

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 18, 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 18, 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; 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, Ms. Magee reported that the water disconnections for the month had been made. There were 62 disconnects in the District and 5 disconnects in Harris County Municipal Utility District No. 248.

Mr. Homan then reported that he was successful in having a traffic barricade that was placed on Cypress North Houston removed by the contractor who had completed repair work in the area. Prior to its removal, the barricade was causing significant traffic in the area.

2. The Board then considered the minutes for the meeting held on January 18, 2017. Upon motion made by Director Kelley, seconded by Director Merritt, and unanimously carried, the Board approved the minutes as presented.

3. 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 reported that he is still waiting to receive the draft permit for the Hastings Green wastewater treatment plant but has been assured that it will be arriving soon.

Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the engineer’s report as presented.

4. The Board considered the Resolution Authorizing Filing of Application to the Texas Commission on Environmental Quality for Approval of District's Engineering Project and Issuance of Bonds in an Amount Not to Exceed \$11,250,000. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the resolution as presented.

5. 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.

6. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee stated that she mailed the directors their W-2 forms for the 2016 tax year.

Ms. Magee also confirmed the reservations for the upcoming AWBD conference and inquired as to which directors would like a rental vehicle to travel to and from the event.

Mr. Homan then reported that the Water Users Coalition (the "Coalition") has drafted a resolution affirming AWBD's legislative principle no. 10, which states that AWBD "opposes any effort to shift responsibility for roads or related facilities, including storm sewers located within the road right of ways or within related easements dedicated to the public or a county, from counties to water districts." Mr. Homan stated that the Coalition intends to distribute the resolution at the upcoming AWBD conference in hopes of having it signed by water board members in attendance.

Director Kelley distributed a December 12, 2016 letter from U.S. Congressman John Culberson, wherein he stated that the U.S. Congress recently passed legislation that will remove 29,000 homes from the flood plain along Brays Bayou. The letter also indicated that Harris County is eligible to receive a portion of the \$4.1 billion in disaster relief funding recently approved by Congress. Congressman Culberson is continuing to advocate that a portion of this money be used to rebuild areas affected by the 2016 Tax Day floods. The directors discussed the letter and its connection to the flooding situation experienced by the residents of the Tower Oaks neighborhood. Mr. Homan then mentioned that he again met with Ms. Kathi Valenti, a resident of Tower Oaks, to discuss the status of the situation. He reported that the meeting went well.

Lastly, Mr. Breeding reported that he continues to monitor the progress of the District's Supplemental Environmental Project with the TCEQ. He expects that the project will be completed by the February 20, 2017 deadline.

7. The Board considered items for the next Board meeting, including the adoption of tax exemptions for 2017 and an update on legislation currently pending before the 85th Texas Legislature.

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

Secretary

Short Term Action Items

1. 2017 Tax Exemptions
2. Update on Proposed Legislation

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