

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

June 26, 2019

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, June 26, 2019 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Ben A. Solis, President
Darrell A. Barroso, Vice President
Lary J. Cangelose, Secretary
Mike Kelley, Assistant Secretary
Charles W. Merritt, 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; Ms. Kelly Shipley, engineer 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 96.13% collection rate for the 2018 tax year, with all other tax years being 99% collected or better. After further review of the report, upon motion made by Director Merritt, seconded by Director Kelley, 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. 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) \$5,817.18 to All Points Services for their work in connection with the televising of phase 6 of the District’s sanitary sewer rehabilitation project, (ii) \$52,650.00 to M.K. Painting for their work in connection with the recoating of elevated storage tank no. 2, (iii) \$1,091.00 to CPR Services and Supplies, Inc. for certain District supplies, (iv) \$270,699.70 to Core & Main for automated meters and related supplies, and (v) \$77,586.67 for two months’ invoices for engineering associated with various projects. Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board discussed the ethics letter and update by Investment Officers Jerry Homan, Pam Magee, and Bob Ideus. The attorney noted that annually the Investment Officers are required to disclose whether they have any personal business relationships with any entities seeking to sell an investment to the District. The Investment Officers indicated that they have no such relationships. The attorney confirmed the disclosures would be filed with the Texas Ethics Commission as required by law.

5. The Board considered the minutes for the meeting held on June 19, 2019. Upon motion made by Director Merritt, seconded by Director Barroso, 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 62,901,000 gallons from its wells, with an average daily flow of 2,029,097 gallons. The ratio of water pumped to billed was 82% during the month. Mr. Homan and Mr. Breeding confirmed that they are working to identify the source causing the decrease in the pumped to billed ratio.

At the wastewater treatment plants, the total combined treatment amounted to 73,246,000 gallons with an average daily flow from the plants of 2,362,774 gallons per day. There were 4.6 inches of rainfall during the month of May.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 14 meters in the month of May and made three commercial taps.

With respect to out-of-district water use, Emerald Forest Utility District used 177,000 gallons and Harris County MUD No. 248 used 11,601,000 gallons.

As for personnel matters, a safety meeting on heat stress is scheduled for July.

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

7. Ms. Seipel confirmed that her firm has compiled and submitted to CenterPoint Energy the information required to comply with the emergency operations critical load status for District facilities. This will register with CenterPoint Energy and other emergency operations agencies the District's critical water and wastewater infrastructure, and those facilities will be given priority for restoring service after a hurricane or other disaster.

8. Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Ms. Shipley reported that the recoating of elevated storage tank no. 2 is almost complete.

She also stated that her firm is analyzing all lift stations within the District for the purpose of determining whether any rehabilitation projects are necessary at this time.

After further review and discussion, upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the change order and 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 Kelley, and unanimously carried, the Board approved payment of the general fund bills as presented.

10. The Board then discussed Harris County Municipal Utility District No. 248's request for additional connections. After a discussion of the matter, the Board authorized its representatives to proceed with negotiations.

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

Ms. Magee discussed the sizable delinquent bill associated with the prior owner of the property located at 20035 Northwest Freeway. After a discussion as to whether to send the bill to collections, the Board requested that the District's attorney send a demand letter.

Mr. Breeding then reported that the District currently is undertaking preparations for hurricane season.

Mr. Homan provided information from the Cy-Fair Chamber of Commerce regarding membership. After a brief discussion of the benefits of becoming a member through at the non-profit rate, upon motion made by Director Barroso, seconded by Director Kelley, and unanimously carried, the Board elected to become a member of the organization.

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

12. The Board considered items for the next agenda.

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