

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

October 23, 2024

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, October 23, 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, engineer for the District; Ms. Kayla Ray, bookkeeper for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; 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. Ms. Magee stated that it was disconnection day, with there being 71 disconnections in the District and 20 disconnections in Harris County Municipal Utility District No. 248.

2. Ms. Catherman then presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed a 95.54% 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 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. Following the public hearing, the Board considered the Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax for 2024. The Board heard one comment from a taxpayer thanking the Board for their good work. Ms. Magee and Ms. Catherman confirmed that they had published the required notice which reflects that the District would consider a tax rate of \$0.26 per \$100 valuation. After review, and upon motion made by Director Kelley, seconded by Director Solis, the Board voted unanimously to approve the Order setting the District's 2024 tax rate at \$0.26 per \$100 valuation.

4. Ms. Seipel then presented an Amendment to Statement of Directors which reflects the newly-adopted tax rate, a copy of which will be recorded in the Real Property Records of Harris County, Texas. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously approved, the Board approved the Amendment to Statement of Directors as presented.

5. 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) \$21,718.07, \$3,119.38 and \$10,062.83 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$4,520.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$ 882,211.50 to CFG Industries, LLC. Later in the meeting, it was noted that the check to CFG Industries, LLC should be in the amount of \$868,611.50, which was reduced from the \$882,211.50 to account for liquidated damages and to comport with the pay application presented for approval by the engineer. Ms. Ray voided the original check and a new check for the correct amount was circulated for signature. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report and the checks listed thereon with the exception to the check to CFG Industries, LLC which was revised as stated above.

6. The Board considered the minutes for the meeting held on October 9, 2024. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

7. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 67,292,000 gallons from its wells, with an average daily flow of 2,243,067 gallons. There was 86% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 79,289,000 gallons with an average daily flow from the plants of 2,642,967 gallons per day. The District received 5.4 inches of rain during the month of September.

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 247,000 gallons and MUD No. 248 used 16,391,000 gallons.

As for personnel matters, a safety meeting on plant safety and biohazards 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.

8. Mr. Anderson presented the engineer's report, a copy of which is attached hereto. He noted that his office is finalizing 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 should be submitted by the end of the month.

The engineer also reported that the Hastings Green lift station rehabilitation project continues. He presented and recommended approval of Pay Application No. 2 in the amount of \$868,611.50 to CFG Industries, LLC. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously approved, the Board approved the pay application as presented.

Mr. Breeding also reported that the District performed certain manhole repair work to a manhole at the Hastings Green wastewater treatment plant. He showed several photographs of the repairs. Mr. Homan also noted the need to perform repairs to additional facilities at the plant. He requested permission for the engineer to advertise for bids to make the final repairs needed at the Hastings Green wastewater treatment plant. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the request, also appointing Director Morgan to serve as a decisionmaker on the project as needed.

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

9. The Board then considered an Order Adding Land and Redefining the Boundaries of the District. The attorney and engineer confirmed that this annexation relates to the property along Huffmeister owned by MP Technologies. Upon motion made by Director Solis, seconded by Director Cangelose, the Board approved the order as presented.

10. The Board then considered an Amendment to Statement of Directors to account for the change in District boundaries. Upon motion made by Director Solis, seconded by Director Barroso, the Board approved the order as presented.

11. The Board considered a Resolution Affirming Covered Applications and Prohibited Technology Policy, which prohibits District-owned equipment from having certain applications such as TikTok. Upon motion made by Director Kelley, seconded by Director Solis, the Board approved the order as presented.

12. 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. The Board noted the concrete-lined channel being constructed by Harris County Flood Control.

13. 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.

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

Mr. Breeding provided an update on a variety of matters. He requested permission to purchase two lawnmowers in the total amount of \$17,300. The Board discussed the amount of time being spent by District employees in mowing the District's facilities. Mr. Homan explained the amount of spent and the locations being mowed. The Board expressed their satisfaction with

the processes in place. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the purchase of the mowers.

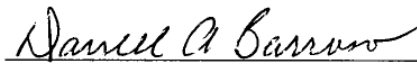
Mr. Homan stated that water well no. 2 at water plant no. 2 is producing brass and production is down. Mr. Breeding presented a proposal from Weisinger to pull and investigate the well in the amount of \$28,462.00. It was noted that the quote was procured through the buy-board. It also was noted that this well has not been pulled in at least fifteen years. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the proposal as presented.

Mr. Homan presented the November and December meeting schedule. It was noted that the meetings will be held the first, second, and third Wednesdays of those months, with the elimination of any unnecessary meetings being on the table.

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.

15. At 7:00 p.m., the Board entered into executive session to discuss threatened litigation. At 7:15 p.m., the Board exited executive session and took no further action.

16. 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