

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

August 16, 2017

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (the “District”) met at the Board’s regular meeting place on Wednesday, August 16, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Mike Kelley, President
Charles W. Merritt, Vice President
Ben A. Solis, Secretary
Darrell A. Barroso, Assistant Secretary
Lary J. Cangelose, 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. Tim Krause and Ms. Kristina Fox, representatives for the Texas County and District Retirement System (“TCDRS”); and Ms. Jennifer Seipel, attorney for the District. Also present were Ms. Shannon Paige and Ms. Vernon Wilson, residents of 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 80 disconnects in the District and 4 disconnects in Harris County Municipal Utility District No. 248.

2. The Board next considered the minutes for the meeting held on August 9, 2017. Upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Krause and Ms. Fox, representatives for TCDRS, revisited the presentation previously given to the Board on the retirement plans that TCDRS offers to governmental entities such as the District. Several of the directors asked questions regarding the benefits available to the District and its employees and the costs to be incurred by the District, should it decide to participate. Mr. Krause and Ms. Fox discussed TCDRS’ investment portfolio and its historical rates of return. Following some discussion, Mr. Krause and Ms. Fox thanked the Board for their time and left the meeting.

4. The Board then considered the utility commitment letter for the proposed development of an office and retail center on Huffmeister Road at White Oak Landing. The attorney confirmed that, according to the engineer, the District has the capacity to serve this

development. Upon motion by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the utility commitment letter as presented.

5. Mr. Homan presented the engineer's report, a copy of which is attached hereto. He reported that construction for phase 3 of the sanitary sewer rehabilitation project is underway and going well. After further review and discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the engineer's report as presented.

6. The Board next considered payment of the general fund bills listed on the report prepared by Ms. Magee, a copy of which is attached hereto. 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 May SPA check from the City of Houston in the amount of \$90,092.42.

Mr. Breeding reported that a jockey pump used in connection with Hastings Green wastewater treatment plant lift station has failed and either needs to be repaired or replaced. The Board discussed the fact that the cost to replace the pump was only slightly more than the cost to repair it, and, if replaced, the new pump will be covered by a five-year warranty. After a brief discussion, upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board voted to replace the jockey pump.

Mr. Homan stated that construction in the District continues to be active. He gave the Board an update on the anticipated road closures in the area.

After additional discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the management report as presented.

8. The Board next considered items for the next agenda, including discussion of the retirement plans offered by the TCDRS.

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

Secretary

Short Term Action Items

1. Retirement Plans Offered by TCDRS

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