

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

July 25, 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, July 25, 2018 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Charles W. Merritt, President
Ben A. Solis, Vice President
Darrell A. Barroso, Secretary
Lary J. Cangelose, Assistant Secretary
Mike Kelley, 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. Bob Ideus, fund manager for the District; Mr. Bill Rosenbaum and Ms. Kelly Shipley, engineers for the District; and Ms. Jennifer B. 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. There were no customer inquiries or input for consideration.
2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 97.47% collection rate for the 2017 tax year, with all other tax years being 99% collected or better. After further review of the report, upon motion made by Director Barroso, 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. The Board considered the minutes for the meeting held on July 18, 2018. Upon motion made by Director Kelley, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.
4. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 72,893,000 gallons from its wells, with an average daily flow of 2,429,767 gallons. The ratio of water pumped to billed was 91% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 74,070,000 gallons with an average daily flow from the plants of 2,469,000 gallons per day. There were 6.6 inches of rainfall during the month of June.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 7 meters in the month of May and made 3 commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 419,000 gallons and Harris County Municipal Utility District No. 248 used 14,848,000 gallons.

As for personnel matters, a monthly safety meeting on heat stress was held in July. A monthly safety meeting on lockout/tag-out procedures will be held in August.

Mr. Breeding reported that the follow-up interview with the potential new District employee went well, and the District offered the candidate the position. Mr. Breeding stated that he will start in a few weeks.

Mr. Homan stated that Director Kelley noticed a missing manhole cover and promptly reported the situation. The manhole cover was reinstalled without incident.

Director Merritt mentioned that he noticed several large concrete blocks located near the detention pond at Wortham Lakes. Mr. Breeding and Mr. Homan stated that they would investigate the situation.

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

5. Mr. Rosenbaum and Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum stated that the utility and build-out maps showing the location of District facilities has been updated and was delivered to District staff earlier in the month.

Mr. Rosenbaum reported that his office recently reviewed the District's build-out projections and system capacity, and the District appears to be in good shape.

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.

6. 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 Barroso, seconded by Director Solis, and unanimously carried, the Board approved payment of the general fund bills as presented.

7. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee reviewed the District's June financials with the Board.

Mr. Breeding reported that development in the District continues to progress at a robust pace.

Mr. Homan provided an update on the status of the acquisition of the detention pond tract from Spooltech, LLC. Mr. Homan stated that he and the attorney intend to meet with representatives for Spooltech, LLC within the next few weeks.

Mr. Homan discussed a conversation he recently had with representatives for the company who invented and installed the fiberglass manhole liner utilized by the District in recent months. PBS is doing a documentary segment on the company and would like to film the upcoming installation demonstration being done at the District's facilities. The Board gave their approval.

Mr. Homan and the Board discussed the District's longstanding policy with respect to the circumstances under which the District undertakes sidewalk repairs. After some discussion, the Board agreed to keep the same policy in place and asked that such policy be put in writing.

Lastly, Mr. Homan stated that the District was issuing Harris County Municipal Utility District No. 69 a refund check for late fees incorrectly charged.

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

8. 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) \$42,799.50 to CDC Unlimited, LLC for their work in connection with the relocation of the water line at Huffmeister Road and Tuckerton and (ii) \$53,186.35 for engineering associated with various projects. Upon motion made by Director Solis, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager's report as presented.

9. The Board considered items for the next agenda, including a resolution authorizing use of surplus funds and discussion of various real estate matters.

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

Secretary

Short Term Action Items

1. Resolution Authorizing Use of Surplus Funds
2. Real Estate Matters

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