

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

June 26, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, June 26, 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; Mr. Barry Hards with TGM Management, LLC; 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, Mr. Hards introduced himself, stating that his company provides landscaping services municipal utility districts and the like. He offered his business card and thanked the Board for its time.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 94.40% collection rate for the 2023 tax year, with most other tax years being 99% collected or better. Ms. Catherman also announced her official licensure as a tax assessor-collector under Texas law. Mr. Homan also applauded Ms. Catherman for the hard work that she went through to accomplish her certification. After further review of the report, upon motion made by Director Solis, seconded by Director Barroso, 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) \$16,486.48 and \$69,558.47 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$2,736.00 to Smith, Murdaugh, Little and Bonham, LLP, and (iii) \$3,774.51 to Husch Blackwell. Ms. Ray also recommended that the District close its tax account with Cadence Bank, as it is no longer needed. Subject to that discussion, upon motion made by Director Cangelose, seconded by Director Barroso, 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 June 12, 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 61,840,000 gallons from its wells, with an average daily flow of 1,994,839 gallons. There was 86% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 85,431,000 gallons with an average daily flow from the plants of 2,755,839 gallons per day. The District received 8.5 inches of rain during the month of May.

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 205,000 gallons and MUD No. 248 used 12,234,000 gallons.

As for personnel matters, a safety meeting on drug and alcohol abuse is scheduled for later this month.

Mr. Homan also noted that water well no. 2 at the Hastings Green water plant has started to develop brass and the water production rate has decreased. District personnel are going to continue to monitor the situation, but Mr. Homan stated that the well will need attention in the future.

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

6. 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, with the final inspections scheduled to occur soon.

Mr. Streich stated that phase 11 of the District's sanitary sewer rehabilitation project continues. In connection with that project, the engineer presented and recommended approval of Pay Application No. 3 in the amount of \$149,737.50 to Cruz Tech, Inc. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved payment the pay application as presented.

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. 2 and Final in the amount of \$16,816.45 to Scohil Construction Services for their work in connection with that project. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved payment the pay application as presented. Mr. Streich noted that the Texas Commission on Environmental Quality final inspection was held yesterday and went well.

Mr. Streich stated that the contractor for the Hastings Green lift station rehabilitation project has mobilized.

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

7. The Board then considered a letter to Lakeside Place PFC for back charges owed to the District for a portion of 2023. Mr. Homan and Ms. Seipel provided an explanation regarding the situation and recommended that the Board send the letter. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the letter as presented and authorized its transmission.

8. The Board considered a draft of the wastewater treatment agreement with Harris County MUD No. 222. Mr. Homan, Mr. Breeding, and Ms. Seipel reviewed with the Board in detail the contents of the agreement, including payment provisions, ownership and operation provisions, and other related matters. After discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the agreement as presented and authorized its transmission to Harris County MUD No. 222 for review and comment.

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 Solis, 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 May financials.

Mr. Breeding then discussed upgrades and repairs to the audio/visual equipment that are needed following the recent storm events. The work will cost approximately \$7,800.00.

Mr. Breeding stated that an employee recently resigned, but they have interviewed several new candidates for the field technician position.

Mr. Homan reported that Harris County MUD No. 69 ("MUD 69") sent an invoice to the District for repairs to a broken District water line that MUD 69 believed to be theirs, dug up, and assisted in the repair. Mr. Homan recommended that the District offer to pay half of the invoice, as MUD 69 excavated portions of the driveway that were not necessary. The Board agreed with such course of action.

Mr. Homan and the Board also discussed the recent conference of the Association of Water Board Directors.

Mr. Homan also discussed the scheduling of a town hall meeting with Precinct No. 3 Commissioner Tom Ramsey, which is tentatively slated for July 31, 2024.

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. At 7:31 p.m., the District entered into executive session to discuss pending or threatened litigation. At 8:07 p.m., the Board exited executive session and directed District personnel to send Harris County MUD No. 69 an invoice as presented.

13. The Board considered items for the next agenda, including an annexation petition for 14140 Cypress North Houston.

Secretary

Short Term Action Items

1. Petition for Annexation of Land

Long Term Action Items

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