

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

December 19, 2018

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, December 19, 2018 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Charles W. Merritt, President
Ben A. Solis, Vice President
Darrell A. Barroso, Secretary
Lary J. Cangelose, Assistant Secretary
Mike Kelley, 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; 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 reported that today was water disconnection day. There were two disconnections in the District and one disconnection in Harris County Municipal Utility District No. 248.

Mr. Breeding read a note sent by a District resident, thanking the District for their recent efforts to repair a sewer backup in Meisterwood. The Board expressed their satisfaction with the District employees’ handling of the situation.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 7.91% collection rate for the 2018 tax year, with all other tax years, excluding 2018, 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. 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) \$99,570.60 to King Solution Services, LLC for their work in connection with phases 4 and 5 of the District’s sanitary sewer rehabilitation project, (ii) \$73,585.00 to AR Turnkey Construction Co., Inc. for their work in

connection with the force main needed to serve West End Lumber, and (iii) \$55,798.76 for engineering associated with various projects. Ms. Seipel also reported that the District received a check from Magellan Pipeline in the amount of \$376,157.86. After some discussion, the Board directed the bookkeeper to open a new account for the placement of those funds. Upon motion made by Director Solis, 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 December 12, 2018. Upon motion made by Director Kelley, seconded by Director Solis, 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 52,761,000 gallons from its wells, with an average daily flow of 1,758,000 gallons. The ratio of water pumped to billed was 91% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 72,110,000 gallons with an average daily flow from the plants of 2,403,667 gallons per day. There were 2.2 inches of rainfall during the month of November.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 5 meters in the month of November and made no commercial or residential taps.

With respect to out-of-district water use, Emerald Forest Utility District used 225,000 gallons, Harris County MUD No. 248 used 10,383,000 gallons, and Harris County Municipal Utility District No. 69 used 1,361,000 gallons.

As for personnel matters, a safety meeting recapping the 2018 safety meetings was held in December. A monthly safety meeting on hypothermia and winter hazards will be held in January.

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

6. Mr. Rosenbaum and Ms. Shipley presented the engineer's report, a copy of which is attached hereto. Mr. Rosenbaum presented and recommended approval of Pay Application No. 1 and Final from AR Turnkey Construction Co., Inc. in the amount of \$73,585.00 for their work in connection with the installation of a force main needed to serve the West End Lumber tract.

Mr. Rosenbaum presented to the Board an updated hydrology analysis released by the National Oceanic Atmospheric Administration following Hurricane Harvey. The Board discussed the impacts, if any, the study and its findings may have on development in the District and surrounding areas.

After further review and discussion, upon motion made by Director Solis, seconded by Director Cangelose, and unanimously carried, the Board approved the pay application and 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 Barroso, seconded by Director Cangelose, 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 November financials with the Board. Ms. Magee also reported that the District received its September SPA check from the City of Houston in the amount of \$92,932.70.

Mr. Breeding reported that the District has completed its personnel reviews.

Mr. Homan reported that Harris County has stated that it intends to begin certain phases of the Barwood and Tower Oaks Meadows drainage improvement project in early 2019.

Mr. Homan read a letter from the head of the Local Government Subcommittee of the Association of Water Board Directors ("AWBD") to district consultants regarding AWBD's desire to improve relations between municipal utility and other special purpose districts and the Texas Commission on Environmental Quality. The Board discussed this matter at some length.

Mr. Homan also reported that he had a meeting with two developers of property looking to be served by the District. Mr. Homan stated that he will report back with any updates on those projects.

Lastly, Mr. Homan presented Ms. Magee with a gift from the Board for her 30 years of service as a District employee.

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

9. 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