

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 14, 2018

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, March 14, 2018 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; 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. There were no customer inquiries or input for consideration.
2. The Board considered the minutes for the meeting held on February 24, 2018. Upon motion made by Director Barroso, seconded by Director Solis, 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. Mr. Rosenbaum presented and recommended payment of Pay Application No. 6 from North Houston Pole Line in the amount of \$27,879.11 for their work in connection with the current sanitary sewer rehabilitation project. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the pay application as presented.

Mr. Rosenbaum also noted the potential development of an approximately 17,000 square foot retail center on Tract 36F located at Foxburo and N. Eldridge Parkway.

After further review, upon motion made by Director Solis, seconded by Director Barroso, 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 Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

5. Ms. Courte presented a proposal from Arthur J. Gallagher & Co. for the renewal of the District's insurance. She noted that the recommended policy was to be issued by Philadelphia Indemnity Insurance Company, and the insurance premium was being increased by approximately 3% as a result of a slight increase in value of the District's assets, among other factors. After review, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the insurance proposal as presented.

6. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Breeding stated the District had the pre-final inspection with respect to the U.S. 290 water line relocation project. Mr. Homan noted that the operational benefits of having this water line back in service for the first time in two years.

Mr. Breeding then reported that he and others continue to work to complete the District's first quarter reporting requirements.

Mr. Breeding also stated that the District received the first installment payment from the driver who backed her car into the wall adjacent to the District's administration building, causing several panels to come down.

Mr. Homan stated that Mr. George May, a District employee, has gone on short-term disability leave as a result of knee issues. Mr. Homan also gave an update on other personnel matters.

Mr. Homan and Mr. Breeding noted that the District is continuing to experience robust development.

Mr. Homan provided an update on the status of the proposed interlocal agreement with Harris County and Harris County Flood Control District. Mr. Homan stated that the Board's comments were sent to the other parties several weeks ago, but the District has yet to receive a formal response thereto.

Lastly, Mr. Homan inquired as to whether the Board had any preferences with respect to the location for the District's 2018 Family Day.

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

7. Ms. Seipel discussed with the Board various election matters, including upcoming election deadlines, rules regarding electioneering and campaigning, and the selection of election officers, among other items.

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 a large water main break and the need to condemn property interests for additional water lines.

9. With respect to the Water Users Coalition (the “Coalition”), Mr. Homan reported that the Coalition continues to attend meetings and monitor the activities of the Association of Water Board Directors.

10. The Board lastly considered items for the next Board meeting, including adoption of an Order Designating a Polling Place and Selecting Election Officials.

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

Secretary

Short Term Action Items

1. Order Designating Polling Place and Selecting Election Officials

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