

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 24, 2018

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, January 24, 2018 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. Johnny Collins, tax assessor-collector 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 Ms. Kathy Levin.

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

1. Under customer input and inquiries, Ms. Magee reported that today was water disconnection day. There were 33 disconnections in the District and 5 disconnections in Harris County Municipal Utility District No. 248.

The Board then presented Ms. Levin with a letter of recognition thanking her for her hard work and service in seeking to address and improve the flooding being experienced by District residents. Ms. Levin expressed her appreciation for the letter.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 28.99% collection rate for the 2017 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 Solis, 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.

Mr. Collins then stated that a District customer recently approached him regarding an outstanding tax bill. According to Mr. Collins, there was an error made in connection with the amount of taxes purported to be owed at closing. Upon learning of the outstanding taxes owed, the customer paid the taxes in full but asked the District to waive the penalties and interest

assessed. After discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved waiver of the penalties and interest incurred as permitted by Section 33.011 of the Texas Tax Code.

3. The Board considered tax exemptions for the 2018 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. Upon motion duly made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled.

4. 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) \$110,283.53 to North Houston Pole Line, LP in connection with their work on the current sanitary sewer rehabilitation project and (ii) \$61,671.56 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.

5. The Board considered the minutes for the meeting held on January 10, 2018. Upon motion made by Director Merritt, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 55,131,000 gallons from its wells, with an average daily flow of 1,778,419 gallons. The ratio of water pumped to billed was 94% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 77,182,000 gallons with an average daily flow from the plants of 2,489,774 gallons per day. There were 6.1 inches of rainfall during the month of December.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 6 meters in the month of December and made no commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 200,000 gallons of water and Harris County Municipal Utility District No. 248 used 11,560,000 gallons of water.

As for personnel matters, a safety training class on SCBA and fire extinguisher operations was held on January 11, 2018. A safety training class on power equipment safety will be held in February.

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

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With respect to the U.S. 290 water line relocation project, the engineer reported that the notice to proceed was issued on January 15, 2018.

Mr. Rosenbaum stated that the current phase of the sanitary sewer rehabilitation project is almost complete.

After further review and discussion, upon motion made by Director Solis, seconded by Director Cangelose, 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. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee presented the District's December financials with the Board.

Ms. Magee also confirmed the Directors' reservations for the upcoming mid-winter conference of the Association of Water Board Directors.

Mr. Homan and Mr. Breeding also discussed the status of various development projects within the District.

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

10. The Board considered items for the next agenda, including the order for election of directors.

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

Secretary

Short Term Action Items

1. Order for Election of Directors

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