

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

Minutes of Meeting of Board of Directors

October 18, 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, October 18, 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. Bill Rosenbaum, engineer for the District; Ms. Kimberly Morgan, a representative for Satori Energy; 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 today was water disconnection day. There were 76 disconnections in the District and 17 disconnections in Harris County Municipal Utility District No. 248.

2. Ms. Morgan presented a proposed Contract for the Supply of Energy with TXU Energy, whereby the District would lock in an approximate rate of \$0.039 per kWh with the term being from December 1, 2020 through June 30, 2027. Ms. Morgan discussed the status of the energy market, the fact that the rates being seen today are the lowest in seven years, and the likelihood that rates will increase in the future. Following this discussion, upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the contract pursuant to the above-mentioned terms.

Ms. Morgan thanked the Board for their time and departed the meeting.

3. The Board next considered the minutes for the meeting held on October 11, 2017. Upon motion made by Director Barroso, seconded by Director Cangelose, 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 an erosion control program sponsored by the United

States Department of Agriculture, pursuant to which governmental entities like Harris County Flood Control may submit an application for federal funds to be used in furtherance of erosion prevention.

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

5. The Board then considered a utility commitment letter for the tract located at 13600 Birdcall Lane. The attorney confirmed that, according to the engineer, the District has the capacity to serve this development. Upon motion by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the letter as presented.

6. The Board 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.

7. Ms. Seipel then presented an Order Adopting Investment Policy, a copy of which is attached hereto. Ms. Seipel noted that, as required by the Public Funds Investment Act, the Board annually must review and either amend or affirm its investment policy. In light of recent legislative changes made to the Public Funds Investment Act and other relevant law, Ms. Seipel recommended that the Board adopt the Investment Policy as amended. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the Order Adopting Investment Policy as presented.

8. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee stated that the District received its July SPA check from the City of Houston in the amount of \$83,618.39.

Mr. Breeding reported that phase 3 of the sanitary sewer rehabilitation project continues to progress and is going well.

Mr. Breeding also confirmed that the District's enrollment in the Texas County and District Retirement System is complete, and the District's participation in the program will commence on January 1, 2018.

Mr. Homan gave an update on the washout at 13200 Oak Ledge Drive at the junction of White Oak Bayou at Channel 133. As a result of this washout, a District sanitary sewer force main has been left exposed and is thus vulnerable to structural failure. Mr. Homan discussed the District's options with respect to repair of the area and protection of its facilities. As part of this discussion, Mr. Homan reported on a recent meeting he had with Josh Stuckey, a representative for Harris County.

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

9. The Board next considered items for the next agenda.

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

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Secretary

Short Term Action Items

1. Normal Business

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