

## **HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**

Minutes of Meeting of Board of Directors

September 20, 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, September 20, 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; Mr. Johnny Collins, tax assessor-collector for the District; Ms. Kory Triantafillidis, employee for the District; Ms. Jan Bartholomew, financial advisor for the District; Ms. Kim Courte, insurance agent 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 today would have been water disconnection day. However, in light of Hurricane Harvey and pursuant to the Board’s instruction at last week’s meeting, disconnections were not made.

2. The Board discussed the District’s 2017 tax rate. Ms. Bartholomew reviewed the District’s financials with the Board and recommended that, in light of that information, the Board levy a debt service tax of \$0.31 per \$100 assessed valuation.

Mr. Collins and Ms. Seipel then discussed the schedule for publishing notice of the tax rate and holding the public hearing at which the District will make a determination of the tax rate to be set.

After discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board authorized Mr. Collins to publish notice of a public hearing to be held at the Board’s meeting scheduled for October 11, 2017 to consider a 2017 debt service tax rate of \$0.31 per \$100 assessed valuation.

Ms. Bartholomew thanked the Board for their time and departed the meeting.

3. The Board next considered the minutes for the meeting held on September 13, 2017. Several changes to the minutes were suggested, and upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as amended.

4. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum discussed the results of his investigation of (i) the flow of water from the Wortham Falls detention pond located in the District and (ii) a potential solution to the flooding being experienced by a portion of Barwood. He reported that, with respect to the Wortham Falls detention pond, the outfall pipe is constructed at the direction and angle required by Harris County. As for the Barwood flooding, Mr. Rosenbaum stated that the property upon which it was proposed that the District construct a drainage swale is not in fact owned by the District. Accordingly, the District does not have the ability to do such work.

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 as presented.

5. The Board 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.

6. The Board next considered approval of the renewal of health insurance for the District's employees pursuant to the renewal proposal from BlueCross BlueShield as presented by Ms. Courte. She discussed the current uncertainty of the health insurance market and how it, among other factors, has resulted in an increase in the District's premium. During this discussion, the Board recognized the significant savings the District will experience beginning in December 2017 once its new electricity contract takes effect. This savings will more than cover the increase in premium. In light of this savings, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the renewal of BlueCross BlueShield health insurance as presented.

7. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee stated that the District received its June SPA check from the City of Houston in the amount of \$95,691.82.

Mr. Breeding reported that the District traded in an old truck and purchased a new one, as was included in their 2017 budget.

Mr. Homan gave an update on the washout at 13200 Oak Ledge Drive at the junction of White Oak Bayou at Channel 133. As a result of this washout, a District sanitary sewer force main has been left exposed and is thus vulnerable to structural failure. Mr. Homan stated that they continue to monitor the force main daily. This week, District employees also installed some temporary fencing to prevent people from entering the area. The District has yet to receive a response to the letter sent last week to Harris County Flood Control.

Mr. Homan and Mr. Breeding also discussed the new parameters with respect to the presence of certain elements in the District's drinking water and treated wastewater. He stated that the acceptable level of cadmium present in treated wastewater has been lowered, such that a greater quantity of cadmium may be present in drinking water than in wastewater. Mr. Homan stated that the District's systems are having some trouble meeting this standard, and thus he and Mr. Breeding are working with the Texas Commission on Environmental Quality to address the situation.

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.

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

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Secretary

Short Term Action Items

1. Normal Business

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