

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 18, 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, April 18, 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
Lary J. Cangelose, Treasurer

and the following were absent:

Darrell A. Barroso, Assistant Secretary.

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. Bob Ideus, fund manager for the District; Mr. Joseph Ellis, auditor 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 input and inquiries, Ms. Magee reported that today was water disconnection day. There were 76 disconnections in the District and 5 disconnections in Harris County Municipal Utility District No. 248.

2. The Board considered the minutes for the meeting held on April 11, 2018. Upon motion made by Director Merritt, 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. He stated that bids for the relocation of the District’s waterline at Huffmeister and Tuckerton are due next week, and the preferred bid will be recommended for approval at the meeting to be held on April 25, 2018.

Mr. Rosenbaum also reported that Harris County Flood Control District has begun the design of the repair of the washout at White Oak Bayou and 13200 Oak Ledge Drive. He discussed the details of the proposed design.

After discussion, upon motion made by Director Cangelose, seconded by Director Solis, 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. Mr. Ellis of McCall Gibson Swedlund Barfoot, PLLC presented an audit of the District's books and records for the fiscal year ended December 31, 2017. He stated that the District experienced another good year and his firm was issuing an unmodified opinion. Mr. Ellis reviewed the audit with the Board in detail. Upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the audit as presented, subject to finalization and approval by its attorney, and authorized its filing as required by law.

6. The Board reviewed the Resolution Affirming Review of Investment Policy, Strategies, and Objectives, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. The District's investment officers confirmed that the policy currently in place is working and recommended that it be affirmed. Upon motion made by Director Solis, seconded by Director Merritt, and unanimously carried, the Board approved the Resolution Affirming Review of Investment Policy, Strategies, and Objectives as presented.

7. The Board discussed the required review of the District's investments in compliance with Senate Bill 253. The District's bookkeeper and investment officers agreed to review the list promulgated by the Comptroller and monitor it periodically to ensure compliance with Senate Bill 253.

8. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee noted that the District received its January SPA check from the City of Houston in the amount of \$80,062.00.

Mr. Breeding reported that the portion of the wall surrounding the administration building that was damaged by a driver has been repaired. He also stated that the driver has made the second of her six installment payments to pay for the damage.

Mr. Breeding and Mr. Homan reported on an individual who fell while attempting to enter the front door of the District's administration building.

Mr. Homan confirmed the spring breakfast of the Association of Water Board Directors, which is being held on April 20, 2018.

Lastly, the Board discussed a possible sinkhole located at Advance Drive and N. Eldridge Parkway.

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

9. Ms. Seipel discussed the continuing disclosure filing with regard to the District's bonds. Pursuant to Bond Orders previously adopted, the District is required to annually update certain material information, including the audit, that might be of interest to

District bondholders. Upon motion made by Director Merritt, seconded by Director Solis, and unanimously approved, the Board authorized filing the requisite continuing disclosures.

10. Ms. Seipel discussed the requirement that an annual financial statement be filed with the comptroller pursuant to Chapter 140 of the Local Government. Upon motion made by Director Merritt, seconded by Director Solis, and unanimously approved, the Board authorized filing the audit as required by law.

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

Secretary

Short Term Action Items

1. Usual 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