

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

May 22, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, May 22, 2024 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jon Morgan, President
Ben Solis, Vice President
Darrell Barroso, Secretary
Lary Cangelose, Assistant Secretary
Mike Kelley, 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, 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. Under customer inquiries and input, Director Kelley noted that he received feedback regarding the District’s new billing format.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 92.09 % collection rate for the 2023 tax year, with most other tax years being 99% collected or better. After further review of the report, upon motion made by Director Barroso, seconded by Director Kelley, 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 bookkeeper presented checks in the amount of (i) \$49,809.22 and \$56,346.10 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$1,836.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$319,512.55 to Scohil Construction Services, and (iv) \$420,524.10 to Cruz Tech, Inc. 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. Subject to that discussion, upon motion made by Director Kelley, 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 May 8, 2024. Upon motion made by Director Barroso, 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 61,600,000 gallons from its wells, with an average daily flow of 2,053,333 gallons. There was 92% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 83,857,000 gallons with an average daily flow from the plants of 2,795,233 gallons per day. The District received 3.1 inches of rain during the month of April.

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 228,000 gallons and MUD No. 248 used 12,832,000 gallons.

As for personnel matters, a safety meeting on confined space entry will be held later in the month. A safety meeting on drug and alcohol abuse is scheduled for June.

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

6. The Board then considered amendment of its Order Establishing Policy and Rates for Water and Sewer Service and Imposition of Penalties and the adoption of an Order for the Adoption of a Fee Schedule of Water and Sewer Service Fees and Rates. Ms. Seipel stated that she and District personnel recommended that the above-referenced documents be amended to change language related to notices of delinquent bills and to increase the deposit for temporary meters. Following that discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the Rate Order and Fee Schedule as presented.

7. 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 is nearing completion.

Mr. Streich stated that phase 11 of the District's sanitary sewer rehabilitation project continues. In connection with that project, Mr. Streich presented and recommended approval of Pay Application No. 2 in the amount of \$420,524.10 to Cruz Tech, Inc.

In connection with the District's relocation of utilities to accommodate Harris County's E132 drainage improvement project, the engineer presented and recommended approval of Pay Application No. 1 in the amount of \$319,512.55 to Scohil Construction Services for their work in connection with that project.

Mr. Streich also reported that members of his team along with District personnel met with the contractor for the Hastings Green lift station rehabilitation project regarding the schedule and methodology for completing the project. The contractor confirmed that they are prepared to use bypass pumping if necessary.

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

8. Mr. Breeding reviewed with the Board the Consumer Confidence Report, which is required to be published by the end of June. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the report and authorized its posting as required by law.

9. 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.

10. 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 Kelley, seconded by Director Barroso, and unanimously carried, the Board approved payment of the general fund bills as presented.

11. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee presented the District's April financials.

Mr. Breeding then provided an update on the status of the District's facilities following the recent strong windstorm that caused significant power outages in the area. He stated that the District's generators performed well at facilities needing alternative sources of power. The District's administration building as well as other District facilities have experienced intermittent power outages that they expect to persist for several weeks.

Mr. Homan reported that the recent sheriff's appreciation day and annual District family day were successes.

Mr. Homan also provided an update on several additional matters, including the need to further extend the District's existing agreement with Harris County MUD No. 222.

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

12. There was no executive session.

13. The Board considered items for the next agenda, including sending a letter to Lakeside Place PFC.

Secretary

Short Term Action Items

1. Letter to Lakeside Place PFC

Long Term Action Items

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