

MINUTES OF BOARD OF DIRECTORS MEETING
AUGUST 16, 2016

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 109

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The Board of Directors (the "Board") of Harris County Municipal Utility District No. 109 (the "District") met in regular session, open to the public, at the Holiday Inn Express & Suites Atascocita, 5619 FM 1960 East, Humble, Texas 77346, at 6:00 p.m. on August 16, 2016, whereupon the roll was called of the members of the Board, to wit:

Owen H. Parker, President
Glenn R. Bogs, Vice President
Chris Green, Secretary
Robin Sulpizio, Assistant Secretary
Cheryl Moore, Treasurer/Investment Officer

All members of the Board were present, except for Director Bogs.

Also attending all or parts of the meeting were Josi Watkins, District resident, and Sharon Philips (non-District resident with Ms. Watkins); Mr. Paul Villarreal and Mr. Clinton Gehrke of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; Mr. Matt Froehlich and Jorge Bustamante of Brown & Gay Engineers ("BGE"), engineer for the District; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; and Ms. Brenda Presser, paralegal, of Norton Rose Fulbright US LLP, law firm representing the District.

The President called the meeting to order in accordance with notice posted pursuant to law, copies of the Certificates of Posting are attached hereto as *Exhibit "A,"* and the following business was transacted:

1. **Minutes.** The Board considered the proposed minutes of a meeting held July 19, 2016, previously distributed to the Board. Upon motion by Director Sulpizio, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held July 19, 2016, as presented.

2. **Public Comments.** The President recognized Ms. Watkins, who discussed inconsistencies and increased costs in billing. Supporting documents for Ms. Watkins' discussion are attached hereto as *Exhibit "B."* Discussion ensued regarding meter replacement, unidentified leaks, water usage, and regional water rates. Following a full discussion, Mr. Villarreal offered assistance to Ms. Watkins, at no cost, to inspect the perimeter of her home for undetected leaks or other issues. No action was taken by the Board on this matter at this time.

3. **Tax Assessor's Report and authorize payment of certain bills.** The President recognized Mr. Spencer, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of July, 2016, a copy of which is attached hereto as *Exhibit "C."* Mr. Spencer noted that 98.47% of the District's 2015 taxes had been collected as of July 31, 2016.

Mr. Spencer reviewed a summary of the District's tax roll information and collections as of July 1, 2016. He noted that the accounts listed as delinquent have been sent to the District's delinquent tax attorney for collection.

Upon motion by Director Moore, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 1731 through 1735 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

4. **Review Bookkeeper's Report.** The President reported the bookkeeper notified him that he will be late to the meeting. After all reports had been presented and prior to adjournment, Mr. Rutt did not attend the meeting, however, prior to adjournment, checks were delivered from Mr. Rutt's office to the Board of Directors for approval and signature. A copy of the bookkeeper's report delivered to the Board is attached as *Exhibit "D."*

Upon motion by Director Sulpizio, seconded by Director Green, after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment of check numbers 11833 through 11861 from the Operating Fund to the persons, in the amounts and for the purposes listed therein.

5. **Engineer's Report.** Mr. Froehlich presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit "E."*

Mr. Froehlich reported that Drylet will perform the second round of testing at the sewage treatment plant once the RAS sampling port is operational and a kickoff meeting is scheduled for August 29th.

Mr. Froehlich reported that he plans to recommend to the Atascocita Joint Operations Board to award construction contracts to Camino Services for the driveway culvert replacement for approximately \$13,122.00, and to Triumph Parking Lot Maintenance for the asphalt paving overlay for approximately \$59,800.00.

Mr. Froehlich reported that he will be meeting with the fence contractor on Friday, at BGE's office, to review sanitary sewer inspection videos and determine a course of action for repairs for the damage to the District's sanitary line at Dawn Mist Court.

Upon motion by Director Sulpizio, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

6. **Developer's Report.** Mr. Froehlich updated the Board on the status of development and construction in Rivergrove, Section 3, 5 and 6. He reported on the Kings Lake Estates Lift Station No. 2 Expansion and stated they are still waiting for CenterPoint to complete the gas connection for the new generator. He presented and recommended approval of Pay Estimate No. 5 to T & C Construction, LTD in the amount of \$63,662.34 for Kings Lake Estates Lift Station No. 2 Expansion. Upon motion by Director Sulpizio, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. 5 to T & C Construction, LTD in the amount of \$63,662.34 for Kings Lake Estates Lift Station No. 2 Expansion.

7. **Status Report from GIS Municipal Services.** There was no report.

8. **Review Operations Report and authorize repairs.** The President recognized Mr. Villarreal, who presented to and reviewed with the Board the Operations Report dated August 16, 2016, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit "F."* Mr. Villarreal reported that 95% of the water pumped was billed for the period June 1, 2016 thru July 1, 2016.

Mr. Gehrke reviewed a request from a customer requesting adjustment for their two previous bills, which exceeded the average amount normally reflected on the bill. A copy of the customer's correspondence and bill are attached to the Operations Report as *Exhibit "F-1."* Mr. Gehrke reported the meter was pulled for testing and tested at 99.9% accuracy. The perimeter of the property was checked for leaks and none were detected. Mr. Villarreal stated that WWWMS will further investigate and, if no basis for an adjustment are discovered, contact the customer regarding a payment plan.

Mr. Villarreal presented a request for a bill adjustment from a customer that experienced an undetected leak, which has since been repaired. A copy of the customer's correspondence is attached to the Operations Report as *"Exhibit F-2."* After a full discussion, it was the consensus of the Board to decline the customer's request.

Mr. Villarreal presented a proposal from Aber Fence in the amount of \$5,689 to replace the deteriorated fence at Lift Station No. 5, a copy of which is attached to the Operations Report as *"Exhibit F-3."* He discussed costs to repair the fence versus replacement. He also discussed installation of a new gate at Water Plant No. 2 and expanding the driveway. Discussion ensued regarding sealing the new fence and replacing fencing existing lift stations in the District.

Mr. Villarreal reported that Alsay has completed the rehabilitation of Well Pump No. 1, a copy of the Pump Completion Report is attached to the Operations Report as *"Exhibit F-4."*

Mr. Villarreal discussed the water main break on Bambiwoods. He mentioned a resident had voiced concerns of potential damage from the overflow water at the water main break to his recently repaired foundation. He stated that the engineer and operator recommend abandoning in place the six-inch water main between Bambiwoods Drive and Big Timber Drive. The Operator discussed cutting and plugging the water line further back, near the edge of the right-of-way of each street, maintaining any existing service connections, and installing blow offs at the plugs for flushing the lines as needed in the future.

Mr. Gehrke updated the Board on efforts to meet Mr. Werks' expectations for delivery of grit trap report and readings.

Upon motion by Director Moore, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize the termination of service to delinquent accounts in accordance with the District's Rate Order, and to approve the proposal from Aber Fence in the amount of \$5,689 to replace the deteriorated fence at Lift Station No. 5.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Directors on September 20, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

