

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

November 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, November 20, 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

and the following were absent:

Charles W. Merritt, Treasurer.

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. Bill Rosenbaum and Ms. Kelly Shipley, 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. Under customer inquiries and input, Ms. Magee stated that today was disconnection day. There were 104 disconnections in the District and 8 disconnections in Harris County Municipal Utility District No. 248.

2. Ms. Magee presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 98.02% collection rate for the 2018 tax year, with all other tax years except for 2019 being 99% collected or better. After further review of the report, upon motion made by Director Barroso, 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. Ms. Magee then presented the fund manager’s report, a copy of which is attached hereto. The report showed checks in the amount of (i) \$39,818.76 to Core & Main for automated meters and related supplies and (ii) \$81,252.10 for engineering services. Upon motion made by Director Kelley, seconded by Director Barroso, and unanimously carried, the Board approved the fund manager’s report as presented.

4. The Board considered the minutes for the meeting held on November 13, 2019. One change to the minutes was suggested, and upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as amended.

5. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 58,514,000 gallons from its wells, with an average daily flow of 1,877,548 gallons. The ratio of water pumped to billed was 99% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 74,826,000 gallons with an average daily flow from the plants of 2,413,742 gallons per day. There were 7.2 inches of rainfall during the month of October.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 176 meters in the month of October and made no residential or commercial taps.

As for personnel matters, a safety meeting recapping all of the 2019 safety lessons is scheduled for December.

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

6. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. With regard to the water plant no. 3 and aerial line crossings recoating project, Mr. Rosenbaum presented the bids received and recommended award of the contract to the low bidder, Pardalis Industrial Enterprises, Inc., in the amount of \$367,600.00. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board awarded the contract as recommended.

Mr. Rosenbaum then reviewed the results of the bi-annual well tests performed on all District wells and reported that everything appears to be in good working order, with static levels holding.

After further review and discussion, 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 then considered a Resolution Adopting Operating Budget for the Fiscal Year Ending December 31, 2020. After review and discussion, upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the resolution and budget as presented.

8. The Board then discussed the District's audit for the fiscal year ending December 31, 2019. Ms. Seipel reported that the District received a letter from its auditor confirming that the proposed fee for the audit would be \$23,000-\$25,000, the same as last year. Because the Board is under an evergreen contract with their auditor, Ms. Seipel stated that no action was required of the Board if it was okay with the auditor's proposal. After a brief discussion, the Board agreed that its auditor was doing a fine job and no action was necessary.

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 Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

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

Ms. Magee also presented the August SPA check from the City of Houston in the amount of \$87,783.06.

Mr. Homan and Mr. Breeding then reported on the status of the District's new employees. Mr. Homan also stated that a former District employee has inquired about returning to work for the District. Mr. Homan, Mr. Breeding, and Mr. Meza expressed their approval of that rehire and recommended that his tenure be reinstated. Upon motion made by Director Barroso, seconded by Director Cangelose, and unanimously carried, the Board approved the reinstatement of that employee.

Mr. Homan then reported that the main break at N. Eldridge Parkway and Foxburo has been repaired. It required the District to outsource a small amount of the excavation and related work, but the District is satisfied with the results of the repair.

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

11. Mr. Homan reviewed with the Board the process for conducting personnel reviews and recommended that the Board do so at the next meeting. The Board agreed.

12. The Board considered items for the next agenda, including personnel reviews.

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

Secretary

Short Term Action Items

1. Personnel Reviews

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