

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

Minutes of Meeting of Board of Directors

October 9, 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, October 9, 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. Also present were Samuel Meza, George May, Joseph Chavez, Francisco Hernandez, Travis Ling, and several members of Francisco Muro’s family.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board greeted the family of Francisco Muro, the District employee who passed away last month. The Board played a slideshow of photographs of Mr. Muro over the years. Afterward, the Board presented Mr. Muro’s family with a plaque thanking them for his service, along with his Christmas bonus check and flowers. Director Solis gave a speech in English and Spanish, expressing the District’s gratitude to the Muro family and sorrow for their loss. The Muro family thanked the Board for their continued support and left the meeting.

2. Under customer inquiries and input, Mr. Collins and Ms. Seipel discussed a request for waiver of penalties and interest made by Beck & Masten with respect to outstanding 2012 taxes. Mr. Collins discussed the paperwork that has been provided to Beck & Masten showing the taxes owed. Being that no representative for Beck & Masten was present, the Board took no action on the matter.

3. The Board then considered the minutes for the meeting held on September 25, 2019. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

4. The Board called the public hearing for public comment on the proposed 2019 tax rate to be set in the District. No comments were received. The Board then closed the public hearing. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board elected to levy a \$0.29 tax rate per \$100 valuation.

5. The Board considered the Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax for 2019. Mr. Collins confirmed that he had published the required notice which reflects that the District will set a tax rate of \$0.29 per \$100 valuation. Ms. Seipel then presented an Amendment to Statement of Directors which reflects the newly-adopted tax rate, a copy of which will be recorded in the Real Property Records of Harris County, Texas. After review, and upon motion made by Director Solis, seconded by Director Barroso, the Board voted unanimously to approve the Order setting the District's 2019 tax rate at \$0.29 per \$100 valuation and the Amendment to Statement of Directors.

6. 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 project to expand N. Eldridge Parkway. He requested authority to perform survey work necessary to determine the easement areas needed for the District facilities to be relocated. Mr. Rosenbaum stated that the work would cost approximately \$18,000. Upon motion made by Director Barroso, seconded by Director Merritt, and unanimously carried, the Board authorized the survey work.

Mr. Rosenbaum then presented two letters received from the Harris County Engineering Department regarding proposed drainage improvement projects in the Tower Oaks Meadows and Barwood neighborhoods. The letters stated that Harris County will undertake these projects, which total approximately \$18,200,000, only if the District agrees to pay for half of the cost. The letters provided the District with a 30-day deadline to respond. Mr. Rosenbaum stated that he would need additional time to study the proposed projects, and the Board agreed that they should respond accordingly.

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

7. 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.

8. Ms. Magee, Mr. Homan, and Mr. Breeding presented the management report. Ms. Magee inquired as to which members of the Board would like to attend the upcoming meeting of the Association of Water Board Directors on October 30, 2019.

Mr. Breeding reported that the District continues to receive applications for the field laborers needed. Mr. Homan and Mr. Breeding stated they are reviewing the applications and intend to schedule interviews in the coming weeks.

Mr. Breeding and Mr. Homan then reported on an incident with the District's crane truck. They stated that a District employee accidentally put regular gas, instead of diesel gas, into the truck, and it cost approximately \$16,000 to fix. The District filed a claim under its

insurance, and such claim has been approved. Mr. Homan confirmed that certain disciplinary measures were taken, and the employee felt very badly about what had happened. The Board expressed satisfaction with Mr. Homan and Mr. Breeding's handling of the matter.

Mr. Homan stated that he and Mr. Breeding are meeting with the contractor for phase 6 of the District's sanitary sewer rehabilitation project to discuss their findings.

Mr. Breeding reported that the custom lids for the District's automated meter boxes are complete and will be installed soon.

Mr. Homan stated that he and Mr. Breeding met with Ms. Seipel regarding the District's current water and wastewater agreements with Harris County Municipal Utility District No. 248 ("MUD 248"). Mr. Homan reported that the plan is to renegotiate new agreements with MUD 248 over the next several months.

Lastly, Mr. Homan recognized Mr. Joseph Chavez, a new District employee. Mr. Chavez thanked the Board for the opportunity and stated that he has been learning a great deal.

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

9. The Board discussed the North Harris County Regional Water Authority (the "Authority"). Several directors attended the last meeting of the Authority, at which they gave a presentation on the 26 miles of channel being constructed.

10. With respect to the Water Users Coalition (the "Coalition"), Mr. Homan reported that they had a meeting recently, and membership continues to grow. Mr. Homan also gave an update on the creation of an alert system for districts that are subject to the Authority.

11. Ms. Seipel then provided an update on the status of the lawsuit between the District and Magellan Pipeline Company.

12. 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