

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 26, 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, September 26, 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; 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; Ms. Kelly Shipley, engineer 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 97.28% collection rate for the 2017 tax year, with all other tax years being 99% collected or better. Mr. Collins also confirmed that the notice of public hearing with respect to the District’s 2018 tax rate is being published in the newspaper of general circulation this week. After further review of the report, upon motion made by Director Cangelose, seconded by Director Barroso, 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) \$4,755.50 to CDC Unlimited, LLC for their work in connection with the water line relocation at Tuckerton and Huffmeister, (ii) \$145,861.20 to King Solution Services, LLC for their work in connection phases 4 and 5 of the District’s sanitary sewer rehabilitation project, (iii) \$550.00 to Wells Fargo for a paying agent fee, and (iv) \$38,518.16 for engineering associated with various projects. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board considered the minutes for the meeting held on September 19, 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 76,487,000 gallons from its wells, with an average daily flow of 2,467,325 gallons. The ratio of water pumped to billed was 88% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 72,977,000 gallons with an average daily flow from the plants of 2,354,097 gallons per day. There were 2.6 inches of rainfall during the month of August.

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 August and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 270,000 gallons and Harris County MUD No. 248 used 16,026,000 gallons.

As for personnel matters, a monthly safety meeting on body mechanics was held in September. A monthly safety meeting on defensive driving and vehicle inspections will be held will be held in October.

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

6. Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Ms. Shipley stated that the survey work needed in connection with the relocation of a District lift station along N. Eldridge Parkway is still pending.

With respect to installation of the sanitary sewer force main to serve the West End Lumber and other tracts, Ms. Shipley reported that the contractor's work is complete and an inspection is forthcoming.

Lastly, Ms. Shipley stated that the work on phases 4 and 5 of the District's sanitary sewer rehabilitation project is going well, and the engineer expected the project to be completed earlier than anticipated.

After further review and discussion, upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved 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 Kelley, 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 August financials with the Board.

Ms. Magee reminded the Board of the upcoming fall seminar of the Association of Water Board Directors.

Mr. Breeding discussed the installation of smart meters throughout the District next year. He asked whether the Board was presently interested in hearing a presentation from a representative for Neptune, a company that provides smart meter software. The Board indicated that it would like to hear the presentation, and Mr. Breeding confirmed that he would coordinate it. Mr. Homan also reminded the Board that the funds for the smart meters will come from the District's Series 2017 bond issue.

Mr. Homan and Mr. Breeding stated that the demonstration of installation of the fiberglass manhole liner was held last week at the Hastings Green wastewater treatment plant. The Board members who attended reported that the event was very informative.

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

9. The Board considered items for the next agenda, including the public hearing on the District's 2018 tax rate.

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

Secretary

Short Term Action Items

1. Public Hearing on the District's 2018 Tax Rate

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