

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

March 20, 2019

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, March 20, 2019 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
Lary J. Cangelose, Assistant Secretary
Mike Kelley, Treasurer

and the following were absent:

Darrell A. Barroso, Secretary.

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. Under customer inquiries and input, Ms. Magee reported that the District had water disconnection day. There were 78 disconnections in the District and ten disconnections in Harris County Municipal Utility District No. 248.

2. The Board considered the minutes for the meeting held on March 13, 2019. Upon motion made by Director Cangelose, 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. The engineer presented and recommended approval of Pay Application No. 7 to King Solution Services in the amount of \$186, 854.40 for their work in connection with phases 4 and 5 of the District’s sanitary sewer rehabilitation project. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application as presented.

The engineer then presented the bids received in connection with the television inspections needed for Phase 6 of the District’s sanitary sewer rehabilitation project. Mr. Rosenbaum reported that the District received eight bids, and after review of them, recommended award of the contract to the low bidder, All Points Inspection Services, Inc. in the amount of \$98,381.42. Upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved award of the contract as recommended.

The Board then discussed the status of annexation of the tract at 11003 Jones Road. Ms. Seipel confirmed that the District recently received the requisite \$15,000 annexation fee, and the engineer confirmed the requirements that the developer must fulfill before District service is provided.

Lastly, the Board discussed the potential development of a tract of land, part of which is located within the boundaries of the District and part of which is located within the boundaries of Harris County Municipal Utility District No. 188. Mr. Homan reported that he, Mr. Breeding, and Mr. Rosenbaum have a meeting scheduled with the developer next week. The Board also discussed some of the issues associated with the development.

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

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

5. Mr. Homan, Mr. Breeding, and Ms. Magee presented the management report. Ms. Magee noted the upcoming spring breakfast of the Association of Water Board Directors ("AWBD"), which is scheduled for April 12, 2019.

Mr. Breeding stated that he continues to work on the District's water conservation and drought contingency plans, which require review and adoption prior to May 1, 2019.

Mr. Breeding also confirmed that the District received its new crane truck.

Mr. Homan then reported that the recoating work on elevated storage tank no. 2 is progressing quickly and well.

Mr. Homan stated that the District's new part-time employees are providing much needed assistance during this busy time of year.

Mr. Homan confirmed that several District employees are scheduled to meet with representatives of the Clear Lake Water Authority to discuss their experience with the automated meter software that the District will be utilizing in the near future.

Mr. Homan reported on a phone call he recently had with the president of Harris County Municipal Utility District No. 191 regarding the Texas Department of Transportation's expansion of a roadway and the resulting condemnation of water and sanitary sewer lines.

Lastly, Mr. Homan reported that Mr. Rosenbaum has agreed to speak at the upcoming summer AWBD conference.

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

6. Ms. Magee presented a proposal from Arthur J. Gallagher & Co. for the renewal of the District's insurance. She noted that the insurance premium slightly decreased. The Board discussed the need to correct a few typographical errors in the proposal and add the District's new crane truck to its list of assets. After review, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the insurance proposal as amended.

7. With respect to the First Amendment of Right of Entry and Possession with Magellan Pipeline Company, L.P. ("Magellan"), the Board discussed the revised survey attached to the agreement. After some discussion, upon motion made by Director Cangelose, seconded by Director Solis, and unanimously carried, the Board approved the agreement subject to Magellan's making two modifications to the survey.

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

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

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