

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

Minutes of Meeting of Board of Directors  
November 29, 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, November 29, 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; and Ms. Jennifer Seipel, attorney for the District. Also present was Mr. Jorge Trevino.

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 and input for consideration.
2. The Board welcomed Mr. Trevino, who addressed the Board regarding the District’s interest in annexing and providing water and sanitary sewer service to property located at 11003 Jones Road, which his group intends to develop as a hotel. Mr. Trevino stated that the District previously issued to him a utility commitment letter agreeing to annex and serve the property. That utility commitment letter has since expired, but Mr. Trevino represented to the Board that the property has been platted and the necessary approvals from Harris County and the City of Houston have been received. The District engineer asked Mr. Trevino several questions about the project and asked that he be sent various materials and evidence of plan approval. Based on that discussion, upon motion made by Director Solis, seconded by Director Merritt, and unanimously carried, the Board approved issuance of a utility commitment and annexation letter upon review and approval of the project by the District engineer. Mr. Trevino thanked the Board for their time and left the meeting.
3. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 96.77% collection rate for the 2016 tax year, with all other tax years, excluding 2017, being 99% collected or better. After further review of the report, upon motion made by Director Merritt, seconded by Director Barroso, 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.

4. The Board then considered approval of the budget for the fiscal year ending on December 31, 2018. Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the budget as presented.

5. Mr. Ideus then presented the fund manager's report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$85,653.32 to North Houston Pole Line, LP in connection with their work on the current sanitary sewer rehabilitation project and (ii) \$38,502.72 for engineering associated with various capital projects. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the fund manager's report as presented.

6. The Board considered the minutes for the regular and special meetings held on November 15, 2017. One change to the minutes of the regular meeting was suggested, and upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as amended.

7. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 68,583,000 gallons from its wells, with an average daily flow of 2,212,355 gallons. The ratio of water pumped to billed was 97% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 79,499,000 gallons with an average daily flow from the plants of 2,564,484 gallons per day. There were 4.8 inches of rainfall during the month of October.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 24 meters in the month of October and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 294,000 gallons of water and Harris County Municipal Utility District No. 248 used 13,253,000 gallons of water.

As for personnel matters, a safety training class on treatment plant safety was held on November 1, 2017. A safety training class recapping this year's safety awareness program will be held in December.

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

8. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. The engineer 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. Rosenbaum reported that he received plans to repair the washout from Harris County Flood Control. He will evaluate the plans and report back to the Board.

The Board discussed the possible expansion of the District's wastewater treatment plants to serve future development in the District and the out-of-District customers it serves.

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

9. 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.

10. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee presented the District's October financials with the Board.

Ms. Magee also confirmed that the District received its August SPA check from the City of Houston in the amount of \$77,028.70.

Mr. Homan reported that Harris County Municipal Utility District No. 69 has inquired about utilizing an interconnect with the District early next year while MUD No. 69 makes certain repairs to its groundwater storage tank.

Mr. Homan stated that he recently attended the budget meeting for the North Harris County Regional Water Authority, at which he learned that the District is scheduled to be using surface water by 2021 or 2022. This is several years ahead of schedule.

The Board discussed a meeting recently held by the West Houston Association, at which solutions to the flooding problem being experienced in the area were discussed.

Lastly, Mr. Breeding reported that a driver backed her car into the wall adjacent to the District's administration building, causing several panels to come down. Mr. Breeding is working to have the wall replaced at the expense of the driver.

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

11. The Board considered items for the next agenda.

12. At 8:45 p.m., the Board went into executive session to discuss personnel matters. At 9:45 p.m., the Board exited executive session and reconvened its regular meeting.

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

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Secretary

Short Term Action Items

1. Usual 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