

MINUTES OF BOARD OF DIRECTORS MEETING
JULY 18, 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 July 18, 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. Also attending all or parts of the meeting were Ms. Barbara Madera and Mr. Steve Weirich, District residents; Lieutenant Steve Romero 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. Scott Conley of Drylet, LLC ("Drylet"); Mr. Matt Froehlich 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. **Presentation from Regions Bank.** There was no one present from Regions Bank for a presentation.

2. **Public Comments.** The President reported there is an opening on the Board for an unfulfilled term that expires in May 2018. He then recognized Mr. Weirich, a District resident who desires to serve on the Board. Mr. Weirich reported that he retired from Kroger, owns a family business in the District and has an interest in community service.

The President recognized Ms. Barbara Madera, a District resident who also desires to serve on the Board. She reported she serves as the Precinct Election Chairperson, retired from Dupont after 20 years of service and has an interest in being involved in the District.

The President thanked Mr. Weirich and Ms. Madera for expressing their interests and introducing themselves to the Board. He stated the Board is not making a decision tonight on appointing a director, but will be in contact with Mr. Weirich and Ms. Madera soon about the next step.

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

4. **Minutes.** The Board considered the proposed minutes of the meeting held on June 20, 2017, previously distributed to the Board. 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 minutes of the meeting held on June 20, 2017, as presented.

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 June 2017, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 98.08% of the District's 2016 taxes had been collected as of June 30, 2017.

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

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1795 through 1804 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 12329 through 12332 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 Green, 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 recognized Mr. Froehlich, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit E*.

Mr. Froehlich reviewed a Technical Memorandum relating to the Atascocita Meadows Lift Station Assessment regarding the availability additional capacity to serve a proposed 30-unit apartment complex. He stated the Technical Memorandum concludes that the Atascocita Meadows Lift Station can support the additional demand of a 30-unit apartment complex with little or no modifications to the impeller. Mr. Froehlich noted there will be some costs to the developer for construction of lines to cross FM 1960 to tie into water and sewer systems for service. Mr. Villarreal discussed effects of water pressure to the proposed apartment complex and current customers with the additional capacity. Mr. Froehlich stated that he can arrange for a water pressure test.

Mr. Froehlich discussed an inquiry from Mr. Martin Uhlir about potential service from the District to tracts within Continental Plaza, approximately 400 feet south of FM 1960. Discussion

ensued and it was the consensus of the Board and concurred by the engineer that the property logistics would hinder the District's ability to provide services.

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 Engineer's Report.

8. **Developer's Report.** Mr. Froehlich reported that BGE received six bids on July 12, 2017 for the construction of utilities to serve Rivergrove, Section Six. BGE recommends award of the contract to Clearwater Utilities, Inc. Utilities, Inc. for \$601,692.51. 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 awarding a construction contract to Clearwater Utilities, Inc. Utilities, Inc., the lowest qualified bidder, for \$601,692.51 for the construction of utilities to serve Rivergrove, Section Six.

9. **Review request for annexation of 1.56 acres.** Mr. Froehlich discussed capacity to serve the annexation tract under the Engineer's Report. Discussion ensued on next steps. Ms. Presser stated that she will follow up with the District's attorney.

10. **Mowing contract with CDC Unlimited.** The Board considered approval of a Services Agreement with CDC Unlimited ("CDC") for mowing District facilities, a copy of which is attached hereto as *Exhibit F*. 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 Services Agreement and to authorize execution by the President.

11. **Review Operations Report and authorize repairs.** Mr. Villarreal presented to and reviewed with the Board the Operations Report dated July 18, 2017, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit G*. Mr. Villarreal reported that 91% of the water pumped was billed for the period May 31, 2017 through June 30, 2017.

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

Mr. Villarreal updated the Board on replacement of the well pump meters at Water Plant Nos. 1 and 2 and stated that, upon receipt of the second of two quotes, he will present to the Board at the next meeting.

Mr. Villarreal reported on suspected vandalism at Lift Station No. 3. He stated there is a gap in the fence at 20026 Bambiwoods, which appears to be the entry and exit point into Kings Lake Estates and providing access to the Lift Station. Mr. Villarreal stated that he contacted Fencecrete to replace the fence to close the gap and will coordinate with the property owner for the fence replacement.

The following customers requested adjustments:

19302 Forest Fern – Mr. Villarreal reported that Mr. Anderson, who attended last month's meeting to discuss miscommunication and service issues while trying to obtain new service, had his service subsequently terminated and will be receiving a credit.

18438 Atascocita Meadows – Mr. Villarreal reported the customer has requested an extension until July 24, 2017, noting that the customer had a pledge on their account to cover payment.

Mr. Villarreal presented information on alternative payment options provided by First Billing Services. He discussed proposed benefits to District customers and cost savings for the program. No action was taken on this matter at this time.

Mr. Villarreal reviewed the delinquent accounts, noting the cut-off date for delinquent accounts is July 20, 2017.

Mr. Villarreal discuss plans for honoring Mr. Bogs for his years of service to the District.

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 terminate service on delinquent accounts in accordance with the District's Rate Order, to approve sending seven delinquent accounts for collections, to approve a credit for the customer at 19302 Forest Fern and approve an extension of payment for the customer at 18438 Atascocita Meadows, and to authorize the fence repair on Bambiwoods.

12. **Review and discuss a proposal for the sale/lease of District property for a proposed communications facility.** The President reported there are no updates on this matter and it will addressed at the meeting of the Atascocita Joint Operations Board.

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

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

15. **Election of officers.** It was the consensus of the Board to defer this item until a new director is appointed.

16. **Report on AWBD summer conference.** Board members attending the meeting commented on the sessions.

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 August 15, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

