

MINUTES OF BOARD OF DIRECTORS MEETING
FEBRUARY 20, 2018

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 Hampton Inn & Suites Atascocita, 19108 Moon Trail Drive, Humble, Texas 77346, at 6:00 p.m. on February 20, 2018, 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, Director

All members of the Board were present. Also attending all or parts of the meeting were 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"), engineers 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 a special meeting held on January 23, 2018, 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 special meeting held on January 23, 2018, as presented.

The Board next considered the proposed minutes of a special meeting held February 16, 2018, 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 special meeting held on February 16, 2018, 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 January 2018, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 91.18% of the District's 2017 taxes had been collected as of January 31, 2018.

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 1836 through 1842 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **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 12622 and 12623 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, to the persons, and for the purposes listed therein.

6. **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 E*.

Mr. George reported that following the discussion at last month's meeting and BGE's meeting with President Parker and the District Operator, BGE proposes the addition of a hydro-pneumatic tank at Water Plant No. 1 to maintain and assist with operations when the elevated storage tank is taken offline for rehabilitation. Mr. Froehlich reported that a small hydro-pneumatic tank was previously located at Water Plant No. 1 prior to construction of the elevated storage tank. He stated that the addition of a small hydro-pneumatic will assist Water Plant No. 1 to continue operations while the elevated storage tank is undergoing rehabilitation in late summer to early fall. He confirmed there is no hydro-pneumatic tank at Water Plant No. 1 now. Mr. Froehlich requested the Board's authorization to begin design of a hydro-pneumatic tank addition at Water Plant No. 1.

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 accept the Engineer's Report and authorize BGE to proceed with the design of a hydro-pneumatic tank addition at Water Plant No. 1.

7. **Developer's Report.** Mr. George reported on the status of Rivergrove, Section 6 and noted that for plat approval, the City of Houston is requiring that the District's easements be updated to correspond with where utilities were ultimately constructed. Mr. Froehlich stated that the update entails abandoning a five foot wide storm sewer easement and dedicating a five foot wide water line easement in its place.

Mr. Froehlich reported that he was contacted by an engineer requesting capacity for 6.81 acres of undeveloped property at Kings Parkway and Atasca Oaks Drive to serve 97 ESFCs. Mr. Froehlich reported that property is within the District's service area, but within the boundaries of Harris County Municipal Utility District No. 151 ("151"). He stated the District has capacity to provide water and wastewater service as requested and that 151 will be responsible for a response on trunkline capacity in the Plant.

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 Release and Abandonment of a Five Foot-Wide Storm Sewer Easement and to approve the dedication of a Five Foot-Wide Water Line, subject to the attorney's final review.

8. **Review Operations Report and authorize repairs.** Mr. Villarreal presented to and reviewed with the Board the Operations Report dated February 20, 2018, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Villarreal reported that 90% of the water pumped was billed for the period January 1, 2018 through January 31,

2018. Mr. Villarreal discussed accountability and reported on proposed tap line leaks and an investigation to confirm if Harris County Municipal Utility District No. 46's interconnect is closed. He discussed installing an additional tap between the meter vault and valve to determine if water is being utilized in either direction. Mr. Villarreal also reported that the current check valves may require replacement of assemblies and requested that these items be added to the Capital Improvement Plan for consideration.

Mr. Villarreal reported that the cut-off date for unpaid delinquent accounts is February 22, 2018.

Mr. Villarreal reviewed last month's discussion regarding a failed program logical controls ("PLC") processor at Water Plant No. 1, estimated replacement costs, and the consensus of the Board to prioritize replacement. He presented a quote from Impulse System for replacement of the program logical controls ("PLC") processors at Water Plant Nos. 1 and 2 for a cost of \$7,250.00 for each facility. He requested the Board's approval to replace the PLC at both Water Plant No. 1 and 2.

Mr. Villarreal discussed replacement of the generator control board and noted that Cummins Southern Plain is the only company that can make the repairs. He noted that he was required to place a deposit of \$700.00 before they would send someone to make repairs.

Mr. Villarreal reported on the status of Mr. Madden's payment plan, noting that the last payment was received in January and no payment has been received to date for February. He stated the cut-off date is February 22, 2018 and usage indicates approximately 22,000 gallons. Discussion ensued regarding alternative action and it was the consensus of the Board to terminate service if no payment is received by the cut-off date.

Mr. Villarreal reported on issues with the sewer lines at the HOA pool and stated there are no issues with the outside lines. He discussed alternatives to alleviate the HOA's issues with the sewer lines.

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 Operations Report, to terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, and approve the proposal from Impulse PLC for \$14,500 to replace the PLC at Water Plant Nos. 1 and 2.

9. **Report on AWBD Winter Conference.** President Parker reported on the post-Harvey session and it was noted that the General Session speaker was good.

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

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on March 20, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

