

MINUTES OF BOARD OF DIRECTORS MEETING
MARCH 16, 2021

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*”) convened in special session on Friday, MARCH 16, 2021 at 4:00 p.m. via videoconference pursuant to Section 551.125, Texas Gov’t Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

Owen H. Parker, President
Chris Green, Vice President
Cheryl Moore, Secretary
Robin Sulpizio, Assistant Secretary
Nancy Frank, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Mr. Henry Dibrell of Triton Consulting Group; Mr. Cory Burton of Municipal Accounts & Consulting, LP, bookkeeper for the District; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; Lieutenant Steve Romero of Harris County Precinct 4 Constable’s Office; Mr. Bill Kotlan of BGE, Inc. (“BGE”), engineer for the District; Mr. Clint Gehrke of Water Waste Water Management Services, Inc. (“WWWMS”), operator for the District; and Mr. Dimitri Millas and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. The agenda packet was posted on the website as items became available. Certificates of such posting are attached hereto as *Exhibit A*.

Call to Order. President Parker called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they could hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. President Parker then set out guidelines for the conduct of the meeting. He asked all participants to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** President Parker recognized Mr. Dibrell, who discussed services offered by Triton Consulting Group. He stated that he would send the information to NRF.
2. **Minutes.** The Board considered the proposed minutes of a meeting held on February 19, 2021, 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 February 19, 2021, as presented.
3. **Security Report.** President Parker recognized Lt. Romero, who reviewed the Security Report for the month of February 2021, a copy of which is attached hereto as *Exhibit B*.

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 Security Report.

4. **Engage delinquent tax attorney to enforce the collection of delinquent taxes.** Mr. Millas stated that the District has an evergreen contract with Perdue, Brandon Fielder, Collins & Mott, LLP for delinquent collections. He stated that each party can terminate upon 30 days' written notice, otherwise the contract automatically rolls over for another term. It was the consensus of the Board to authorize the delinquent tax attorney to pursue collection of delinquent taxes.

5. **Tax Collector's Report and authorize payment of certain bills.** President Parker recognized Mr. Spencer, who reviewed the Tax Assessor and Collector's Report for the month of February 2021, a copy of which is attached hereto as *Exhibit C*.

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 2096 through 2099, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

6. **Review Bookkeeper's Report.** President Parker 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.

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, to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein and to adopt the Bookkeeper's Report as presented.

7. **Engineer's Report.** President Parker recognized Mr. Kotlan, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit E*.

Mr. Kotlan stated that for the Stormwater Quality Permit renewals, the master permit application was submitted on February 2, 2021 and it is still in review with Harris County.

Mr. Kotlan stated that the Texas Department of Transportation ("TxDOT") has approved the revised Standard Utility Agreement based on the actual bid costs. He noted that BGE will coordinate getting the agreement executed by both parties.

Mr. Kotlan reported that for the Water Plant No. 2 Expansion, bids were received on March 2, 2021, and that BGE recommends award of the contract for the project to Schier Construction for a total of \$1,757,150.00. He noted that Schier is the second-lowest bidder, however the low bidder, Tidal Construction has withdrawn their bid based on a mistake.

Mr. Kotlan reported on the Barents Drive Lift Station and stated that the design is in Quality Control review and will be submitted to agencies this week.

Mr. Kotlan stated that BGE has begun the design of the water line extension to Mr. Lee's tract.

Mr. Kotlan reported on a residential leak at 19715 Oak Branch Ct. He stated that the resident is concerned there is a water line leak from a District line that is leaking under his foundation. He stated that BGE shut the valves to the pipe and the resident still reported water under his foundation. He noted that WWWMS will pressure test the pipe.

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 and award the Water Plant No. 2 Expansion project to Schier Construction Company, Inc. in the amount of \$1,757,150.00.

8. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated March 16, 2021 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Gehrke reported that 91.47% of the water pumped was billed for the period February 1, 2021 through February 28, 2021.

Mr. Gehrke reported on various maintenance items.

The Board discussed the delinquent process. Mr. Gehrke reviewed a letter from the Harris County Judge requested that municipal utility districts suspend service disconnections and waive new late payment charges at least through April 30, 2021, due to Winter Storm Uri, a copy of which is attached hereto as *Exhibit G*. It was the consensus of the Board to continue to suspend service disconnections and waive new late payment charges at least through April 30, 2021.

Mr. Gehrke reviewed customer request letters, copies of which are attached hereto as *Exhibit H*. He stated that the first letter, the customer at 5906 Upper Lake Dr. is requesting a refund due to the customer's bank sending double checks monthly since October 2020. He stated for the second letter, the customer at 5415 Palamino Ct. is requesting an adjustment on a high water bill due to Winter Storm Uri. He stated that the third letter, the customer at 19314 Oak Timbers Dr. is also requesting an adjustment and/or payment plan due to Winter Storm Uri. He stated that the fourth letter, the customer at 19410 Forrest Timbers Ct. is requesting the removal of a \$200 tampering fee. It was the consensus of the Board to remove the \$200 tampering fee for the customer at 19410 Forrest Timbers Ct., to issue credits to the customers at 5415 Palamio Ct. and 19314 Oak Timbers Dr., and to issue the refund to the customer at 5906 Upper Lake Dr.

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.

9. **Discuss renewal of District Insurance (expires May 22, 2021).** Mr. Millas stated that the District's current insurance policy will expire on May 22, 2021. It was a consensus of the Board to request a proposal from their current insurance provider.

10. **Cyber security training reminder.** Mr. Millas reported that elected officials of a local government are required to complete a cyber security training program. He noted that the training must be taken annually and that this year's training needs to be completed by June 14, 2021. He stated that the Association of Water Board Directors ("AWBD") is hosting a couple of online training seminars in April and that the email to register was provided to the Board.

11. **Approve Arbitrage Compliance Engagement Letters.** Mr. Millas presented to and reviewed with the Board the Engagement Letter for Arbitrage Compliance Services for the \$12,100,000.00 Unlimited Tax Bonds, Series 2017 (the "Engagement Letter"), a copy of which is attached hereto as *Exhibit I*.

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 Engagement Letter.

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 April 20, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)