

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 10, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, April 10, 2024 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jon Morgan, Vice President
Ben Solis, Secretary
Darrell A. Barroso, Assistant Secretary
Lary Cangelose, Treasurer

and the following were absent:

Mike Kelley, President

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; Mr. Joseph Ellis, auditor for the District; and Ms. Jennifer B. Seipel, attorney for the District.

The Vice 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 March 27, 2024. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.
3. Mr. Ellis of McCall Gibson Swedlund Barfoot, PLLC presented an audit of the District’s books and records for the fiscal year ended December 31, 2023. He stated that the District experienced another good year, and his firm was issuing an unmodified opinion, meaning that the District’s financial and other records for the year present fairly and accurately. Director Barroso asked a question about the information contained in the audit, and Mr. Ellis answered that question to his satisfaction. As such, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the audit and authorized its filing as required by law subject to final review and approval by its consultants and employees. Mr. Ellis thanked the Board for its time and left the meeting.
4. Ms. Seipel noted that, after approving the audit being presented at the meeting, the District must update the transparency report required by Section 26.18 of the Texas Tax Code. The attorney confirmed that she will work with Ms. Magee and Ms. Catherman to update the compliance document and post it on the internet.

5. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. The District's investment officers confirmed that the policy currently in place is working and recommended that it be affirmed. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives as presented.

6. The Board considered the District's water conservation plan. Ms. Seipel stated that in order to remain compliant with state and local regulations, the Board must update and readopt the plans every five years. The District's consultants and employees have reviewed and revised the plan, and upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board voted to adopt the plan as presented.

7. 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, with work slated to complete in May or June.

With regard to phase 11 of the District's sanitary sewer rehabilitation project, the engineer stated that work is underway.

As for Harris County's (the "County") E132 drainage improvement project, the engineer stated that the notice to proceed was issued and the contractor has begun its work.

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

8. 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.

9. Ms. Magee, Mr. Breeding, and Mr. Homan presented the management report. Ms. Magee did not have any information to report.

Mr. Breeding provided an update on a variety of matters, including development, the construction status of several projects, and the negotiation of District contracts.

Mr. Homan also noted that the District's annual shrimp boil will be held on April 25, 2024. Harris County MUD No. 248 has agreed to contribute to the cost of this event, as well as this year's sheriff appreciation day.

Mr. Homan discussed the status of the County's E132 drainage improvement project, which is underway. He noted that the project will bring tens of millions of dollars in drainage improvements into the District and surrounding areas.

Lastly, Mr. Homan provided information regarding an apartment complex in the District that has become tax exempt. He and the attorney stated that, pursuant to the District's current rate order, the District must charge the complex with certain additional fees on their water

bill. Mr. Homan stated that he will be bringing additional information on the matter to the Board in the near future.

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

10. 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 is considering implementing an impact fee program. The Board discussed the many pitfalls this course of action.

11. With regard to the Water Users Coalition, Mr. Homan stated that he continues to work to schedule a meeting at the Timber Lane Community Center to discuss subsidence issues.

12. There was no executive session.

13. Lastly, the Board considered items for the next agenda, including a letter of no objection for a development along Meisterwood Drive.

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



Secretary

Short Term Action Items

1. No Objection Letter for Meisterwood Drive

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