

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors
November 20, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, November 20, 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.

2. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 95.86% 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. 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) \$25,218.44, \$2,918.13 and \$65,125.31 to Lockwood, Andrews, and Newnam for engineering services, (ii) \$200.00 to Smith, Murdaugh, Little and Bonham, LLP, (iii) \$345,333.00 to CFG Industries, LLC. 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.

4. The Board considered the minutes for the meeting held on November 13, 2024. Upon motion made by Director Barroso, seconded by Director Kelley, 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 74,128,000 gallons from its wells, with an average daily flow of 2,391,226 gallons. There was 88% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 75,147,000 gallons with an average daily flow from the plants of 2,424,097 gallons per day. The District received 0.25 inches of rain during the month of October.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 143 meters during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 240,000 gallons and MUD No. 248 used 14,292,000 gallons.

As for personnel matters, a safety meeting on job site safety awareness was held this month.

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. Anderson presented the engineer's report, a copy of which is attached hereto. He noted that the fourth reimbursement package submitted by the District is under review by the Texas Department of Transportation. Mr. Anderson has a meeting with the department next week to discuss any questions they might have.

The engineer also reported that the Hastings Green lift station rehabilitation project continues. He presented and recommended approval of Pay Application No. 3 in the amount of \$3435,333.00 to CFG Industries, LLC, noting that the project is nearing completion. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously approved, the Board approved the pay application as presented.

Mr. Anderson then presented the bids received with regard to the water plant no. 2 recoating project, noting that the District received three bids. He recommended that the District award the contract to Sustanite Support Services, LLC in the amount of \$596,000.00. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board voted to award the contract as recommended by the engineer.

After further review and discussion, upon motion made by Director Solis, seconded by Director Barroso, 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 Cangelose, 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 October financials.

Ms. Magee also presented the 2025 meeting calendar for review and comment.

Mr. Breeding provided an update on a variety of matters. He stated that the District received its new truck yesterday.

Mr. Breeding discussed the recently-adopted budget, which was revised to reflect a CPI adjustment of 2.6% and to revise an additional clerical error.

Mr. Homan stated that negotiations with Harris County MUD No. 222 are coming to a conclusion, with the Board likely to consider approval of the agreement in December.

Ms. Seipel presented the interlocal agreement with Harris County as related to drainage improvement projects in Barwood and Tower Oaks Meadows. The Board previously approved the agreements subject to finalization. The attorney stated that the agreements still required a few minor changes but should be in final form in the next few days. The Board briefly discussed the terms of the agreement related to the costs to be incurred by the District. Mr. Homan stated that the engineer verified that the estimates of project costs presented in the attachments to the agreements appear reasonable.

Mr. Homan stated that, pursuant to prior discussions with the Board, this week the District issued a letter temporarily extending Harris County MUD No. 69's emergency water supply agreement with the District for 90 days past the December 20, 2024 expiration.

Mr. Homan stated that he is holding a meeting with the District's representative for the North Harris County Regional Water Authority tomorrow. The meeting will be attended by several municipal utility district board members.

Ms. Magee stated that the District's Christmas party will be held on Thursday, December 5, 2024 at the District's administration building.

Director Kelley raised a question regarding use of the cost-of-living adjustment ("COLA") percentage when discussing personnel raises. The Board discussed the difference between COLA rates and consumer price index rates. Mr. Homan provided additional information regarding the proposed ranges for raises.

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. At 6:51 p.m., the Board entered into executive session to discuss personnel matters. At 7:35p.m., the Board exited executive session and unanimously voted to approve the raise parameters as presented.

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