

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 24, 2025

The Board of Directors ("Board") of Harris County Fresh Water Supply District No. 61 ("District") met on Wednesday, September 24, 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; Mr. David Wood, financial advisor for the District; Ms. Kayla Ray, bookkeeper for the District; Mr. Adam Anderson and Mr. Eddie Streich engineers for the District; Mr. Scott Gray, representative for Champions Hydro-Lawn; and Ms. Jennifer 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 was no public comment. Mr. Homan stated that he received many compliments from District residents at the recent surface water conversion town hall meeting, noting that the District provides quality service in a prompt manner.

2. Ms. Catherman then presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed a 97.25% 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 transfer(s) drawn from the tax fund.

3. The Board discussed the District's 2025 tax rate. Mr. Wood reviewed the District's financials with the Board and recommended that, in light of the District's current financial position and its projected upcoming projects, the Board levy a debt service tax of \$0.26 per \$100 assessed valuation. The financial advisor reviewed the cash flow that would result from the assessment of such rate. The Board discussed the District's determination regarding the type of district it is for purposes of Chapter 49 of the Texas Water Code, and after doing so, determined that it was a developed district. Accordingly, upon motion made by Director Kelley, seconded by

Director Solis, and unanimously carried, the Board adopted a Resolution (1) finding the District to be a developed district, (2) calling a public hearing on the District's proposed 2025 tax rate for October 22, 2025, and (3) authorizing the District's tax assessor-collector to prepare and publish notice of the public hearing, with the noticed rate being \$0.26.

4. The Board considered the minutes for the meeting held on September 10, 2025. One change was suggested, and upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 82,741,000 gallons from its wells, with an average daily flow of 2,669,065 gallons. There was 92% water accountability for the prior month.

At the wastewater treatment plants, the total combined treatment amounted to 81,410,000 gallons with an average daily flow from the plants of 2,626,129 gallons per day. The District received 4.9 inches of rain during the month of August.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The District replaced 10 meter registers during the prior month.

With respect to out-of-district water use, Emerald Forest Utility District used 243,000 gallons, MUD No. 248 used 15,425,000 gallons, and MUD No.69 used 10,128,000.

As for personnel matters, a safety meeting on SCBA proper use and inspection will be held next month.

The Board then discussed the status of receipt of surface water from the North Harris County Regional Water Authority (the "Authority"). The Board discussed ways to mitigate water loss, the methodology for treatment of the surface water received, and the timeline for receipt of surface water from the Authority. Mr. Breeding also showed the Board information that has been placed on the District's website related to surface water conversion.

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. With regard to the N. Eldridge Parkway road expansion project, he noted that the final reimbursement package has been reviewed by District personnel and consultants and is being prepared for submission.

Mr. Streich then discussed phase 11 of the sanitary sewer rehabilitation project. They noted that the contractor still has yet to resolve all of its claims with certain subcontractors who worked on the project. The final inspection of the project with the Texas Commission on Environmental Quality is still pending, as it was previously cancelled by the contractor.

As for phase 12 of the District's sanitary sewer rehabilitation project, Mr. Streich stated that work is ongoing.

Lastly, the engineer reported on the Barwood and Tower Oaks Meadows drainage improvement projects. The engineer stated that notice to proceed was issued on the Tower Oaks Meadows project for September 29, 2025. The contract for the Barwood project has been awarded.

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.

7. 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 \$2,388,462.00 and \$4,998,946.00 to Harris County. Mr. Homan and the bookkeeper discussed the District's payments to Harris County on the above-mentioned Barwood and Tower Oaks Meadows projects, noting from which accounts money was transferred and paid. The checks for such projects will be hand delivered by Mr. Homan to the County Treasurer this week, and a receipt for the checks will be requested. Subject to that discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager's report and the check(s) listed thereon.

8. Mr. Gray presented a report on behalf of Champions Hydro-Lawn, copy attached. He noted that the District's facilities are in good shape. He also discussed delaying re-seeding to allow NHCRWA contractors who damaged District facilities to make certain repairs and do an initial seeding.

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 August financials. The Board also reviewed the budget for the fiscal year ending on December 31, 2025, noting that the District is 75% through its fiscal year.

Ms. Magee also inquired about registration for the fall seminar for the Association of Water Board Directors.

Mr. Breeding gave a brief update on a variety of pending matters.


The Board discussed the recent town hall with the General Manager for the North Harris County Regional Water Authority, along with a representative from Inframark held on September 18, 2025, which was a success. Mr. Homan also discussed reaching out to certain customers, like hospitals and the like, to bring to their attention the surface water conversion.

Following such discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the management report as presented.

11. At 7:02 p.m., the Board entered into executive session to discuss potential litigation. At 7:12 p.m., the Board exited executive session and upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board authorized the attorney to send correspondence to Cruz Tec, Inc. detailing how the District would like to handle final payment on its project in light of the many claims made against Cruz Tec, Inc. by its subcontractors.

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