

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

Minutes of Meeting of Board of Directors

September 11, 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, September 11, 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. Johnny Collins and Ms. Kory Triantafillidis; Mr. Bill Rosenbaum, engineer for the District; Mr. David Wood, financial advisor 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 by the Board.
2. The Board considered the minutes for the meeting held on August 28, 2019. Upon motion made by Director Merritt, seconded by Director Barroso, and unanimously carried, the Board approved the minutes as presented.
3. The Board discussed the District’s 2019 tax rate. Mr. Wood reviewed the District’s financials with the Board and recommended that, in light of that information, the Board, for the 22nd year in a row, reduce its tax rate, which was \$0.30 per \$100 assessed valuation for the tax year 2018, and levy a debt service tax of \$0.28 per \$100 assessed valuation. The Board discussed the future need for capital improvements projects and the uncertainty with value in the District as a result of recent flooding events. Accordingly, upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board requested that the tax assessor-collector publish notice of a public hearing on October 9, 2019 to set the District’s 2019 tax rate at \$0.29, as required by law.
4. Mr. Rosenbaum then presented the engineer’s report, a copy of which is attached hereto. The engineer discussed the status of the Texas Department of Transportation’s (“TxDOT”) project to expand N. Eldridge Parkway. He reported that TxDOT’s plans are almost

complete, and he is meeting with Mr. Homan and Ms. Seipel on September 17, 2019 to discuss the District's plans to acquire new easements for facilities that are required to be relocated as a result of the project.

Mr. Rosenbaum also discussed the status of his firm's analysis of the parking lot at the District's administration building.

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

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

6. The Board next considered approval of the renewal of health insurance benefits for the District employees pursuant to the renewal proposal from Arthur J. Gallagher, the District's benefits administrator. The Board also considered renewal and changes to the District's dental, vision, and disability/life insurance plans with an overall increase of 2.63%. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved (i) the BlueCross BlueShield health insurance plan, (ii) dental and disability/life insurance plans with MetLife, and (iii) a vision plan with Principal.

7. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee presented the June SPA check from the City of Houston in the amount of \$101,577.74.

Mr. Breeding reported that he continues to work on development matters.

Mr. Breeding and Mr. Homan also stated that the District officially has hired the new employee discussed at the last meeting.

Mr. Homan stated that the Highway 6 overpass at U.S. 290 is closed due to construction.

Lastly, Ms. Seipel discussed the changes in the law that resulted from the Texas Legislature's adoption of Senate Bill 239.

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

8. The Board discussed the North Harris County Regional Water Authority (the "Authority"). Several directors attended the last meeting of the Authority, at which the Authority discussed random facts about the properties of water.

9. With respect to the Water Users Coalition (the "Coalition"), Mr. Homan reported that he sent a letter to the Authority on behalf of the Coalition regarding the creating of an emergency alert system to notify districts that receive surface water of any issues being experienced by the Authority and its water distribution system.

10. Ms. Seipel then provided an update on the status of the lawsuit between the District and Magellan Pipeline Company (“Magellan”). After discussion, the Board directed the attorney to undertake efforts to advance the lawsuit and to take the steps necessary to pursue compensation needed to make the District whole.

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

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