

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

Minutes of Meeting of Board of Directors

September 25, 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 25, 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, tax assessor-collector for the District; Mr. Samuel Meza, operations manager for the District; Mr. Bob Ideus, bookkeeper for the District; Ms. Kelly Shipley and Mr. Andrew Wilkinson, 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 97.14% 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 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. 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) \$34,955.44 to All Points Services for their work in connection with the televising of phase 6 of the District’s sanitary sewer rehabilitation project, (ii) \$67,260.88 to Core & Main for automated meters and related supplies, (iii) \$550.00 for the paying agent fee associated with debt service payments made, and (iv) \$60,939.68 to LAN for engineering services. 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 considered the minutes for the meeting held on September 18, 2019. Upon motion made by Director Cangelose, seconded by Director Merritt, and unanimously carried, the Board approved the minutes as presented.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 77,322,000 gallons from its wells, with an average daily flow of 2,494,258 gallons. The ratio of water pumped to billed was 97% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 75,680,000 gallons with an average daily flow from the plants of 2,441,290 gallons per day. There were 4.5 inches of rainfall during the month of August.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 277 meters in the month of August and made no commercial or residential taps.

With respect to out-of-district water use, Harris County Municipal Utility District No. 248 used 17,589,000 gallons, Emerald Forest used 160,000 gallons, and Harris County Municipal Utility District No. 69 used 685,000 gallons.

As for personnel matters, a safety meeting on rigging and lifting is scheduled for October.

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

6. Ms. Shipley then presented the engineer's report, a copy of which is attached hereto. With regard to the relocation of District facilities necessitated by the expansion of N. Eldridge Parkway, Ms. Shipley reported that she and Mr. Luis Sanabria attended a meeting with the City of Houston to review the District's planned relocations. She stated that the meeting was not as productive as she had hoped, with the City representative failing to sign off on the proposed plans. Ms. Shipley stated that they are going to work on scheduling a meeting with a higher up engineer at the City to discuss the constraints that the District is facing in relocating their facilities in this particular area. She stated that she would keep the Board, Mr. Homan, and Mr. Breeding apprised of an updates on the matter.

Ms. Shipley reported that a progress meeting with All Points Inspection Services was held on September 24, 2019, at which they discussed the status of the televising work being done in connection with phase 6 of the District's sanitary sewer rehabilitation project.

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

7. 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 Kelley, seconded by Director Merritt, and unanimously carried, the Board approved payment of the general fund bills as presented.

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

Mr. Homan and Mr. Breeding reported on the status of the Northwest Crossing Industrial Park development and the proposed division of water and wastewater service between the District and Harris County Municipal Utility District No. 188 ("MUD 188"). They discussed needing an agreement with MUD 188, whereby the parties would agree that the District would provide water service to the development and MUD 188 would provide wastewater service, among other necessary provisions. Ms. Seipel agreed with the proposed course of action. After discussion, upon motion made by Director Cangelose, seconded by Director Barroso, and unanimously carried, the Board authorized its representatives to begin negotiation of the above-referenced agreement with MUD 188.

Mr. Homan then stated that the District's 2019 Christmas Party will be held on December 14, 2019 at Los Cucos. Director Cangelose expressed satisfaction with the selection of the party location.

Mr. Homan then discussed the recent passing of a District employee. Mr. Homan presented for the Board's consideration the following actions with respect to the handling of the employee's final affairs at the District: (i) that the Christmas bonus that was to be given to the employee be presented to his wife; (ii) that healthcare for his family members on his plan be extended through the end of the year, and (iii) that he be paid for all of his unused vacation and sick days. Upon motion by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board agreed with the proposed course of action. Mr. Homan also discussed, at some point in the future, presenting the employee's family with a plaque in appreciation of his 15 years of service to the District. The Board agreed. The Board further thanked Mr. Homan, Mr. Breeding, and Ms. Magee for their handling of the matter and expressed sadness for the loss.

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

9. The Board considered items for the next agenda, including the hearing on the District's 2019 tax rate.

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

---

Secretary

Short Term Action Items

1. 2019 Tax Rate Hearing and Related 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