

## **HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61**

Minutes of Meeting of Board of Directors

November 16, 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, November 16, 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. Bob Ideus, fund manager for the District; Mr. Josh Stuckey, a representative from the infrastructure department of Harris County; 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. Under customer input and inquiries, Mr. Stuckey addressed the Board regarding flooding occurring in Tower Oaks. He stated that Harris County Flood Control is still in the process of conducting a drainage study of the area to determine what must be done to alleviate the flooding. Mr. Stuckey stated that the study was not complete, but it seems that the work needed will involve replacing outfalls and upsizing drainage pipes. Mr. Stuckey inquired as to whether the District would be willing to pay for half of the expenses incurred to do this work. He also stated that the County will not perform the work otherwise. After some discussion, the Board told Mr. Stuckey that they would need the County’s final assessment of what all needs to be done and the cost of that work before the Board could make a decision on the matter. Mr. Stuckey told the Board that he expected to have a final drainage study, construction plans, and an estimate of construction costs sometime in January. The Board agreed that it would place the issue on an agenda at that juncture. Mr. Stuckey thanked the Board for their time and left the meeting.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 98.13% collection rate for the 2015 tax year, with all other tax years being 95% collected or better. After further review of the report, upon motion made by Director Barroso, seconded by Director Kelley, 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 shows checks for (i) final payment to PM Construction & Rehab, LLC in connection with the Hastings Green wastewater treatment plant east sanitary trunkline and manhole rehabilitation project and (ii) the engineer for various capital improvement projects. After further review, upon motion made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved the fund manager's report as presented.

4. The Board next considered the minutes for the meeting held November 9, 2016. Upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Breeding presented the operations report, a copy of which is attached. With respect to water production, the District pumped 74,754,000 gallons from its wells, with an average daily flow of 2,411,419 gallons. The ratio of water pumped to billed was 86% during the month, with a year-to-date ratio of 91%.

At the wastewater treatment plants, the total combined treatment amounted to 75,976,000 gallons with an average daily flow from the plants of 2,450,839 gallons per day. There were 0.6 inches of rainfall during the month of October.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 16 meters in the month of October and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 1819,000 gallons of water and Harris County Municipal Utility District No. 248 used 14,572,000 gallons of water.

As for personnel matters, a safety training class on slips, trips, and falls was held on November 10, 2016. A recap of all of the safety awareness classes held in 2016 is scheduled for December 8, 2016.

Mr. Breeding stated that a few repairs were recently made to the circuit board at the Hastings Green wastewater treatment plant.

He also requested Board approval to perform certain cleaning work necessary for the installation of the new air header at the Hastings Green wastewater treatment plant. Upon motion made by Director Solis, seconded by Director Kelley, and unanimously approved, the Board authorized the work to be performed.

After further review, 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. He presented for approval by the Board the final pay application from PM

Construction & Rehab, LLC (“PM Construction”) in the amount of \$79,282 for work done in connection with the Hastings Green wastewater treatment plant east sanitary trunkline and manhole rehabilitation project. Mr. Rosenbaum stated that the check, if approved, will be delivered following PM Construction’s completion of a few minor punch list items.

Mr. Rosenbaum then reported that West End Lumber has expressed an interest in receiving water and sanitary sewer service from the District. The company has constructed a water line at the front of its property that could be connected to a District water line, but a sanitary sewer line will need to be constructed in order to serve the tract. As proposed, the line would serve several other tracts within the District that are not currently receiving District sanitary sewer service. After some discussion, the Board requested the engineer to inform West End Lumber that it may proceed with plans to construct the sanitary sewer line.

After further review and discussion, upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the pay application and 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. She stated that the District received its August SPA check from the City of Houston in the amount of \$88,439.10.

Ms. Magee also presented year end employee bonuses for the Board’s review and approval.

After review, upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the bonuses and management report as presented.

9. At 9:05 p.m., the Board entered executive session to discuss personnel matters. At 10:12 p.m., the Board exited executive session and resumed its regular meeting.

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

---

Secretary

Short Term Action Items

1. Order Approving 2017 Budget

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
4. 11003 Jones Road Annexation