

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 19, 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, September 19, 2018 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Charles W. Merritt, President
Darrell A. Barroso, Secretary
Lary J. Cangelose, Assistant Secretary
Mike Kelley, Treasurer

and the following were absent:

Ben A. Solis, Vice President.

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; Ms. Kelly Shipley, engineer for the District; and Ms. Jennifer Seipel, attorney for the District. Also present was Robert Scherer and Sandra Scherer.

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 91 disconnections in the District and 8 disconnections in Harris County Municipal Utility District No. 248.

2. The Board considered the issuance of a utility commitment letter for an office warehouse located at 12920 Cypress N. Houston. 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 Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the utility commitment letter as presented.

3. The Board considered the minutes for the meeting held on September 12, 2018. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

4. Ms. Shipley presented the engineer’s report, a copy of which is attached hereto. The engineer discussed the survey being obtained for the relocation of a District lift station located along N. Eldridge Parkway, which is necessitated by the widening of that road.

Ms. Shipley also presented and recommended payment of Pay Application No. 1 to King Solution Services, LLC in the amount of \$145,861.20 for their work in connection with

phases 4 and 5 of the District's sanitary sewer rehabilitation project. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

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

5. 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.

6. The Board next considered approval of the renewal of health insurance for the District's employees pursuant to the renewal proposal from BlueCross BlueShield. The proposal presented includes a 4.2% decrease in cost for the next year. Upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board approved the renewal of BlueCross BlueShield health insurance as presented.

7. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Mr. Breeding and Mr. Homan discussed the upcoming demonstration of installation of the fiberglass manhole liner to be held at the Hastings Green wastewater treatment plant on September 20, 2018. Mr. Homan stated that the event looks to be well-attended.

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

8. The Board lastly considered items for the next Board meeting, including discussion of certain real estate matters and threatened litigation.

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

Secretary

Short Term Action Items

1. Discussion of Real Estate Matters and Threatened Litigation

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