

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
July 24, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, July 24, 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. 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 a 94.84% 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 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 bookkeeper’s report reflected checks in the amount of (i) \$28,740.04 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$1,964.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$16,816.45 to Scohill Construction Services, LLC, and (iv) \$149,737.50 to Cruz Tech, Inc. Ms. Ray also presented a check in the amount of \$28,097.50 to be transferred from the District’s drainage improvement account to its operating account to reimburse the operating account for legal expenses associated with the E132 drainage improvement project. 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 July 10, 2024. Upon motion made by Director Kelley, 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 66,377,000 gallons from its wells, with an average daily flow of 2,212,567 gallons. There was 88% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 82,632,000 gallons with an average daily flow from the plants of 2,754,400 gallons per day. The District received 2.6 inches of rain during the month of June.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 19 meters and repaired 2 leaks during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 217,000 gallons and MUD No. 248 used 13,611,000 gallons.

As for personnel matters, a safety meeting on heat stress was held this month.

Mr. Homan also reported that the District continues to experience power issues with its facilities following Hurricane Beryl. District personnel continues to work through the situation.

Mr. Breeding stated that one of the new employees has started work, and the other employee is scheduled to start in a few weeks.

After review, upon motion made by Director Solis, seconded by Director Barroso, 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. He anticipates presenting the final pay application at the District's next meeting.

Mr. Streich stated that phase 11 of the District's sanitary sewer rehabilitation project continues. The contractor has begun the pipe bursting phase of the project and remains on schedule.

Mr. Streich reported that the Hastings Green lift station rehabilitation project continues. Currently, the lift station has been bypassed and rehabilitation work is underway. Mr. Breeding showed several photographs of the lift station under repair.

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. 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.

8. 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.

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

Ms. Magee also confirmed that she registered several of the Board members for the mid-winter conference of the Association of Water Board Directors.

Mr. Breeding provided an update on a variety of matters, including ongoing construction projects and employee matters.

Mr. Homan also stated that the tree next to the District's administration building is scheduled to be removed soon.

Mr. Homan stated that Harris County MUD No. 222 received the draft wastewater treatment agreement and would like to meet soon to discuss the matter further.

Mr. Homan reported that Harris County MUD No. 69 ("MUD 69") offered to reduce the invoice it sent 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 to an amount of \$5,000.00.

Mr. Homan reminded the Board of the upcoming town hall meeting with Precinct No. 3 Commissioner Tom Ramsey, which is scheduled for July 31, 2024.

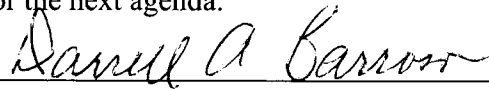
Mr. Homan stated that Lakeside Place PFC contacted the District regarding the invoice they recently received. After such discussion, Mr. Homan offered to allow Lakeside Place PFC to pay the invoice in two installments, with the first check having been received in the amount of \$19,841.11.

Mr. Homan provided a brief update on the recent meeting between the District's personnel and the engineer, attorney, and bookkeeper regarding the District's finances and bank accounts. He provided an overview of the District's various accounts and recommended that the District: (i) close the sale of capacity account and move those funds to general operating; (ii) close the Series 2017 account and move those funds to the capital improvement checking account; and (iii) have released the escrowed capital funds to the capital improvement checking account. Mr. Homan also recommended that, going forward, the District put 20% of its SPA income towards its SPA savings account and 80% into its operating account to cover ordinary expenses. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved this course of action.

The Board then had an extensive discussion regarding PFCs and the District's efforts to obtain information from the Houston Housing Authority through open records requests.

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.

10. There was no executive session.
11. The Board considered items for the next agenda.


Secretary

Short Term Action Items

1. Normal Business

Long Term Action Items

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