

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

Minutes of Meeting of Board of Directors

June 14, 2017

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, June 14, 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; Mr. Ross Hosket, a representative of Harris County (the “County”); and Ms. Jennifer Seipel, attorney for the District. Also present were several members of the public, including Mr. Roy Ward, Ms. Marnella Ward, Mr. Joe Martin, Ms. Darline Martin, Ms. Denise Bossart, Ms. Kathi Valenti, Mr. Jesus Balleza, Ms. Nora Balleza, and Ms. Connie Trout.

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 or input for consideration.
2. The Board next considered the annual rotation of officers. The Board elected the officers to begin serving in the following positions effective immediately:

Mike Kelley, President  
Charles W. Merritt, Vice President  
Ben A. Solis, Secretary  
Darrell A. Barroso, Assistant Secretary  
Lary J. Cangelose, Treasurer

3. Mr. Hosket, a project manager from the special projects division of the County, approached the Board 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 Meadows. He stated that the neighborhood in question was not developed in accordance with the drainage standards in place at the time. Mr. Hosket said that in order to correct the problem, culverts throughout the neighborhood would need to be lowered to achieve a proper grade for water to

drain. He then stated that the County is willing to do this necessary work if, and only if, the District forms a partnership with the County for the purpose of shouldering 50% of the financial responsibility, which amounts to approximately \$250,000.00.

Mr. Homan then discussed the fact that the County is the party from whom one must get permission to install culverts like the ones that the County has asked the District to share the financial responsibility in replacing. During the course of this discussion, Mr. Hosket confirmed that it is the County's permitting department that receives the fees charged for culvert installation and inspection.

The Board heard several comments from members of the public. Ms. Bossart asked Mr. Hosket whether the proposed work would make it such that the drainage would meet today's standards or the lower standards in place at the time of development. Ms. Valenti asked Mr. Hosket why the County should not be solely responsible for lowering the culverts if it is the County that inspects culverts that have been installed and receives fees for such installation. Mr. Hosket was unable to provide clear answers to these questions.

The Board also noted that the County has been maintaining the road side ditches at issue for decades, and they have been accepted into the County's road log. Director Kelley shared his recollection of the County installing the culverts that run under his driveway over 40 years ago.

After further discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board voted to not participate in the County's proposed cost-sharing agreement.

4. The Board considered the minutes for the meeting held on May 24, 2017. Upon motion made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Rosenbaum next presented the engineer's report, a copy of which is attached hereto. With respect to the wastewater discharge permit for the Barwood wastewater treatment plant, the engineer reported that the draft permit has been received and the Texas Commission on Environmental Quality's ("TCEQ") intent to issue the permit has been advertised. The engineer is awaiting further action from the TCEQ. Upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board approved the engineer's report as presented.

6. Mr. Balleza then approached the Board regarding the annexation of his property located at 11022-024 Tower Oaks Boulevard into the District. Mr. Homan discussed the location of the District's existing water and sewer facilities along Jones Road and explained that it was not economically or logistically feasible to extend the District's facilities down Tower Oaks Boulevard to serve Mr. Balleza's property. Mr. Homan and the Board offered Mr. Balleza ideas as to how he could obtain access to public utilities in the vicinity. Mr. Balleza thanked the Board for their time and left the meeting.

7. Ms. Seipel then presented an Amendment to Statement of Directors for signature by each Board member, a copy of which will be recorded in the Real Property Records

of Harris County, Texas. The Statement of Directors is being amended to reflect information relating to the District's recent bond election. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the Amendment to the Statement of Directors as presented.

8. 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.

9. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Homan reported that a District employee recently quit but they found a candidate with some experience to replace him.

Mr. Breeding stated that the District has submitted to the TCEQ all of the final paperwork needed to complete the Agreed Order.

The Board then discussed which events they planned on attending at next week's Association of Water Board Directors ("AWBD") conference.

Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the management report 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 had decided not to proceed with the printed publication of certain informational materials.

11. With respect to the Water Users Coalition (the "Coalition"), Mr. Homan stated that the advisory council held a meeting on June 12, 2017. Mr. Homan reported on the events that transpired at that meeting and read materials that relating to the upcoming AWBD election that the Coalition intends to post on its website.

12. The Board lastly considered items for the next Board meeting, including discussion of the District's retirement plan options.

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

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Secretary

### Short Term Action Items

1. Discussion of Retirement Plan Options
2. Update on Status of Series 2017 Bond Sale

### 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