

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
September 25, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, September 25, 2024 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Jon Morgan, President
Darrell Barroso, Secretary
Lary Cangelose, Assistant Secretary
Mike Kelley, Treasurer

and the following were absent:

Ben Solis, Vice 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. 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; Mr. David Wood, financial advisor for the District; 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 95.34% 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. The Board discussed the District’s 2024 tax rate. Mr. Wood reviewed the District’s financials with the Board and recommended that, in light of the District’s current financial position and its projected upcoming projects, the Board levy a debt service tax of \$0.26 per \$100 assessed valuation. The financial advisor reviewed the cash flow that would result from the assessment of such rate. The Board discussed the District’s determination regarding the type of district it is for purposes of Chapter 49 of the Texas Water Code, and after doing so, determined that it was a developed district. Accordingly, upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board adopted a Resolution (1) finding the District to be a developed district, (2) calling a public hearing on the District’s proposed 2024 tax rate for October 23, 2024, and (3) authorizing the District’s tax assessor-collector to prepare and publish notice of the public hearing, with the noticed rate being \$0.26.

4. 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) \$32,508.26 and \$26,674.24 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$2,400.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$3,037.65 to Husch Blackwell, LLC, and (iv) \$28,705.50 to Cruz Tec, Inc. Subject to that discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon.

5. The Board considered the minutes for the meeting held on September 11, 2024. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 75,268,000 gallons from its wells, with an average daily flow of 2,428,000 gallons. There was 86% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 84,115,000 gallons with an average daily flow from the plants of 2,713,387 gallons per day. The District received 1.8 inches of rain during the month of August.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 4 meters during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 236,000 gallons and MUD No. 248 used 15,201,000 gallons.

As for personnel matters, a safety meeting on health, wellness, and nutrition was held this month.

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

7. Mr. Anderson presented the engineer's report, a copy of which is attached hereto. He noted that his office has prepared the fourth reimbursement package for submission to the Texas Department of Transportation related to the water and sanitary sewer line project at N. Eldridge Parkway and F.M. 1960. The package is nearing completion and will be submitted soon.

Mr. Anderson stated that phase 11 of the District's sanitary sewer rehabilitation project is nearing completion. He presented and recommended approval of Pay Application No. 4 in the amount of \$28,705.50 to Cruz Tec, Inc. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously approved, the Board approved the pay application as presented.

The engineer also reported that the Hastings Green lift station rehabilitation project continues. Mr. Homan and Mr. Anderson discussed delays experienced by the contractor.

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

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 Kelley, seconded by Director Barroso, 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 August financials. Mr. Breeding described several changes to the report.

Mr. Breeding provided an update on a variety of matters, noting that (i) the new operations assistant manager has commenced work, and (ii) he continues await arrival of the new District truck.

Mr. Homan also stated that the Lakeside Place PNC apartment complex within the District sent their second payment for 2023 fees owed. Mr. Homan stated that the District will send the complex a bill for the outstanding 2024 charges owed through application of the District's rate order. The Board agreed with the approach.

Mr. Homan stated that Harris County MUD No. 69 purportedly sent the payment for their portion of the generator. Mr. Homan stated that he and the attorney will work on amendments to the existing agreement in the coming weeks.

The Board also discussed the recent press release issued by the North Harris County Regional Water Authority.

Subject to that discussion, upon motion made by Director Cangelose, seconded by Director Barroso, 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.

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