

HARRIS COUNTY FRESH WATER SUPPLY DISTRICT NO. 61

Minutes of Meeting of Board of Directors

January 22, 2020

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, January 22, 2020 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
Jon Morgan, 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. Bob Ideus, fund manager for the District; Mr. Johnny Collins, tax assessor-collector 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, the Board discussed recent messages posted to nextdoor.com. The Board discussed strategies for addressing such comments.

2. Mr. Collins presented the tax assessor-collector’s report, a copy of which is attached hereto. The report showed a 20.35% collection rate for the 2019 tax year, with all other tax years 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. The Board considered tax exemptions for the 2020 tax year. The Board reviewed the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled. In prior years, the District has provided an exemption of \$25,000 for homesteads for persons 65 or older or disabled and can continue such exemption with adoption of this Order. Upon motion duly made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the attached Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled.

4. 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) \$39,818.76 to Core and Main, L.P., (ii) \$9,102.65 to All Points Inspection Services, Inc., and (iii) \$72,170.17 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.

5. The Board then considered the minutes for the meeting held on January 15, 2020. Upon motion made by Director Kelley, seconded by Director Cangelose, and unanimously carried, the Board approved the minutes as presented.

6. Mr. Meza presented the operations report, a copy of which is attached hereto. With respect to water production, the District pumped 52,640,000 gallons from its wells, with an average daily flow of 1,698,065 gallons. The ratio of water pumped to billed was 85% during the month.

At the wastewater treatment plants, the total combined treatment amounted to 75,276,000 gallons with an average daily flow from the plants of 2,428,258 gallons per day. There were 1.3 inches of rainfall during the month of December.

With respect to the distribution and collection system, 20 bacteriological samples were taken with no coliforms detected. The operator changed out 116 meters in the month of December and made no residential or commercial taps.

As for personnel matters, a safety meeting on confined space entry is scheduled for February.

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

7. Mr. Rosenbaum then presented the engineer's report, a copy of which is attached hereto. He discussed Pay Application No. 6 and Final received from All Points Inspections Services, Inc., explaining that there were some issues at the end of the project but he is satisfied with the work and recommended its payment. The Board agreed.

The engineer discussed the results of his firm's research regarding opportunities for the District to apply for and receive state, federal, or other funding for certain drainage projects in the District. After some discussion, the Board decided that it would wait to further pursue such grants.

Lastly, Mr. Rosenbaum briefly reviewed the District's capital improvements plan, which the Board agreed to review in greater detail at a later time.

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

8. 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 Cangelose, and unanimously carried, the Board approved payment of the general fund bills as presented.

9. Mr. Homan, Ms. Magee, and Mr. Breeding presented the management report. Ms. Magee reviewed the District's December financials with the Board. The Board recommended a few changes to certain budgetary items.

Mr. Breeding then reported on the status of the concrete work associated with the main break at N. Eldridge Parkway and Foxburo. He confirmed that the work is ongoing.

Mr. Homan then discussed the meeting that he, Mr. Breeding, Ms. Seipel, and Mr. Rosenbaum attended with Texas Central regarding the high-speed rail being constructed along U.S. 290. He reported that the parties are working on utility coordination.

Mr. Homan also provided an update on the status of the new water supply agreement being negotiated with Harris County Municipal District No. 248. After discussion, it was requested that the agreement be placed on the February 12, 2020 agenda.

Lastly, the Board discussed security during regular District meetings. The Board requested that Ms. Seipel conduct legal research regarding their options with respect to building security.

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

10. The Board considered items for the next agenda, including discussions of the water supply agreement with Harris County Municipal Utility District No. 248 and security matters.

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

Secretary

Short Term Action Items

1. Water Supply Agreement with Harris County MUD No. 248
2. Discussion of Security Matters

Long Term Action Items

1. 222 Rate Analysis for Wastewater Usage
2. Plans for use of SPA Funds
3. Trunk Line Repair - Complete; Discussion of Costs with MUD 222 and MUD 248