

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 13, 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, September 13, 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. Bill Rosenbaum, engineer for the District; and Ms. Jennifer Seipel, attorney for the District. Also present were Mr. Jason Atkinson, Ms. Shannon Atkinson, and Mr. Roger Dugas, 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 input and inquiries, Mr. Dugas raised an issue regarding the flow of water from a detention pond located in the District. Mr. Dugas inquired as to whether the outflow pipe was installed in the proper direction and at an appropriate angle. After discussion, the Board requested the District engineer to investigate the situation and report back with his findings.

Mr. Atkinson then gave a presentation to the Board regarding a flooding problem being experienced in his area of Tower Oaks Meadows. Mr. Atkinson presented a proposed solution, and the Board requested the District engineer to investigate the situation and report back with his findings.

Mr. and Mrs. Atkinson and Mr. Dugas thanked the Board for their time and left the meeting.

2. The Board considered the minutes for the meeting held on August 23, 2017. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Rosenbaum next presented the engineer's report, a copy of which is attached hereto. He reported on a significant washout at 13200 Oak Ledge Drive at the junction of White Oak Bayou at Channel 133, such washout having resulted from the heavy rains caused by Hurricane Harvey. As a result of this washout, a District sanitary sewer force main has been left exposed and is thus vulnerable to structural failure. Mr. Rosenbaum and Mr. Homan stated that they have been monitoring the force main extremely closely and have reported the problem to representatives for Harris County Flood Control ("Flood Control"). The engineer stated that Flood Control has acknowledged the situation but told him that there are many other issues they are currently addressing. Mr. Homan presented several proposed plans of action, should the force main fail. Mr. Breeding then presented a draft of a letter to Flood Control outlining the severity of the situation and requesting that prompt remedial action be taken by Flood Control. After some discussion, the Board expressed its satisfaction with the course of action proposed by Mr. Homan, Mr. Rosenbaum, and Mr. Breeding.

Mr. Rosenbaum discussed plans he recently received from the Texas Department of Transportation regarding the expansion of North Eldridge Parkway and F.M. 1960. Pursuant to these initial plans, it appears that the expansion would require the condemnation of several District easements, in which the District operates water and wastewater lines, and a District lift station. Mr. Rosenbaum confirmed that he will keep the Board apprised of any updates on the mater.

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

4. 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.

5. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Homan discussed various items to be addressed during the last quarter of the year, including, but not limited to, setting the District's 2017 tax rate, conducting employee reviews, and preparing next year's budget.

Mr. Homan and Mr. Breeding reported on the District's facilities in light of and emergency response to Hurricane Harvey. Mr. Homan reported that the District's administrative office and other facilities lost power for approximately 24 hours, but the generators operated as designed to ensure that the District's operations were not interrupted. Mr. Homan stated that District vehicles were able to rescue several residents who were trapped in their homes as a result of high water. Mr. Homan also reported that Harris County Municipal Utility District No. 248, for whom the District serves as its operator, was very thankful for the hard work and dedication of the District's employees during the hurricane. Mr. Homan also proposed that the District not perform water disconnections during the month of September. Upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved such action.

Ms. Magee then presented the proposal for District health insurance provided by Ms. Kim Courte, the District's insurance agent. After some discussion regarding the increase in

cost of keeping the District' same plan and the other options available, Ms. Magee confirmed that Ms. Courte would be present at the District's September 20, 2017 meeting to answer any questions that the Board might have.

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

6. 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 reported that it received five times the amount of rain water the Authority uses in a year during the several days of Hurricane Harvey.

7. With respect to the Water Users Coalition (the "Coalition"), Mr. Homan reported that the Coalition continues to engage in networking activities, with a particular focus on the Association of Water Board Directors' efforts to involve itself in certain pressing matters.

8. The Board lastly considered items for the next Board meeting, including renewal of District health insurance and discussing the District's 2017 tax rate.

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

Secretary

Short Term Action Items

1. Discuss 2017 Tax Rate
2. Discuss Renewal of District Health Insurance

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