

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

July 11, 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, July 11, 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. Bill Rosenbaum, engineer for the District; and Ms. Jennifer Seipel, attorney for the District. Also present were Mr. Ken Schoenfeld, a District resident, and Mr. Ron Chapman, a member of the board of directors for Harris County Municipal Utility District No. 222.

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, Mr. Schoenfeld addressed the Board and read a statement regarding the sidewalk in front of his house at 12403 Aste Lane. In response, Mr. Homan stated that, several months ago, there was a water line leak near Mr. Schoenfeld’s home. In connection with that repair, the District was required to dig up a portion of the sidewalk in front of his home. The sidewalk and the affected water line are located within the public right-of-way. Following completion of the repair, the District approached Mr. Schoenfeld about re-pouring the sidewalk, offering also to re-pour the apron to his driveway as a courtesy. Mr. Schoenfeld refused the District’s offer, stating that it conflicted with his planned project to regrade the upper portion of his driveway. Accordingly, at the request of Mr. Schoenfeld, the District put off repair of the sidewalk for several months. Finally, after receiving several complaints from District residents, the District had no choice but to re-pour the affected sidewalk; at that time, the District also re-poured a portion of the apron to Mr. Schoenfeld’s driveway. Mr. Breeding showed the Board several photographs evidencing completion of the sidewalk and apron repair. After discussion, the Board elected to further consider the matter during the management report.

2. The Board considered the minutes for the meeting held on June 27, 2018. Upon motion made by Director Cangelose, seconded by Director Barroso, 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. 1 from CDC Unlimited, LLC in the amount of \$42,799.50 for their work in connection with the relocation of a District water line at Huffmeister and Tuckerton. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the pay application as presented.

Mr. Rosenbaum discussed the Texas Department of Transportation's ("TxDOT") plans to expand F.M 1960 at N. Eldridge Parkway. In connection with that project, TxDOT will be required to condemn District property, within which it owns and operates District facilities. The engineer and the attorney discussed the acquisition process and stated that they will continue to work together to handle the situation.

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

5. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee presented the April SPA check from the City of Houston in the amount of \$72,413.25.

Mr. Homan provided additional information about the sidewalk repair out front of 12403 Aste Lane. Mr. Schoenfeld was given an opportunity to make several minutes worth of additional comments. Following that discussion, the Board elected to take no further action with respect to the situation.

Mr. Breeding then stated that the District is continuing to vet candidates for the position of an employee who left several months ago.

Mr. Homan reported on the possible development of the old airport property near to the District.

Mr. Homan also stated that he has been approached by a reporter for the Cypress Community Impact newspaper, who has requested an interview with him regarding the sidewalk project being proposed by Harris County at Huffmeister Road and Cypress North Houston. The Board encouraged Mr. Homan to do the interview. During this discussion, Mr. Homan stated that he would like to reach out to Mr. Steve Radack, Harris County Commissioner for Precinct No. 3, to see whether he would be willing to meet with District representatives regarding the sidewalk project and other matters. The Board agreed that a meeting would be a good idea and nominated Director Barroso to attend with Mr. Homan.

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

6. The Board then discussed security matters, specifically whether it should allow for attendees of District meetings and visitors to the District's administration building to carry concealed or openly-carried handguns. The Board discussed the pros and cons of allowing open and concealed carry within its building. After discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and approved, with Director Merritt and Director Solis voting nay, the Board voted to allow the concealed carry of handguns within the District's administration building.

7. The Board 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 their website and the upcoming election of board members.

8. 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 AWBD.

9. At 8:25 p.m., the Board entered into executive session to discuss real estate matters and threatened litigation associated with TxDOT's acquisition of District property and facilities. At 8:54 p.m., the District left executive session and resumed its public meeting.

10. The Board lastly considered items for the next Board meeting, including discussion of Magellan Pipeline's proposed acquisition of District property.

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

Secretary

Short Term Action Items

1. Discuss Magellan Pipeline's Proposed Acquisition of District Property

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