

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

July 27, 2016

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 27, 2016 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Lary J. Cangelose, President
Mike Kelley, Vice President
Charles W. Merritt, Secretary
Ben A. Solis, Assistant Secretary
Darrell A. Barroso, 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. Johnny Collins, tax assessor-collector for the District; Mr. Bruce Dubiel, operations manager for the District; Mr. Bill Rosenbaum, engineer for the District; Mr. Bob Ideus, fund manager for the District; and Ms. Jennifer 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 the Board to consider.
2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 97.61% collection rate for the 2015 tax year, with all other tax years being 99.52% collected. After further review of the report, upon motion made by Director Kelley, 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. Mr. Ideus referenced the checks issued to (i) a paying agent in connection with bonds issued by the District and (ii) the District’s engineer for expenses incurred in connection with a variety of recent District projects.

After further review, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board next considered the minutes for the meeting held July 20, 2016. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Dubiel presented the operations report, a copy of which is attached. With respect to water production, the District pumped 60,247,000 gallons from its wells, with an average daily flow of 2,008,233 gallons. The ratio of water pumped to billed was 91% during the month, with a year-to-date ratio of 92%.

At the wastewater treatment plants, the total combined treatment amounted to 79,137,000 gallons with an average daily flow from the plants of 2,637,900 gallons per day. There were 6.7 inches of rainfall during the month of June.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out nine meters and made one commercial tap.

With respect to out-of-district water use, Emerald Forest Utility District used 251,000 gallons of water and Harris County Municipal Utility District No. 248 used 13,870,000 gallons of water.

As for personnel matters, a safety meeting on proper lifting and preventing back injuries is scheduled for August 12, 2016.

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

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With respect to the Hastings Green wastewater treatment plant east sanitary trunkline and manhole rehabilitation project, the engineer reported that construction is underway. Mr. Rosenbaum stated that, during the course of construction, it was discovered that a section of the line was not in the location it was believed to be as per the existing plans. After an extensive discussion of the potential repercussions of the line's existence at the improper location and the ability of the District to relocate the line while construction currently is taking place in the area, upon motion duly made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board voted to relocate the line to the location originally intended, which is within a District-owned easement.

Mr. Rosenbaum then reported that the notice to proceed on the aeration header replacement project will be issued on August 6, 2016.

Lastly, the engineer confirmed that the plugging of well no. 1 at the Hastings Green plant was completed on July 27, 2016.

After further review of the engineer's report, upon motion made by Director Kelley, seconded by Director Solis, 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 Merritt, seconded by Director Solis, and unanimously carried, the Board approved payment of the general fund bills as presented.

8. Ms. Magee presented the management report, a copy of which is attached hereto. Mr. Homan reported that he sent the letter to the Board of Directors for AWBD on behalf of the District's Board of Directors requesting reaffirmation of the stated legislative principle that "AWBD opposes any effort to shift responsibility for road maintenance from counties to water districts." The Board also discussed whether Mr. Homan had any interest in running for the AWBD Board.

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

9. The Board lastly considered items for the next Board meeting, including a possible presentation by the District's financial advisor regarding the proposed development by KB Homes.

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

Secretary

Short Term Action Items

1. Analysis of Proposed Development by KB Homes

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