

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

April 19, 2017

The Board of Directors (the "Board") of Harris County Fresh Water Supply District No. 61 (the "District") met at the Board's regular meeting place on Wednesday, April 19, 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. Bill Rosenbaum, engineer for the District; Ms. Jan Bartholomew, financial advisor for the District; and Ms. Amy Mahanay, representing the attorney's office.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board first recognized Jan Bartholomew who presented a Preliminary Official Statement and Official Notice of Sale for the District's \$11,250,000 Unlimited Tax Bonds, Series 2017. Ms. Bartholomew described the document, which serves as a disclosure document which describes the District and development in the District as well as financial information about the District and the developer. The document provides information that an investor would want in making an informed decision as to the purchase of the bonds. When the Preliminary Official Statement has been completed, it will be distributed electronically to companies that bid on bonds.

Ms. Bartholomew then described the text of the Preliminary Official Statement and noted sections that describe the District and its facilities, the projects that are being financed with the bonds, investment considerations and risk factors associated with the bonds, the legal terms of the bonds, tax procedures that will provide funds for payment of the bonds and provisions for continuing disclosure of information about the District following delivery of the bonds. There was discussion, and it was mentioned that the District will schedule a sale of the bonds on Wednesday, May 24, 2017 at 2:00 p.m.

After further review and discussion, upon motion made by Director Kelley, seconded by Director Barroso, the Board voted unanimously to approve the Notice of Sale and publication thereof. Upon motion by Director Barroso, seconded by Director Solis, the Board

voted unanimously to approve the Resolution Authorizing Issuance and Distribution of Preliminary Official Statement, subject to final comments.

2. Under customer inquiries and input, Ms. Magee reported that the water disconnections for the month had been made. There were 83 disconnects in the District and 8 disconnects in Harris County Municipal Utility District No. 248.

3. The Board next considered the minutes for the meeting held on April 12, 2017. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

4. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum discussed the status of the permit renewal for the Barwood wastewater treatment plant and Hastings Green wastewater treatment plant. He described a GIS System and the benefits of having said system.

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

5. Amy Mahanay stated the assignment of the utility commitment for 11702 F.M. 1960 was no longer needed.

6. The Board tabled consideration of the utility commitment for the development at Huffmeister Road and Birdcall Lane.

7. 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.

8. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. There was a brief discussion of the upcoming bond election on May 6, 2017.

9. The Board considered items for the next Board meeting, including the annual audit and utility commitment for the development at Huffmeister Road and Birdcall Lane.

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

Secretary

Short Term Action Items

1. Annual audit
2. Utility commitment for the development at Huffmeister Road and Birdcall Lane

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