

MINUTES OF BOARD OF DIRECTORS MEETING
OCTOBER 17, 2017

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 October 17, 2017, whereupon the roll was called of the members of the Board, to wit:

Owen H. Parker, President
Vacancy, Vice President
Chris Green, Secretary
Robin Sulpizio, Assistant Secretary
Cheryl Moore, Treasurer

All members of the Board were present. Also attending all or parts of the meeting were Captain Jonathan Zitzman, Lieutenant Steve Romero, and Sergeant Chris Zorzi of Harris County Precinct 4 Constable's Office; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; Mr. Cory Burton of Municipal Accounts & Consulting, LP, bookkeeper for the District; Mr. Matt Froehlich and Mr. Ryan George of BGE, Inc. ("BGE"), engineer for the District; Mr. Paul Villarreal of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; and Ms. Brenda Presser, paralegal, of Norton Rose Fulbright US LLP ("NRF"), attorneys for 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 the regular meeting held on September 19, 2017, 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 on September 19, 2017, as presented.
2. **Public Comments.** There were no comments from the public.
3. **Public Hearing on Tax Rate.** The President opened the hearing on the proposed tax rate. There were no comments. The President closed the hearing.
4. **Order Setting Tax Rate and Levying Tax for 2017.** The Board reviewed an Order Setting Tax Rate and Levying Tax for 2017 (the "Order"), a copy of which is attached hereto as *Exhibit B*. Upon motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, thereby levying a tax rate of \$0.50 per \$100 assessed valuation (\$0.36 for debt service and \$0.14 for operations and maintenance).
5. **Approve Amended District Information Form.** Ms. Presser stated that because the District's tax rate has changed, and amended District Information Form to reflect the new rate levied today needs to be approved. The Board reviewed the Amended and Restated District Information Form reflecting the 2017 tax rate, a copy of which is attached hereto as *Exhibit C*. Upon motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize filing of the Amended District

Information Form in the Harris County Real Property Records and with the Texas Commission on Environmental Quality.

6. **Security Report.** The President recognized Sergeant Zorzi, who reviewed highlights of the Security Report with the Board, a copy of which is attached as *Exhibit D*.

7. **Tax Collector'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 September 2017, a copy of which is attached hereto as *Exhibit E*. Mr. Spencer noted that 98.83% of the District's 2016 taxes had been collected as of September 30, 2017.

Mr. Spencer reviewed a summary of the District's tax roll information.

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 1814 through 1824 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

8. **Review Bookkeeper's Report.** The President recognized Mr. Burton, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as *Exhibit F*. Mr. Burton reviewed disbursements from the General Operating Fund and reported that the amounts for check numbers 12448 through 12451 have been left blank pending receipt of invoices prior to the next meeting that will be paid without incurring late fees.

Upon motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, and to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein.

9. **Engineer's Report.** The President recognized Mr. George, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*. Upon motion by Director Moore, seconded by Director Green, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Engineer's Report.

10. **Developer's Report.** Mr. George updated the Board on the status of Rivergrove, Section 6 and Kings Lake Estates, Section 9.

11. **Review Operations Report and authorize repairs.** Mr. Villarreal presented to and reviewed with the Board the Operations Report dated October 17, 2017, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit H*. Mr. Villarreal reported that 99% of the water pumped was billed for the period September 1, 2017 through September 30, 2017.

Mr. Villarreal reported that the cut-off date for unpaid delinquent accounts is October 19, 2017. He requested the Board's authorization to send 13 accounts to collections.

Mr. Villarreal reported that the customer on Belleau Woods East appears to still have leak issues and WWWS continues to monitor readings. Mr. Villarreal stated that he contacted Mr. Madden to notify him that there is still an issue with his line, reviewed usage history and requested a response to discuss a bill adjustment. Mr. Villarreal said that Mr. Madden has not responded nor requested further adjustments to his bill.

Mr. Villarreal reported the application for the Water Smart Program is due March 1. He requested that an item be placed on next month's agenda to approve a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program.

Mr. Villarreal reported that three customers are requesting refunds for late fees charged to their account. He said that bills were mailed timely, but delivered late by the postal service and online bank payment. He reviewed the payment histories, noting these customers have never been late on a payment.

Mr. Villarreal reviewed correspondence and payment history from a customer on Atascocita Meadows who is requesting a payment plan and extension.

Upon motion by Director Moore, seconded by Director Green, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize WWWMS to make adjustments on customer accounts presented today and to authorize the termination of delinquent accounts in accordance with the terms of the District's Rate Order..

12. **Review and discuss a proposal for the sale/lease of District property for a proposed communications facility.** Director Parker reported that a revised proposal has not been received by the District's attorney for review. No action was taken.

13. **Appointment of a new director.** It was the consensus of the Board to defer this item to next month.

14. **Election of officers.** It was the consensus of the Board to table this item pending appointment of a new director.

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

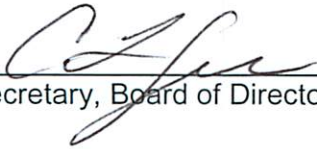
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The above and foregoing minutes were passed and approved by the Board of Directors on November 21, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

