

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

September 27, 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, September 27, 2017 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Mike Kelley, President
Charles W. Merritt, Vice President
Ben A. Solis, Secretary
Darrell A. Barroso, Assistant Secretary
Lary J. Cangelose, 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; Mr. Johnny Williams, with Champions Hydro-Lawn; 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, Mr. Homan informed the Board about a customer of Harris County Municipal Utility District No. 248 (“MUD No. 248”) who came to the District’s administration building and expressed his displeasure with his recent water bill. Mr. Homan confirmed that the customer’s meter was tested and is reading accurately. Mr. Homan and the other District employees recommended that the customer raise his concerns with the Board for MUD No. 248.

2. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 97.24% 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 Merritt, seconded by Director Cangelose, 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. 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) \$1,650 for the paying agent fee associated with the District’s debt service payment and (ii) \$21,764.34 for engineering associated with various capital projects. Upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board considered the minutes for the meeting held on September 20, 2017. One change to the minutes was suggested, and upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 68,971,000 gallons from its wells, with an average daily flow of 2,224,871 gallons. The ratio of water pumped to billed was 111% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 120,096,000 gallons with an average daily flow from the plants of 3,874,065 gallons per day. There were 45.1 inches of rainfall during the month of August.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 10 meters in the month of August and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 284,000 gallons of water and Harris County Municipal Utility District No. 248 used 17,896,000 gallons of water.

As for personnel matters, a safety training class on communication safety was held on September 14, 2017. A safety training class on fire prevention and response is scheduled for October.

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

6. Mr. Williams presented an update on the status of the District's detention facilities following Hurricane Harvey. He stated that the District's facilities fared extremely well in light of the rainfall received. The only area requiring attention is a large sinkhole at Pond B of Cy-Falls Estates. Mr. Williams presented a proposal to repair the sinkhole and perform related work in the amount of \$15,900. After some discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the proposal as presented.

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. The engineer reported that the warranty inspection for phase 2 of the Hastings Green wastewater treatment plant east sanitary sewer trunkline and manhole rehabilitation project was held, and there appear to be failures that present deficiencies in the warrantied work. The contractor is performing additional investigation, and the engineer will keep the Board apprised of any updates with the situation.

After further review and discussion, upon motion made by Director Barroso, seconded by Director Solis, 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. Ms. Magee confirmed that the Directors have been registered for the Association of Water Board Directors' ("AWBD") Winter 2018 conference to be held in January. After some discussion, the Board also requested Mr. Homan to attend AWBD's presentation on Hurricane Harvey and flooding to be held on October 25, 2017.

Mr. Homan also reported that the District's website has been updated to include information relating to the public hearing on the District's 2017 tax rate and debris removal in the District.

Mr. Homan and Mr. Breeding reported that the cadmium issue being experienced by the District has been resolved.

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, including the public hearing to discuss the District's 2017 tax rate and a utility commitment letter for the tract located at Cypress N. Houston and N. Eldridge Parkway.

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

Secretary

Short Term Action Items

1. Public Hearing Setting 2017 Tax Rate
2. Utility Commitment Letter for Tract at Cypress N. Houston and N. Eldridge Parkway

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