

MINUTES OF BOARD OF DIRECTORS MEETING  
NOVEMBER 21, 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 November 21, 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 Mr. Ryan Nesmith of Robert W. Baird & Co., financial advisor for the District; 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. Clint Gehrke 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 October 17, 2017, previously distributed to the Board. 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 minutes of the meeting held on October 17, 2017, as presented.
2. **Public Comments.** There were no comments from the public.
3. **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 B*.
4. **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 October 2017, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 1.17% of the District's 2017 taxes had been collected as of October 31, 2017.

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

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 approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 1825 through 1827 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Discuss outstanding debt.** The President recognized Mr. Nesmith, who distributed and reviewed 2017 Debt Service Tax Rate Analysis and three scenarios for proposed redemption of callable bonds, a copy of which is attached as *Exhibit D*. He discussed proposed savings for each scenario and reminded the Board that a Notice of Redemption must be issued 30 days prior to call date. Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to call the 2018 and 2020 maturities of the Series 2008 Bonds on January 15, 2018 and the 2022 maturity of the Series 2009 Bonds on October 1, 2018 for an estimated interest savings of \$76,613.

6. **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 E*. Mr. Burton reviewed disbursements from the General Operating Fund and reported that the amounts for check numbers 12488 through 12490 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 Moore, seconded by Director Sulpizio, 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.

7. **Consent to Encroachment for Public Storage Atascocita.** The President recognized Mr. George, who reported that BGE received a request from a public storage facility to build a monument sign in a sanitary sewer easement owned by the District. He requested the Board's consideration for approval of a Consent to Encroachment, a copy of which is attached as *Exhibit E*.

Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve and to authorize execution of the Consent to Encroachment, subject to concurrence by Atascocita Joint Operations Board since the sanitary sewer line serves the Wastewater Treatment Plant.

8. **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 F*.

Discussion ensued regarding anticipated timelines for design and rehabilitation of elevated storage tanks beginning in the Fall of 2018.

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 accept the Engineer's Report.

9. **Developer's Report.** Mr. George reviewed the status of progress in Rivergrove, Section 6 and Kings Lake Estates, Section 9.

10. **Review Operations Report and authorize repairs.** Mr. Gehrke presented to and reviewed with the Board the Operations Report dated November 21, 2017, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit H*. Mr. Gehrke reported that 90% of the water pumped was billed for the period October 1, 2017 through October 31, 2017.

Mr. Gehrke reported that the cut-off date for unpaid delinquent accounts is November 27, 2017. He requested the Board's authorization to send 13 accounts to collections.

Mr. Gehrke reported on driveway damage on Leaning Timbers, which occurred following tap leak repairs. Discussion ensued and the Board concurred to authorize the repairs.

Mr. Gehrke reported that the customer on Belleau Woods East has repaired the leak and WWWMS continues to monitor readings. Mr. Gehrke stated that he contacted the customer 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. Gehrke said that Mr. Madden had not responded for two months.

Mr. Gehrke reported on continual calls regarding a leak in the rear easement of the property on Forest Timbers. Mr. Gehrke stated that the District's sewer main line is in the rear easement and the lines are clear.

Mr. Gehrke next reviewed resident letters requesting adjustments to their bills, copies of which are attached to the Operator's Report. He also reported on a complaint from a customer regarding the high cost of pumpage fees and noted that the customer was directed to links for the North Harris County Regional Water Authority and the Texas Commission on Environmental Quality.

Mr. Gehrke reported the application for the Water Smart Program is due March 1. He requested the Board's consideration for approval of a Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program, a copy of which is attached hereto as *Exhibit I*.

Upon motion by Director Green, 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 WWWMS to make adjustments on customer accounts presented today, to authorize the termination of delinquent accounts in accordance with the terms of the District's Rate Order, and to adopt the Resolution Approving Submittal of the Water Smart Application for Inclusion in the Association of Water Board Directors Water Smart Partners Program.

**11. 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 been received by the District's attorney for review. Discussion ensued and the Board requested that Ms. Presser distribute the revised proposal and the response from Mr. Thomson to Ms. Cogburn's review comments to the Board and to Atascocita Joint Operations Board.. No action was taken.

**12. Vote for Representative on Harris County Appraisal District.** Ms. Presser reported that the Harris County Appraisal District is accepting votes for the candidates to represent water districts, noting that two candidates are running for the open position.

Upon motion by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to cast its vote for Glenn Peters, and authorize execution of a resolution casting the District's vote. The resolution is attached as *Exhibit J*

**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.

**15. Matters pertaining to 2018 Directors Election.** Ms. Presser stated that the Election Code allows the Secretary to appoint an agent to maintain regular office hours, make available District documents and to receive any personally delivered documents relating to the election. She noted that the positions held by Directors Moore and Sulpizio expire in May 2018.

Ms. Presser reported that the District is required to post a Notice of the Deadline to File an Application to have your name on the ballot. She noted the filing period is from January 17, 2018 to February 16, 2018.

Ms. Presser presented to the Board a Resolution Authorizing Publication of Notice of Intent Not to Use An Electronic Voting System. She stated that the District is exempt from using an electronic voting system if the most recent Directors Election was not held because the candidates were unopposed or if there were less than 250 voters that voted in the last Directors Election. She also noted that a notice of the District's intent to not use an electronic voting system must be published in a newspaper of general circulation in the District.

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 appoint Brenda Presser as Election Agent for the District, to approve, authorize execution, and authorize posting of notice of the Appointment of Agent, to approve and authorize posting of the Notice of the Deadline to File an Application, and to approve and authorize publication of notice of the District's intent to not use a voting machine system, copies of which are attached hereto as *Exhibit K, K-1, and K-2*, respectively.

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 December 19, 2017.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

