

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

December 11, 2024

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met on Wednesday, December 11, 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; Mr. Scott Gray, representative for Champions Hydro-Lawn; and Ms. Jennifer B. Seipel, attorney for the District. Also present were Mr. Ron Chapman and Mr. Teague Harris with Harris County MUD No. 222; and Mr. Eliseo Pita and Mr. Frank Martin with Urban Edge, Inc.

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. Mr. Pita and Mr. Martin with Urban Edge, Inc. approached the Board regarding a proposed development on Huffmeister Road between Birdcall Lane and Shaft Drive. Mr. Martin explained that the development will include 32 townhomes and 3 single-family homes, and he stated that he is here to request water and wastewater capacity to serve the development. The District’s engineer confirmed that the property is located within the jurisdictional boundaries of the District, and the District has the capacity to serve the development. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the request for a utility commitment as requested subject to final approval of the development plans. The gentlemen thanked the Board for their time and left the meeting.
3. Ms. Catherman then presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 96.08% collection rate for the 2023 tax year and 8.26% for the 2024 tax year, with most other tax years being 99% collected or better. After further review of the report, upon motion made by Director Congelose, 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.

4. Ms. Magee then presented the fund manager's report on behalf of the bookkeeper, a copy of which is attached hereto. The bookkeeper's report reflected a check in the amount of (i) \$1,000.00 to Smith, Murdaugh, Little and Bonham, LLP. 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 check(s) listed thereon.

5. The Board considered the minutes for the meeting held on December 4, 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 58,622,000 gallons from its wells, with an average daily flow of 1,954,067 gallons. There was 102% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 74,932,000 gallons with an average daily flow from the plants of 2,497,733 gallons per day. The District received 4.80 inches of rain during the month of November.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 13 meter registers during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 329,000 gallons and MUD No. 248 used 13,333,000 gallons.

As for personnel matters, an end-of-year safety meeting will be held on December 12, 2024.

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 the fourth reimbursement package submitted by the District remains under review by the Texas Department of Transportation ("TxDOT"). The engineer stated that his office continues to work through comments from TxDOT.

Mr. Anderson stated that, with regard to the water plant no. 2 recoating project, the contractor is scheduled to begin on December 16, 2024.

Mr. Homan stated that District personnel is scheduled to meet with the engineering team to discuss the final details of the Barwood and Tower Oaks Meadows drainage improvement project.

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.

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 then considered a new wastewater treatment agreement with Harris County MUD No. 222 ("MUD No. 222"). Mr. Homan recognized Mr. Teague Harris and Mr. Ron Chapman, directors for MUD No. 222, stating that they played an integral role in negotiating the new agreement. Ms. Seipel stated that the existing agreement and amendments thereto were many decades old, and this new agreement modernizes the arrangement between the parties. Mr. Harris thanked the Board for their partnership, stating that as a showing of good faith, MUD No. 222 would like to honor certain true-up provisions in the new agreement as applied to the prior year. Mr. Harris also commended the District on its maintenance of the Hastings Green wastewater treatment plant, stating that it is in incredible shape for its age. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the agreement as presented.

10. The Board considered renewal of a utility commitment for the development of office warehouses at 11220 F.M. 1960 W. The attorney stated that the District previously issued a utility commitment for this project, but it has since expired. The engineer confirmed that such property is within the jurisdictional boundaries of the District, and the District has the capacity to serve the development. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the renewal of the utility commitment as requested.

11. 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.

12. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee presented the District's November financials. Mr. Homan stated that he will present a summary on the state of the District in January.

Ms. Seipel presented an audit continuance letter from the District's existing auditor. The attorney stated that the District has an evergreen contract with the auditor, and the proposed fee range is in line with prior years. The Board agreed to proceed with the audit with its existing auditor.

Mr. Breeding then presented the annual report from the Texas County and District Retirement System ("TCDRS"), noting that the proposed contribution rate for 2025 is 8.88%. Mr. Breeding noted that the District's funded balance percentage continues to increase. Subject to that discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board elected to proceed with its participation in the TCERS without making any changes to its plan.

Mr. Homan provided an update on a variety of matters, including the Christmas party and planning for 2025.

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.

13. Ms. Seipel reported that pursuant to Texas law, all entities with the power of eminent domain must annually submit certain information to the Texas Comptroller. The District will be required to submit not later than February 1st of each year a report containing records and other information needed for the Comptroller's eminent domain database, including the following: (i) name, (ii) address and public contact information, (iii) the name of a representative and their contact information, (iv) the type of entity, (v) each provision of law that grants the District eminent domain authority, (vi) the focus or scope of eminent domain authority, (vii) the earliest date on which the District had the authority to exercise eminent domain, (viii) the District's taxpayer identification number, if any, (ix) whether the District exercised its eminent domain authority in the preceding calendar year by filing a condemnation petition, and (x) the District's website address or, if it does not have one, the contact information to enable a member of the public to obtain information from the District. The attorney requested that the Board authorize her office to file the annual report with the Texas State Comptroller not later than the February 1, 2025 deadline. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board authorized the attorney to make the submission as required by law.

14. There was no executive session.

15. 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