

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

Minutes of Meeting of Board of Directors

May 23, 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, May 23, 2018 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Charles W. Merritt, President  
Ben A. Solis, Vice President  
Darrell A. Barroso, Secretary  
Lary J. Cangelose, Assistant Secretary  
Mike Kelley, 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 B. 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 62 disconnections in the District and 4 disconnections in Harris County Municipal Utility District No. 248.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 94.38% collection rate for the 2017 tax year, with all other tax years, excluding 2017, being 99% collected or better. After further review of the report, upon motion made by Director Barroso, 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 amount of (i) \$37,595.00 to Vaca Underground Utilities, Inc., (ii) \$413.00 to Zions First National Bank, and (iii) \$44,223.52 for engineering associated with various projects. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board considered the minutes for the meeting held on May 16, 2018. Upon motion made by Director Solis, seconded by Director Barroso, 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 66,725,000 gallons from its wells, with an average daily flow of 2,224,167 gallons. The ratio of water pumped to billed was 90% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 69,337,000 gallons with an average daily flow from the plants of 2,311,233 gallons per day. There were 3.1 inches of rainfall during the month of April.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 17 meters in the month of April and made 3 commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 265,000 gallons, Harris County Municipal Utility District No. 248 (“MUD No. 248”) used 10,901,000 gallons, and Harris County Municipal Utility District No. 69 (“MUD No. 69”) used 7,691,000 gallons.

As for personnel matters, a monthly safety meeting on PPE was held in May. A monthly safety meeting on hurricane preparedness will be held in June.

The Board also discussed the status of the interconnect being utilized by MUD No. 69. Mr. Homan reported that MUD No. 69 has used the interconnect for longer than it intended, but he has been told that their use should cease soon.

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. With respect to the U.S. 290 water line relocation project, Mr. Rosenbaum presented and recommended payment of the final pay application from Vaca Underground Utilities, Inc. in the amount of \$37,595.00.

Mr. Rosenbaum presented the bids received for phases 4 and 5 of the District’s ongoing sanitary sewer rehabilitation project. After review with the Board, Mr. Rosenbaum recommended that the contract for the work be awarded to King Solutions Services, LLC in the amount of \$1,233,919.40 with a contract time of 240 days.

The Board discussed the possible relocation of District facilities necessitated by Harris County (the “County”) and Harris County Flood Control’s (“Flood Control”) drainage improvement project in Tower Oaks Meadows and Barwood. Mr. Homan and Mr. Rosenbaum confirmed that they would work closely with the County and Flood Control to ensure that any proposed modifications to or relocations of District facilities were necessary and, if so, properly handled.

After further review and discussion, upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved the pay application from Vaca Underground Utilities, Inc., award of the contract to King Solutions Services, LLC for phases 4 and 5 of the District's sanitary sewer rehabilitation project, and the engineer's report as presented.

7. 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 Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

8. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee reviewed the District's April financials with the Board.

Ms. Magee then presented a list of uncollectible utility accounts for write-off for May 2018 in the total reportable amount of \$5,959.25. The Board also discussed whether to make changes to its current policy regarding deposits for District service. Mr. Homan stated that MUD No. 248 recently modified its rate order to make certain changes to deposit amounts and requirements and recommended that the District revisit the issue in a few months after seeing how MUD No. 248's changes were working.

Mr. Homan and Ms. Magee then discussed the District's upcoming family day to be held on June 2, 2018.

Mr. Breeding discussed the status of the District's purchase of two new trucks, as included in the District's budget for 2018.

Lastly, as requested by the Board, Ms. Seipel presented a list of the topics that the Board may discuss in closed session. The Board had a discussion of the matter as it relates to the District's meeting agendas.

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

9. The Board 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. 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