

MINUTES OF BOARD OF DIRECTORS MEETING
JUNE 20, 2017

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

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 June 20, 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/Investment Officer

All members of the Board were present, except Director Moore, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Nancy Frank, Mr. Michael Glover and Mr. Ben Anderson, District residents; Corporal Gamble and Deputy Jesus Morales 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. 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. **Presentation from Regions Bank.** There was no one present from Regions Bank for a presentation.

2. **Minutes.** The Board considered the proposed minutes of the meeting held on May 16, 2017, previously distributed to the Board. 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 minutes of the meeting held on May 16, 2017, as presented.

3. **Public Comments.** After the Board had received reports and discussed billing issues with Messrs. Glover and Anderson, the President recognized Ms. Frank. Ms. Frank discussed the proposed filling of a retention pond by a business in the District. Mr. Villarreal said that he will obtain the details following the meeting and coordinate with the District's engineer.

4. **Security Report.** The President recognized Deputy Morales, who reviewed the Security Report with the Board, a copy of which is attached as *Exhibit B*.

5. **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 May 2017, a copy of which is attached hereto as *Exhibit C*.

Mr. Spencer noted that 97.63% of the District's 2016 taxes had been collected as of May 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 1790 through 1794 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

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 D*. Mr. Burton reviewed disbursements from the General Operating Fund and reported that the amounts for check numbers 12268 through 12271 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 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 and for the purposes listed therein.

7. **Engineer's Report.** The President reported the Engineer is unable to attend the meeting and previously distributed the Engineer's Report, a copy of which is attached hereto as *Exhibit E*. 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 Engineer's Report.

8. **Developer's Report.** There was no report presented.

9. **Mowing contract with CDC Unlimited.** The President reported that NRF is preparing an updated mowing contract with CDC Unlimited ("CDC") for consideration by the Board next month. He stated that CDC has been mowing District facilities for over 30 years.

10. **Review Operations Report and authorize repairs.** Mr. Villarreal presented to and reviewed with the Board the Operations Report dated June 20, 2017, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Villarreal reported that 91% of the water pumped was billed for the period May 1, 2017 through May 31, 2017.

Mr. Villarreal requested approval to send eight delinquent accounts for collections.

Mr. Villarreal discussed issues with the well pump meters at Water Plant Nos. 1 and 2 and recommended replacement of the well pump meter heads, which includes the register, top plate, and internal propeller assembly. He reported a cost of \$3,943.00 for a 12" Rokwell meter and a lead time of six weeks for replacement of the well pump meter head at Water Plant No. 1. He reported a cost of \$3,725.00 for a 16" Water Specialty Meter and a lead time of four weeks for replacement of the well pump meter head at Water Plant No. 2. Discussion ensued and the Board requested that Mr. Villarreal obtain two other prices for comparison.

Mr. Villarreal reported that WWWMS received written correspondence from Mr. Glover regarding a complaint about cancellation of water services process. The President recognized

Mr. Glover, who reviewed the contents of his letter dated June 15, 2017 and attached to the Operations Report. Mr. Glover reported on the correspondence that began on April 26, 2017 with a request to WWWMS to terminate service and continued through June 15, 2017. Discussion ensued, and after careful consideration, the Board requested that WWWMS adjust Mr. Glover's bill to reflect cancellation from his initial notice to cancel services on April 26, 2017. The Board also requested that Mr. Villarreal follow up with the customer service staff.

The President recognized Mr. Anderson, who attended the meeting to discuss issues encountered with WWWMS in attempts to obtain new service. Mr. Anderson reported on requests to establish service with WWWMS and their request for a copy of closing documents and completion of service agreement. He stated that water was disconnected and he had no water service for four days. He noted that he now has water and is bringing this matter to the Board's attention to streamline the process for establishing service, especially in required documents. The Board thanked Mr. Anderson for his time and comments and Mr. Villarreal stated that he will coordinate with his office and legal on alternative documents for establishing service.

The following customers requested adjustments:

19710 Misty Pines Court – Customers requested an extension to July 5, 2017 for full payment of the amount due.

20214 Dawn Mist Dr. – Mr. Villarreal reported that a tapline leak was repaired, along with meter replacement. Discussion ensued and it was the consensus of the Board to create an invoice from an average of the customer's billing data. Mr. Villarreal stated that he will monitor meter usage to assist the customer with possible leak detections.

19931 Bambiwoods Dr. – Mr. Villarreal reported that WWWMS inspected the meter connections and surrounding area and no leaks were detected. He recommended replacing the meter.

Mr. Villarreal reviewed the delinquent accounts, noting the cut-off date for delinquent accounts is June 22, 2017.

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 terminate service on delinquent accounts in accordance with the District's Rate Order, to approve sending eight delinquent accounts for collections, to approve extension of payment date as requested for 19710 Misty Pines Court, to authorize WWWMS to create an invoice from an average of the customer's billing data for 20214 Dawn Mist Dr., and to approve replacing the meter for 19931 Bambiwoods Dr.

11. Review and discuss a proposal for the sale/lease of District property for a proposed communications facility. The President recognized Mr. Thomson, who represents Crown Castle and discussed consideration by the District to sell or lease approximately 3,500 to 4,000 square feet at the Wastewater Treatment Plant site for a cellular tower. Mr. Thomson reported the type of tower is "self-support tower," which is a three-legged facility that is approximately 180'-200' in height, depending on the elevation and must be more than 300' from a residential area. He stated there is a tower in the area and the lease on the tower will be expiring in about two years and an alternative site is being explored. Discussion ensued

regarding a proposal, approximate lease period, access and District liabilities. After a full discussion by the Board, it was the consensus of the Board to defer action until next month.

12. **GIS Quarterly Status Report.** The President reported there is no report.

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 July 18, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

