

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 11, 2017

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met at the Board’s regular meeting place on Wednesday, January 11, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Lary J. Cangelose, President
Mike Kelley, Vice President
Charles W. Merritt, Secretary
Ben A. Solis, Assistant Secretary
Darrell A. Barroso, 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. Bill Rosenbaum, engineer for the District; Ms. Jan Bartholomew, financial advisor for the District; Mr. Josh Stuckey, a representative from the infrastructure department of Harris County; Mr. Ross Hoskett, a project manager from the special projects division of Harris County; 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. Under customer inquiries and input, Mr. Stuckey addressed the Board regarding flooding occurring in Tower Oaks. He stated that Harris County Flood Control has completed a drainage study of the area to determine what must be done to alleviate the flooding. After some discussion of the study, the Board decided that it would be prudent for Mr. Stuckey and Mr. Hoskett to meet with Mr. Rosenbaum and Mr. Homan to discuss the results of the study and the County’s proposed solutions. Mr. Stuckey and Mr. Hoskett thanked the Board for their time and left the meeting.

2. Ms. Bartholomew then addressed the Board regarding the proposed bond sale. She reviewed the process for issuing the bonds, including filing the bond application with the Texas Commission of Environmental Quality, selling the bonds, preparing the transcript for review by the office of the Texas Attorney General, and closing the sale. Ms. Bartholomew also discussed the current status of the bond market. She also recommended that the Board adopt a Resolution Requesting Preparation of Estimate of Total Appraised Value of Taxable Property Within the District for purposes of marketing the bonds. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board adopted the aforementioned Resolution as presented. Ms. Bartholomew thanked the Board for their time and left the meeting.

3. The Board considered the minutes for the meeting held on December 21, 2016. Upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as presented.

4. Mr. Rosenbaum presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum discussed the work that went into preparing the District's bond application.

Mr. Rosenbaum then reported that he received the draft permit for the Barwood wastewater treatment plant and has provided comments. He is still waiting to receive the draft permit for the Hastings Green wastewater treatment plant.

Upon motion by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the engineer's report as presented.

5. Ms. Seipel then discussed Senate Bill 1812, which requires the District to submit to the Comptroller on an annual basis a report containing certain information relating to the District's eminent domain authority. The attorney confirmed that her office would complete the annual eminent domain filing no later than February 1, 2017.

6. The Board considered payment of the general fund bills. After review, upon motion made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved payment of the general fund bills as presented.

7. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee stated that the District received its October SPA check from the City of Houston in the amount of \$82,961.19.

Mr. Homan then reported that the Hastings Green wastewater treatment plant was experiencing elevated levels of ammonia nitrogen. He and other District employees are working to resolve the issue.

Lastly, Mr. Homan reported that the District offered the position of operations manager to Mr. Samuel Meza, and he accepted the job.

Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the management report as presented.

8. The Board briefly discussed the North Harris County Regional Water Authority (the "Authority"). Mr. Homan and several directors attended the latest meeting of the Authority, at which the Authority discussed entering its facilities into a geographic information system or GIS.

9. With respect to the Water Users Coalition (the "Coalition"), Mr. Homan reported that the advisory council had a very successful first meeting on January 10, 2017. The Coalition nominated council positions and discussed various issues, including the Authority and Harris County's proposed partnership with municipal utility districts on certain projects.

10. The Board considered items for the next Board meeting, including the resolution authorizing filing the bond application.

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

Secretary

Short Term Action Items

1. 2017 Series Bond Issue

Long Term Action Items

1. 222 Rate Analysis for Wastewater Usage
2. Plans for use of SPA Funds
 - a. Walking Trails and Other Facilities
3. Trunk Line Repair - Complete; Discussion of Costs with MUD 222 and MUD 248