

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 22, 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, March 22, 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. 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. Under customer inquiries and input, Ms. Magee reported that the water disconnections for the month had been made. There were 68 disconnects in the District and 8 disconnects in Harris County Municipal Utility District No. 248.

2. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 92.93% collection rate for the 2016 tax year, with all other tax years being 99% collected or better. After further review of the report, upon motion made by Director Barroso, 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 a Resolution Requesting Preparation of Estimate of Total Appraised Value of Taxable Property within the District. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the resolution as presented.

4. Mr. Ideus then presented the fund manager’s report, a copy of which is attached hereto. The report shows checks in the amount of (i) \$224,062.81 to Peltier Bros. Construction, Ltd. for payments owed in connection with the air header replacement project and

(ii) \$31,327.61 for engineering associated with various capital projects and for engineering fees previously covered in a check that was never deposited. After further review, upon motion made by Director Kelley, 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 March 15, 2017. Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 50,011,000 gallons from its wells, with an average daily flow of 1,786,107 gallons. The ratio of water pumped to billed was 102% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 68,533,000 gallons with an average daily flow from the plants of 2,447,607 gallons per day. There were 3.5 inches of rainfall during the month of February.

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

With respect to out-of-district water use, Emerald Forest Utility District used 264,000 gallons of water and Harris County Municipal Utility District No. 248 used 12,973,000 gallons of water. Furthermore, Harris County Municipal Utility District No. 222 used 3,000 gallons of water by way of their emergency interconnect to the District's system.

As for personnel matters, a safety training class on cybersecurity was held on March 16, 2017. A safety training class on traffic control is scheduled for April 13, 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 reported that the Texas Commission on Environmental Quality's review of the District's pending bond application is complete, and the Commission has issued a draft order approving the engineering projects identified therein.

Mr. Rosenbaum stated that the District has been approached by several parties regarding the annexation of land into the District. The Board discussed the location and history of the tracts at issue.

After further review and discussion, upon motion made by Director Kelley, 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. Magee, Mr. Homan, and Mr. Breeding presented the management report. Director Kelley raised a question regarding the sufficiency of amounts budgeted for office supplies. After some discussion, the Board decided to reconsider the matter in a few months.

Mr. Breeding and Mr. Homan reported that, during the course of performing some survey work, District employees discovered some potential issues with several District manholes and sewer lines. The Board discussed the possible need to televise the District's lines in order to assess whether any repair work is needed. Mr. Homan stated that he will obtain estimates for the cost of doing such work for consideration by the Board.

The Board also discussed whether it should consider utilizing a GIS in order to keep track of all District facilities. The engineer explained under what circumstances use of a GIS is warranted.

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

10. The Board considered items for the next agenda.

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