

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 21, 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 21, 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. Bill Rosenbaum, engineer for the District; Mr. Adam Cohen, financial advisor for the District; and Ms. Jennifer Seipel, attorney for the District. Also present was Ms. Rosie Solis.

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. Solis addressed the Board and wished to express her gratitude for the residents of the Tower Oaks neighborhood who played a part in brining the neighborhood’s flooding situation to the attention of Harris County and the Harris County Flood Control District.

Ms. Magee then reported that the water disconnections for the month had been made. There were 83 disconnects in the District and 7 disconnects in Harris County Municipal Utility District No. 248.

2. The Board discussed the District’s 2016 tax rate. Mr. Adam Cohen reviewed the District’s financials with the Board and recommended that, in light of that information, the Board levy a debt service tax of \$0.32 per \$100 assessed valuation.

After discussion, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board authorized Mr. Collins to publish notice of a public hearing to be held at the Board’s meeting scheduled for October 12, 2016 to consider a 2016 debt service tax rate of \$0.32 per \$100 assessed valuation.

Mr. Cohen thanked the Board for their time and departed the meeting.

3. The Board considered the minutes for the meeting held on September 14, 2016. Upon motion made by Director Merritt, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as presented.

4. Mr. Rosenbaum presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum stated that periodically he reviews projected build-outs in the District for the purpose of evaluating whether the District's well capacity is sufficient. After conducting that review, the engineer reported that the District's capacity appears sufficient to meet foreseeable connections. 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 engineer's report as presented.

5. 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.

6. The Board considered payment of the general fund bills. 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.

7. Ms. Magee then presented the management report. She stated that the District received its June SPA check from the City of Houston in the amount of \$108,306.52.

Mr. Breeding reported that use of the District's website continues to increase, and Ms. Magee stated that many customers are utilizing the website's online bill pay feature.

Mr. Homan then brought to the Board's attention a flyer for a forum regarding the high speed rail to be held on September 28, 2016.

Mr. Homan reviewed with the Board a letter received from an attorney for the homeowner located at 13703 Meisterwood Drive regarding high water usage. Mr. Homan confirmed that the meter was checked and appears to be in good working order. After discussion, the Board determined to take no further action with regard to this issue at this time.

Lastly, Mr. Homan discussed a lunch meeting he had with Mr. Howard Cohen regarding statements made by Mr. Cohen at the recent AWBD conference. Specifically, the two discussed the issue of whether water districts should partner with Harris County to jointly shoulder the responsibility of funding and performing road maintenance and other activities. Mr. Homan stated that the lunch went well. Further, Mr. Homan reported that he attended the latest meeting of the AWBD, at which the AWBD board reaffirmed the stated legislative principle that the organization opposes any effort to shift responsibility for road and storm sewer maintenance from counties to water districts.

8. The Board considered items for the next Board meeting.

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

Secretary

Short Term Action Items

1. Update on Condemnation of Huffmeister Commercial Park, LP, 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