

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 25, 2017

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (the “District”) met at the Board’s regular meeting place on Wednesday, January 25, 2017 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. Samuel Meza, operations 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; 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 input and inquiries for consideration.
2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 27.47% collection rate for the 2016 tax year, with all other tax years being 96% collected or better. 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. The Board considered tax exemptions for the 2017 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. Upon motion duly made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled.

The Board then considered the attached Order Adopting Homestead Exemption. In prior years, the District has provided an exemption of 20% on residential homesteads and can

continue such exemption with adoption of this Order. Upon motion duly made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the attached Order Adopting Homestead Exemption.

4. Mr. Ideus then presented the fund manager's report, a copy of which is attached hereto. The report shows a check in the amount of \$14,092.75 for engineering associated with various capital projects. After further review, upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager's report as presented.

5. The Board next considered the minutes for the meeting held on January 18, 2017. One addition 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.

6. Mr. Breeding presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 54,812,000 gallons from its wells, with an average daily flow of 1,768,129 gallons. The ratio of water pumped to billed was 89% during the month, with a year-to-date ratio of 93%.

At the wastewater treatment plants, the total combined treatment amounted to 77,454,000 gallons with an average daily flow from the plants of 2,498,516 gallons per day. There were 4.9 inches of rainfall during the month of December.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 19 meters in the month of December and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 216,000 gallons of water and Harris County Municipal Utility District No. 248 used 15,893,000 gallons of water. Furthermore, Harris County Municipal Utility District No. 69 used 47,000 gallons of water by way of their emergency interconnect to the District's system.

As for personnel matters, a safety training class on hypothermia, winter hazards, and safe winter driving was held on January 19, 2017. A safety training class on chemical safety is scheduled for February 9, 2017.

Lastly, Mr. Breeding reintroduced Mr. Meza to the Board and stated that Mr. Meza started in his position as operations manager for the District on January 23, 2017.

After further review, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the operations report as presented.

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He and Mr. Homan had a meeting with Mr. Ross Hoskett, a project manager from the special projects division of Harris County, regarding the results of the County's study of the causes of and potential solutions to the flooding experienced by the residents of Tower Oaks. Mr. Rosenbaum and Mr. Homan confirmed that the County is still in the process of completing

the phase-one cleaning of debris and other materials within the effected drainage ditches. The Board asked that the engineer and general manager alert them as to when that work is complete.

After further review and discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the engineer's report as presented.

8. 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.

9. Ms. Seipel presented a memorandum summarizing legislation that is being considered during the 85th Regular Session of the Texas Legislature. She told the Board that she and her firm were following the events taking place during the current legislative session and would keep the Board apprised of any relevant developments.

10. Ms. Magee and Mr. Homan presented the management report. Ms. Magee confirmed the Directors' hotel and vehicle rental reservations for the AWBD conference.

Mr. Homan then reviewed the 2016 budget with the Board, noting that it was a very successful year in terms of staying on budget.

Mr. Homan also reported that members of the Water Users Coalition intended to distribute a resolution affirming AWBD's legislative principle no. 10 for signature by directors in attendance at the upcoming AWBD conference.

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

11. The Board considered items for the next agenda, including discussion of a May 2017 bond election.

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

Secretary

Short Term Action Items

1. 2017 Bond Election

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