the new bill and delinquent notice to be sent to District customers. The Board expressed their satisfaction with the forms as presented. Mr. Breeding stated that the new form of bills will be sent starting in May.

Mr. Breeding reported that the District successfully sold two of its detention ponds to Harris County, and the funds for such ponds have been received. Mr. Homan confirmed that the District's contractor has been made aware to cease mowing and fertilizing such ponds.

Mr. Breeding reported that the generator project at the Barwood treatment plant is complete.

Mr. Homan reported that contract discussions with Harris County MUD No. 222 ("MUD No. 222") continue. Ms. Seipel confirmed that the District's current agreement with MUD No. 222 has been extended through mid-June.

Mr. Homan also noted that the District's annual family day will be held on May 18, 2024 at the Houston Dynamo game.

Mr. Homan discussed the status of discussions with Harris County Municipal Utility District No. 69.

Lastly, Mr. Homan provided information regarding a variety of additional pending projects.

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 fact that the board for the Authority appears to continue efforts to delay projects.

8. With regard to the Water Users Coalition, Mr. Homan stated that he is slated to begin interviewing candidates for the upcoming election of the Association of Water Board Directors.

9. There was no executive session.

10. Lastly, the Board considered items for the next agenda.

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

Secretary

Short Term Action Items

1. Normal Business

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