

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

Minutes of Meeting of Board of Directors

March 28, 2018

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, March 28, 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. Samuel Meza, operations manager for the District; Mr. Johnny Collins, tax assessor-collector for the District; Mr. Bob Ideus, fund manager for the District; Mr. Bill Rosenbaum and Ms. Kelly Shipley, engineers for the District; and Ms. Jennifer Seipel, attorney for the District. Also present were the following District residents: Melissa Rowell, Marlene Lobberecht, and Barbara Cobaugh.

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, Ms. Lobberecht inquired about the District’s plans to address drainage problems being experienced in the Barwood and Tower Oaks Meadows neighborhoods. The Board stated that it currently is in the process of working with Harris County and Harris County Flood Control to see that these entities improve and upgrade the drainage facilities located in the neighborhoods. Ms. Cobaugh and Ms. Rowell also asked several questions regarding flooding in the District.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 89.83% collection rate for the 2017 tax year, with all other tax years, excluding 2017, being 98% collected or better. After further review of the report, upon motion made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved the tax assessor-collector’s report and payment of the bills listed thereon with checks drawn from the tax fund.

3. Mr. Ideus then presented the fund manager’s report, a copy of which is attached hereto. The report showed checks in the amounts of (i) \$27,879.11 to North Houston Pole Line, LP in connection with their work on the current sanitary sewer rehabilitation project,

(ii) \$479,624.75 to service the District's outstanding debt, and (iii) \$55,478.04 for engineering associated with various capital projects. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report as presented.

4. The Board considered the minutes for the meeting held on March 21, 2018. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 55,422,000 gallons from its wells, with an average daily flow of 1,979,357 gallons. The ratio of water pumped to billed was 93% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 70,784,000 gallons with an average daily flow from the plants of 2,528,000 gallons per day. There were 7.0 inches of rainfall during the month of February.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 16 meters in the month of February and made no commercial taps. There were 4 distribution line leaks detected.

With respect to out-of-district water use, Emerald Forest Utility District used 174,000 gallons, Harris County Municipal Utility District No. 248 used 9,996,000 gallons, and Harris County Municipal Utility District No. 69 used 7,990,000 gallons.

As for personnel matters, a safety training class animal and pest safety was held in March. A quarterly safety meeting will be held will be held in April.

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

6. Mr. Rosenbaum and Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum discussed the proposed acquisition of a District lift station and other facilities in connection with the expansion of North Eldridge Parkway. He and the Board discussed the plan to address the acquisition going forward.

Mr. Rosenbaum also discussed the status of the washout at White Oak Bayou and 13200 Oak Ledge Drive.

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.

7. The Board then considered the issuance of a utility commitment letter for a retail center located at North Eldridge Parkway and Foxburo. The attorney confirmed that, according to the engineer, the tract is within the District's boundaries and the District has the capacity to serve the proposed development thereon. Upon motion by Director Merritt, seconded

by Director Solis, and unanimously carried, the Board approved the utility commitment letter as presented.

8. 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.

9. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee presented the District's February financials with the Board.

Mr. Breeding stated that the planning for phases 4 and 5 of the District's sanitary sewer rehabilitation project has begun.

Mr. Breeding also reported that he is working on the 2018 Consumer Confidence Reports.

Mr. Breeding stated that a preconstruction meeting regarding the construction of facilities needed to serve the West End Lumber tract will be held in April.

Mr. Homan discussed the deterioration of several manholes at the Hastings Green plant. He said that the District is in the process of having them assessed, after which he and Mr. Breeding will present to the Board the proposed costs and method of repair.

Mr. Homan and Mr. Breeding also discussed the status of various development projects within and outside of the District.

Mr. Homan and Ms. Seipel then discussed with the Board the status of the proposed interlocal agreement between the District and Harris County and Harris County Flood Control.

Lastly, Mr. Homan reported that March 29, 2018 would be the last day of employment for Ms. Kathy Schyma, the temporary tax assessor-collector hired on a part-time basis by the District. Mr. Homan stated that she has been greatly helpful during the busy tax season.

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

10. The Board considered items for the next agenda, including possible consideration of the interlocal agreement with Harris County and Harris County Flood Control.

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

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Secretary

Short Term Action Items

1. Interlocal Agreement with Harris County and Harris County Flood Control

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