

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 23, 2025

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, April 23, 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 Mr. Douglas McNiel, on behalf of the 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 for the Board's consideration.
2. Ms. Catherman then presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed a 92.92% 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 Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the tax assessor-collector's report and payment of the bills listed thereon with checks and wire transfer(s) drawn from the tax fund.
3. 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 amounts of (i) \$1,676.61, \$2,854.72, \$5,764.88, \$1,819.41, \$533.02, and \$5,734.13 to Lockwood, Andrews and Newnam, Inc., and (ii) \$1,400.00 to Smith, Murdaugh, Little and Bonham, LLP. Subject to that discussion, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager's report and the check(s) listed thereon.
4. The Board considered the minutes for the meeting held on April 9, 2025. Upon motion made by Director Solis, seconded by Director Barroso, 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 59,651,000 gallons from its wells,

with an average daily flow of 1,924,226 gallons. There was 84% water accountability for the prior month. Upon questioning from the Board, Mr. Homan noted that the lower water accountability percentage was likely due to the timing of the month the accountability was noted. Mr. Homan expects the percentage will be higher in future reports.

At the wastewater treatment plants, the total combined treatment amounted to 79,923,000 gallons with an average daily flow from the plants of 2,578,161 gallons per day. The District received 3.2 inches of rain during the month of March.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 24 meter registers during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 215,000 gallons and MUD No. 248 used 10,924,000 gallons.

As for personnel matters, a safety meeting on heat stress will be held next 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. Streich presented the engineer's report, a copy of which is attached hereto. He noted that his office had a meeting with representatives for the Texas Department of Transportation ("TxDOT") and District personnel regarding the supplemental reimbursement agreement needed to submit a final reimbursement package. It seems that progress has been made, and the engineer is hopeful that the final package will be approved soon. The District will need to enter into a supplemental agreement with TxDOT because the final costs are expected to be more than \$100,000 below the original estimate for the project.

Mr. Streich and Mr. Homan informed the Board that the District has been notified of a claim from a subcontractor stating that it has not been paid by the general contractor for the District's phase 11 sanitary sewer rehabilitation project. Specifically, the subcontractor has requested information on pay applications submitted to and paid by the District. Because such information is public, it was recommended that the District produce the requested information.

With regard to the phase 12 television work related to the District's sanitary sewer rehabilitation project, the engineer held a pre-construction meeting with the contractor on April 16, 2025, and the notice to proceed is dated April 28, 2025.

The contractor for the Hastings Green lift station rehabilitation has addressed the remaining punch list items. Mr. Streich presented Pay Application No. 4 and Final in the amount of \$107,858.00 to CFG Industries, LLC. Accordingly, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the pay application as presented.

As for the water plant no. 2 recoating project, Mr. Streich presented and recommended approval of Pay Application No. 2 in the amount of \$77,220.00 to Sustanite Support Services, LLC. Accordingly, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the pay application as presented.

Lastly, the engineer reported that the Tower Oaks drainage improvement project is expected to commence as early as the third quarter of this year.

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

7. The Board then considered an Emergency Interconnect and Interim Water Supply Agreement and a Wastewater Treatment Agreement with Harris County Municipal Utility District No. 69 ("MUD No. 69"). Mr. Homan explained how the wastewater treatment agreement will modify the financial obligations of MUD No. 69 such that they will pay a greater share of the costs associated with the operation, maintenance, and long-term use of the Barwood wastewater treatment plant. Mr. Homan then explained that the parties' emergency water supply agreement is expired. The new emergency water supply agreement as presented is for a one-year term. After review and discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the Emergency Interconnect and Interim Water Supply Agreement, and the Wastewater Treatment Agreement with Harris County Municipal Utility District No. 69 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. Mr. Homan also requested Mr. Gray perform a full inspection of the District's storm sewer inlets and outlets. Mr. Gray agreed to do so.

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 Barroso, seconded by Director Cangelose and unanimously carried, the Board approved payment of the general fund bills as presented.

10. Mr. Homan, Mr. Breeding, and Ms. Magee then presented the management report. Ms. Magee presented the District's March financials.

Mr. Homan invited the Board and the consultants to attend the District Shrimp Boil Open House on May 1, 2025, and the District's Family Fun Day at the Houston Museum of Natural Science on May 3, 2025. Mr. Homan then gave a brief overview of the progress on the District's conversion to surface water.

11. There was no executive session.

12. The Board considered items for the next agenda.

There being no further business to come before the Board, the meeting was adjourned.


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