

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

Minutes of Meeting of Board of Directors

December 12, 2018

The Board of Directors (“Board”) of Harris County Fresh Water Supply District No. 61 (“District”) met at the Board’s regular meeting place on Wednesday, December 12, 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. Bill Rosenbaum, engineer for the District; 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. There were no customer inquiries or input for consideration.
2. The Board considered the minutes for the meeting held on December 5, 2018. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board approved the minutes as presented.
3. Mr. Rosenbaum next presented the engineer’s report, a copy of which is attached hereto. Mr. Rosenbaum requested authorization to advertise for bids for the recoating of Elevated Storage Tank No. 2. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the engineer’s request.

The engineer then presented and recommended approval of Pay Application No. 4 in the amount of \$99,570.60 to King Solution Services, LLC for their work in connection with phases 4 and 5 of the District’s sanitary sewer rehabilitation project. After further review, upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board approved the pay application and engineer’s report as presented.

4. The Board considered payment of the general fund bills. After review, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

5. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Mr. Breeding reported that he continues to work on budgetary and year-end matters.

Mr. Homan then reported that he received an update from an engineer with Harris County (the "County") Precinct No. 3 Commissioner Steve Radack regarding the status of the County's drainage improvement project in Barwood and Tower Oaks Meadows. The engineer informed Mr. Homan that the project has suffered a few setbacks that the County is working to address. The County said that it will keep the District apprised of any updates.

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

6. The Board reviewed a proposed draft of the District's December 31, 2019 fiscal year end budget. After going through the draft budget in detail, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the Resolution Adopting Operating Budget for the Fiscal Year Ending December 31, 2019 as presented.

7. Ms. Seipel then discussed Senate Bill 1812, which requires the District to submit to the Comptroller on an annual basis a report containing certain information relating to the District's eminent domain authority. Upon motion made by Director Solis, seconded by Director Kelley, and unanimously carried, the Board authorized the attorney to complete the annual eminent domain filing no later than February 1, 2019.

8. The Board lastly considered items for the next Board meeting.

9. At 7:45 p.m., the Board then entered into executive session to discuss personnel matters. At 7:57 p.m., the Board exited executive session and resumed its regular meeting. Upon motion made by Director Barroso, seconded by Director Solis, and unanimously carried, the Board (i) approved the Right of Entry and Possession agreement between the District and Magellan Pipeline Company, L.P. and V-Tex Logistics LLC (collectively, "Magellan") as presented and (ii) confirmed that the District currently has planned the following projects within the proposed right-of-way being acquired from the District by Magellan: (a) expansion and modification of the Hendricks detention pond; (b) rehabilitation, replacement, upgrading, and expansion of the District's water, sanitary sewer, and drainage infrastructure; and (c) replacement, expansion, maintenance, rehabilitation, and upgrading of the District's water well site.

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