

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 14, 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, September 14, 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
Darrell A. Barroso, Treasurer

and the following were absent:

Ben A. Solis, Assistant Secretary.

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. Roger Dugas, Mr. Tom Dugas, and Ms. Kathi Valenti, who 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 inquiries and input, Ms. Valenti was given an opportunity to speak at length about the recent flooding experienced in her neighborhood. She stated that she attended the September 13, 2016 meeting of the Harris County Commissioners Court, at which she explained the flooding situation to them. Ms. Valenti stated that, in response to her presentation, Steve Radack, Commissioner for Harris County Precinct No. 3, appointed several representatives from the Harris County Flood Control District (“Flood Control”) to conduct a drainage survey of the area in question. Ms. Valenti also provided the Board with a paragraph from Mr. John Blount, an engineer for Flood Control, which allegedly contains information on the District and its powers. Ms. Valenti requested that the Board provide a response to the information, and the Board agreed to do so. Mr. Roger Dugas also spoke briefly to the Board about the situation, reiterating much of what Ms. Valenti had said.

2. The Board next considered the minutes for the meeting held on August 24, 2016. Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the minutes as presented.

3. Mr. Rosenbaum presented the engineer’s report, a copy of which is attached hereto. Mr. Rosenbaum reviewed with the Board (i) a change order presented by PM Construction & Rehab, LLC in the amount of \$16,940.00 for work done in connection with the Hastings wastewater treatment plant east sanitary trunkline and manhole rehabilitation project,

(ii) a pay application presented by PM Construction & Rehab, LLC in the amount of \$320,881.50 for work done in connection with this same project, and (iii) a change order presented by Peltier Brothers Construction, Ltd. in the amount of \$6,804.85 for work done in connection with the air header replacement project. Upon discussion, and after further review of the engineer's report, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the change orders and pay application and the engineer's report as presented.

4. The Board then discussed the request for utility commitment made in connection with the proposed development located at 11023 Jones Road. The engineer stated that he is still waiting on certain information from the developer needed to run the calculations necessary to determine the project's capacity demands. Accordingly, the Board tabled action on the matter.

5. The Board next considered payment of the general fund bills. After review, upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved payment of the general fund bills as presented.

6. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Homan stated that the District's website is now live. Mr. Breeding and Ms. Magee reported that many customers have visited the site and used it to pay their bills online.

Mr. Homan then reported that Mr. Bruce Dubiel, operations manager for the District, recently resigned. Mr. Homan and Mr. Breeding have begun the process of finding his replacement but have taken over Mr. Dubiel's responsibilities in the meantime.

Lastly, Mr. Breeding reported that the District received its final reimbursement check from the Texas Department of Transportation for costs incurred by the District in connection with the State's expansion of U.S. Highway 290.

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

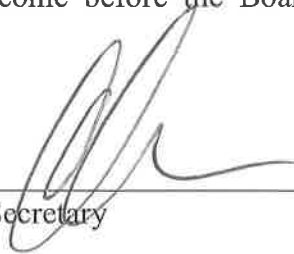
7. The Board briefly discussed the North Harris County Regional Water Authority (the "Authority"). Mr. Homan and several directors attended the latest meeting of the Authority, at which an easement agreement reached between the Authority and CenterPoint Energy was discussed. It also was mentioned that the Authority's Board of Directors election was cancelled because the candidates running were unopposed.

8. There was no update given with respect to the Water Users Coalition.

9. The Board then conducted its annual review of the attorney. The Board President stated that the Board was pleased with the service they have received this year, and Mr. Homan echoed these sentiments on behalf of the District's administration. Ms. Seipel expressed her gratitude to the Board for giving her the opportunity to work for and with them this year.

10. The Board considered items for the next Board meeting, including setting the District's tax rate for the year 2016.

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



Secretary

Short Term Action Items

1. Presentation on Proposed Tax Rate for the Year 2016

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