

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 24, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, April 24, 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
Lary Cangelose, Treasurer

and the following were absent:

Darrell A. Barroso, Assistant 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. Samuel Meza, operations manager for the District; Ms. Norma Catherman, tax assessor-collector for the District; Mr. Adam Anderson, engineer for the District; Ms. Kayla Ray, bookkeeper for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; Ms. Jessica Espinoza, District employee; 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.
2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed an 91.71% collection rate for the 2023 tax year, with most other tax years being 99% collected or better. Ms. Catherman also noted that a refund will be issued to one account who was incorrectly deemed within the District’s boundaries by Harris Central Appraisal District. After further review of the report, upon motion made by Director Solis, seconded by Director Cangelose, 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) \$63,240.65 and \$87,605.97 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$1,656.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$1,412.50 to Husch Blackwell, (iv) \$142,771.19 to Cruz Tech, Inc., and (v) \$57,949.56 to Marrs, Ellis, and Hodge, LLP. Ms. Ray also confirmed that the District received a check in the amount of \$38,889.76 from Harris County MUD No. 222 for their portion of the Hastings Green lift station rehabilitation project design and bid phase engineering costs. There was some discussion as to which account to deposit the check. Upon the recommendation of the bookkeeper and the attorney, the Board agreed to deposit those funds into its sale of capacity account. Subject to that discussion, upon motion made by Director Morgan, seconded by Director

Solis, 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 April 10, 2024. Upon motion made by Director Morgan, seconded by Director Solis, 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 59,810,000 gallons from its wells, with an average daily flow of 1,929,355 gallons. There was 83% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 86,309,000 gallons with an average daily flow from the plants of 2,784,161 gallons per day. The District received 3.0 inches of rain during the month of March.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected.

With respect to out-of-district water use, Emerald Forest Utility District used 201,000 gallons and MUD No. 248 used 11,049,000 gallons.

As for personnel matters, a safety meeting on working with rotating equipment was held earlier in the month. A safety meeting on confined space entry is scheduled for May.

After review, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the operations report as presented.

6. Mr. Anderson 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 is nearing completion. Mr. Homan echoed that the corrective work being performed by the contractor, Persons Services Inc., is almost complete and appears to have been done well. Mr. Homan stated that, despite some delays and issues during the course of the project, Persons Services Inc. has stayed true to their word to finish the project to the District's satisfaction. Lastly, Mr. Homan stated that, in light of that fact, he would recommend that the Board do work with the contractor in the future. The Board agreed and expressed their satisfaction with such update.

Mr. Anderson stated that phase 11 of the District's sanitary sewer rehabilitation project continues. In connection with that project, Mr. Anderson presented and recommended approval of Pay Application No. 1 in the amount of \$142,771.49 to Cruz Tech, Inc. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the pay application as presented.

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

7. The Board then considered issuance of a letter of no objection to the Meisterwood HOA (the "HOA"). The HOA needs to relocate a sign on Meisterwood Drive as a result of a sidewalk project in the area. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved issuance of the letter of no objection subject to the HOA signing all requisite paperwork for the protection of the District.

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 Solis, 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 March financials.

Mr. Breeding then provided an update on a variety of matters, including the status of the North Harris County Regional Water Authority's (the "Authority") efforts to bring surface water to the District's plants, the status of negotiations with Harris County MUD No. 222, and other development and construction projects.

Mr. Homan reminded the Board of the District's annual shrimp boil tomorrow.

Mr. Homan also provided an update on several matters involving the Authority, including the proposed implementation of an impact fee **program** for both developments outside and inside the Authority's current boundaries. Mr. Homan stated that he has been selected to be a part of a committee to oversee the matter, and he will bring additional information to the Board as it becomes available.

Subject to that discussion, upon motion made by Director Solis, seconded by Director Morgan, and unanimously carried, the Board approved the management report as presented.

11. There was no executive session.

12. The Board considered items for the next agenda, including consideration of an amended rate order and an increase in the attorney's rate.


Secretary

Short Term Action Items

1. Rate Order Discussion
2. Discussion of Attorney Rate

Long Term Action Items

1. Contract Negotiations with Various Entities Served by the District
2. Plans for use of SPA Funds