

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

Minutes of Meeting of Board of Directors

June 27, 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, June 27, 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. There were no customer inquiries or input for consideration.
2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 96.59% collection rate for the 2017 tax year, with all other tax years being 99% collected or better. The Board also noted that the District has decreased its tax rate every year for the last 17 years, with the 2017 rate being \$0.31 which is down from \$0.91 in 2000. After further review of the report, upon motion made by Director Kelley, 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) \$127,709.03 to North Houston Pole Line, LP for their work in connection with phase 3 of the District’s sanitary sewer rehabilitation project and (ii) \$32,881.14 for engineering associated with various projects. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board considered the minutes for the meeting held on June 20, 2018. Upon motion made by Director Barroso, 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 79,290,000 gallons from its wells, with an average daily flow of 2,557,742 gallons. The ratio of water pumped to billed was 93% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 81,599,000 gallons with an average daily flow from the plants of 2,632,226 gallons per day. There were 2.8 inches of rainfall during the month of May.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 15 meters in the month of May and made 3 commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 316,000 gallons, Harris County Municipal Utility District No. 248 used 13,546,000 gallons, and Harris County Municipal Utility District No. 69 used 10,097,000 gallons.

As for personnel matters, a monthly safety meeting on active shooter situations was held in June. A monthly safety meeting on heat stress will be held in July.

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

6. The Board then considered adoption of a Resolution for Review of District Energy Consumption for purposes of compliance with the Texas Health and Safety Code. After review, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the resolution as presented.

7. Ms. Seipel confirmed that her firm has compiled and submitted to CenterPoint Energy the information required to comply with the emergency operations critical load status for District facilities. This will register with CenterPoint Energy and other emergency operations agencies the District's critical water and wastewater infrastructure, and those facilities will be given priority for restoring service after a hurricane or other disaster.

8. Mr. Rosenbaum and Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum discussed in detail the proposed acquisition of District property and facilities being made by the Texas Department of Transportation in connection with the proposed widening of the intersection at N. Eldridge Parkway and F.M. 1960. The engineer discussed the impact of that acquisition on the District's operations and stated that he would work with the attorney to coordinate handling of the taking.

Mr. Rosenbaum then reported on the status of construction of the sanitary sewer force main needed to serve the West End Lumber and Spooltech tracts. The engineers also discussed the status of the acquisition of a sanitary sewer easement from the Hendricks group.

Mr. Rosenbaum showed the Board a PowerPoint presentation recently given by representatives for Harris County Flood Control District involving the amount of rain received during Hurricane Harvey.

After further review and discussion, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the engineer's report as presented.

9. 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 Kelley, seconded by Director Solis, and unanimously carried, the Board approved payment of the general fund bills as presented.

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

Mr. Breeding then reported that the new TVs in the conference room of the administration building were successfully installed. The Board expressed their satisfaction with the TVs.

Mr. Homan and Mr. Breeding presented correspondence received from Harris County (the "County") regarding the District's interest in making a financial contribution toward the construction of sidewalks near the intersection of Huffmeister and Cypress North Houston Road. Specifically, the County has requested that the District pay for 70% of the costs to be incurred in connection with the project. After discussion regarding the number of constituents that the project would serve and the lack of sidewalks throughout other parts of the District, the Board elected not to make a financial contribution toward the project.

Lastly, the Board discussed the recent conference of the Association of Water Board Directors.

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

11. The Board considered items for the next agenda, including discussion of security matters and real estate acquisitions by the Texas Department of Transportation and other entities.

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

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Secretary

### Short Term Action Items

1. Discuss Security Matters
2. Real Estate Matters

### 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