

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

August 24, 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, August 24, 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; 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; Mr. Fred Garcia for Harris County Flood Control; and Ms. Jennifer Seipel, attorney for the District. Also present were Mr. Randy Bossarte, Ms. Denise Bossarte, Mr. Rahi Patel, Mr. Roger Dugas, Mr. Marshall Jordan, Mr. Dennis Mattiza, and Ms. Kathy Valenti, all of whom are District residents.

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, several residents of the District, including Ms. Valenti, Mr. Dugas, Mr. Patel, Mr. Bossart, and Ms. Bossart, addressed the Board regarding recent flooding experienced in their neighborhood. Mr. Dugas handed out a drawing to the Board depicting the flow of water south down Marris Drive before diverting to ditches along Maxim Drive. According to Mr. Dugas, the flow from recent rain events has been so heavy that it has caused flooding in the streets and yards of the homes along Maxim Drive. Mr. Dugas then inquired as to whether the Board knew what could be done to address this flooding.

Mr. Garcia, a representative of Harris County Flood Control (“Flood Control”), then introduced himself and informed both the residents and the Board that he had been asked to attend the District’s meeting by Steve Radack, Commissioner for Harris County Precinct No. 3. Mr. Garcia stated that the neighborhood in question was developed in accordance with prior Flood Control standards that proved to be inadequate to accommodate the drainage needs of the area. It was his opinion that a drainage study be conducted to assess the situation. He then stated that Flood Control and/or Harris County may be willing to take action to resolve the problem if the District would form a partnership with Flood Control and Harris County for the purpose of shouldering some of the financial responsibility.

Director Kelley then addressed the audience and indicated that he lives on Marrs Drive and is familiar with the situation. Stating that he was acting in the capacity of and making the following statements as a concerned District resident, rather than as a Director of the Board, Mr. Kelley gave his opinion as to one potential cause of the flooding and inquired as to whether Mr. Garcia would be willing to meet with him in the field to discuss potential solutions. Several of the residents present also expressed their desire to meet with Mr. Garcia on-site. Mr. Kelley also stated that he wanted the residents to be heard by the right group of individuals. Mr. Garcia agreed to meet with Mr. Kelley and the residents.

Ms. Valenti then expressed her grievances regarding the situation and asked the Board to provide the contact information for the appropriate party to contact about the matter, if the Board had such information. After addressing some of the issues raised by Ms. Valenti, Mr. Homan recommended that she contact the office of Commissioner Radack, as recommended to her previously in response to an e-mail.

The discussion concluded at 8:29 p.m., and the Board took a short recess.

2. Mr. Collins presented the tax assessor-collector's report, a copy of which is attached hereto. The report showed a 98.18% collection rate for the 2015 tax year, with all other tax years being 99.55% collected. After further review of the report, upon motion made by Director Merritt, 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. Mr. Ideus referenced the checks issued to (i) 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 Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the fund manager's report as presented.

4. The Board next considered the minutes for the meeting held August 17, 2016. Upon motion made by Director Solis, seconded by Director Merritt, 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 81,717,000 gallons from its wells, with an average daily flow of 2,636,032 gallons. The ratio of water pumped to billed was 80% during the month, with a year-to-date ratio of 90%.

At the wastewater treatment plants, the total combined treatment amounted to 79,508,000 gallons with an average daily flow from the plants of 2,564,774 gallons per day. There were 2.4 inches of rainfall during the month of July.

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

With respect to out-of-district water use, Emerald Forest Utility District used 200,000 gallons of water and Harris County Municipal Utility District No. 248 used 14,949,000 gallons of water.

As for personnel matters, a safety meeting on employee safety responsibilities and workplace violence is scheduled for September 15, 2016.

After further discussion, upon motion made by Director Kelley, seconded by Director Barroso, 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. After a brief review, upon motion made by Director Barroso, seconded by Director Kelley, 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. Director Kelley inquired about the office expenses incurred this year to date, and Ms. Magee and Mr. Homan explained that they related to the replacement of outdated and/or failing computers and server.

Mr. Homan then discussed correspondence received from the AWBD regarding a story published in the Houston Chronicle on municipal utility districts. Mr. Homan also reported that he has a lunch meeting scheduled with Howard Cohen to discuss information provided by Mr. Cohen during the legislative update portion of the recent AWBD conference.

Lastly, Mr. Homan stated that the District was able to continue to provide water and sewer service without disruption to the District residents affected by a recent widespread power outage.

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 2016 tax rate.

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

Secretary

Short Term Action Items

1. Discuss 2016 Tax Rate, if applicable

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