

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 22, 2025

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, January 22, 2025 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; Ms. Kayla Ray, bookkeeper for the District; Mr. Eddie Streich and Mr. Adam Anderson, engineers 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 noted that disconnection day would have been today, but disconnections were not performed due to the recent cold weather.

2. Ms. Catherman then presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed a 44.31% collection rate 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 Kelley, seconded by Director Solis, and unanimously carried, the Board approved the tax assessor-collector's report and payment of the bills listed thereon with checks and wire transfers drawn from the tax fund.

3. The Board considered tax exemptions for the 2025 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. The Board also considered the attached Order Adopting Homestead Exemption. In prior years, the District has provided an exemption of 20% on residential homesteads and can continue such exemption with adoption of this Order. Upon motion duly made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the attached Order Adopting

Residence Homestead Exemption for Persons 65 or Older or Disabled and Order Adopting Homestead Exemption as presented.

4. Ms. Ray presented the fund manager's report on behalf of the bookkeeper, a copy of which is attached hereto. The bookkeeper's report reflected checks in the amount of (i) \$14,590.91, \$2,605.44, and \$74,500.73 to Lockwood, Andrews, and Newnam, Inc., and (ii) \$2,000.00 to Smith, Murdaugh, Little and Bonham, LLP. 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 check(s) listed thereon.

5. The Board considered the minutes for the meeting held on January 8, 2025. Upon motion made by Director Barroso, seconded by Director Solis, 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 54,651,000 gallons from its wells, with an average daily flow of 1,762,935 gallons. There was 97% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 78,885,000 gallons with an average daily flow from the plants of 2,544,677 gallons per day. The District received 4.8 inches of rain during the month of December.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 39 meter registers during the prior month. Director Barroso asked a question regarding the high quantity of meters that were replaced, given that all meters were replaced in the District in the recent past. Mr. Breeding stated that they believe the District received a bad lot of meter registers, but the manufacturer is replacing them at no cost to the District.

Mr. Meza also reported that the District's facilities fared well during the recent freeze, with no issues being experienced. Mr. Meza also explained the District's procedures for preparing for such types of events. The Board expressed their satisfaction with the procedures and results.

With respect to out-of-district water use, Emerald Forest Utility District used 277,000 gallons and MUD No. 248 used 11,286,000 gallons.

As for personnel matters, a safety meeting on hypothermia and winter hazards was held earlier in the month.

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

7. Mr. Streich presented the engineer's report, a copy of which is attached hereto. He noted that his office recently had a meeting with representatives for the Texas Department of Transportation ("TxDOT") regarding the fourth reimbursement package that was submitted several months ago. The engineer stated that TxDOT has requested that the District

submit one final reimbursement package that includes everything related to the project. Mr. Homan and Mr. Streich agreed that such course of action was acceptable, and the District will work to do so in the next month or two.

Mr. Streich stated that, with regard to the water plant no. 2 recoating project, the contractor has commenced work.

On the Barwood and Tower Oaks Meadows drainage improvement project, Mr. Streich stated that the District's plans for utility relocations for both neighborhoods will be sent to Harris County by the end of the week so that the County can advertise for bids for that work.

With regard to phase 12 of the District's sanitary sewer rehabilitation project, the engineer stated that the plans have been finalized and requested authorization to advertise the project for this. After discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board authorized the engineer to advertise the project.

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.

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. The Board also discussed work being performed on the detention ponds that the District recently sold to Harris County.

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 Solis, 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 December financials.

Ms. Magee also confirmed the Board's registration and rental cars for the upcoming mid-winter conference of the Association of Water Board Directors ("AWBD"). In connection with this topic, Mr. Homan stated that he intends to present a full summary on the state of the District at the next meeting. The Board did briefly look at the comparison of budgeted expenses and revenue, noting that the estimates were very close.

Mr. Breeding then presented a draft of the District's spring 2025 newsletter, which is scheduled to be sent out in the next few weeks.

Mr. Homan stated that District representatives and the attorney recently met with counsel for Harris County MUD No. 69 regarding negotiation of a new wastewater treatment and emergency water supply agreement. He noted that such meeting went well, and he hopes to present drafts for approval in the coming weeks.

Mr. Homan stated that he was approached by representatives for Harris County Sheriff's Office regarding the need for additional officers in the District. The Board discussed the

fact that the District has so many neighborhoods, many of which already contract for such services. After discussion, the Board agreed that they were not interested at this time.

Mr. Homan provided additional information about the upcoming mid-winter conference of AWBD.

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. At 6:50 p.m., the Board entered executive session to discuss threatened litigation and personnel matters not addressed during the management report. At 7:05 p.m., the Board exited executive session and took no further action.

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