

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

Minutes of Meeting of Board of Directors

December 7, 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, December 7, 2016 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Lary J. Cangelose, President  
Ben A. Solis, Assistant Secretary  
Darrell A. Barroso, Treasurer

and the following were absent:

Mike Kelley, Vice President  
Charles W. Merritt, 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; Mr. Joseph Ellis, auditor 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 and input.
2. The Board next considered the minutes for the meeting held on November 16, 2016. One correction to the minutes was suggested, and upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as amended.
3. Mr. Rosenbaum presented the engineer’s report, a copy of which is attached hereto. Mr. Rosenbaum reported that he received a phone call from a representative for Caldwell Companies inquiring about the availability of capacity to serve the property at Birdcall Lane. This is the tract that was previously being considered for development by KB Homes. Based upon that conversation, Mr. Rosenbaum stated that the KB Homes deal appears to have fallen through. Upon motion by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the engineer’s report as presented.
4. With respect to the proposed development of a gas station located at 11702 F.M. 1960, the Board considered the assignment of the utility capacity previously issued to the property’s new owner. The attorney and engineer confirmed that capacity demands have not changed. Accordingly, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the assignment of the capacity pursuant to the utility commitment letter issued to the prior owner.

5. The Board next considered payment of the general fund bills. After review, upon motion made by Director Solis, 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 air header project at the Hastings Green wastewater treatment plant is slated to begin next week.

Mr. Homan then reported that he and Mr. Breeding conducted an initial interview with a candidate for the operations manager position. A second interview is scheduled for next week.

Lastly, Mr. Homan reported that a minor water leak was found near a ditch adjacent to the Tower Oaks neighborhood. That leak was promptly repaired.

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

7. The Board next considered the Resolution Adopting Operating Budget for the Fiscal Year Ending December 31, 2017. Having previously approved and adopted the budget described in the Resolution, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the Resolution as presented.

8. Mr. Ellis then presented a proposal for the preparation of the District's audit for the fiscal year ending December 31, 2016, specifically explaining to the Board the fee arrangement set forth therein. After discussion, upon motion by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the proposal as presented.

9. The Board considered the Order Adopting Records Control Schedule and Declaration of Compliance with Local Government Records Act. Ms. Seipel reported that Texas law requires that the Board adopt a records control schedule compliant with certain regulations. Ms. Seipel's office reviewed the District's records control schedule and updated said schedule in order to bring the schedule into compliance with current law and regulation. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried the Board approved the Order as presented.

10. 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 the Authority stated that it would be raising its water rates by \$.50 per 1,000 gallons effective April 1, 2017.

11. With respect to the Water Users Coalition, Mr. Homan reported that he continues to recruit members to serve on the board. He also stated that their first advisory council meeting is likely going to be held in early January.

12. Under the executive session agenda item, the Board discussed employee reviews. The Board stated that it agreed with the recommendations proposed by Mr. Homan with respect to payroll recommendations and reviews. Upon motion made by Director Solis,

seconded by Director Barroso, and unanimously carried, the Board authorized Mr. Homan to act in accordance with his recommendations.

13. The Board considered items for the next Board meeting, including an executive session to conduct certain employee reviews and planning for 2017.

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

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Secretary

### Short Term Action Items

1. Planning for 2017
2. Employee Reviews

### 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