

MINUTES OF BOARD OF DIRECTORS MEETING  
AUGUST 17, 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 regular session on Tuesday, August 17, 2021 at 6:00 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. Jarrell Peak, resident; Mr. David Wood and Mr. Luis Aranda of Robert W. Baird & Co. Inc., financial advisors for the District; Mr. Cory Burton of Municipal Accounts & Consulting, LP (“MAC”), bookkeeper for the District; Lieutenant Steve Romero of Harris County Precinct 4 Constable’s Office; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; 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.** The President recognized Mr. Peak, who reported on the potential leak at Oak Branch Ct. He stated that he hired a leak detection company, and that the company did not find a leak. He stated that WWWMS checked the main water line and suggested that the main line be shut off for a week. He noted that when the main line was shut off, the water pressure to the home was lost. He stated that WWWMS came out to turn the main water line back on. He reported that he spoke with Mr. Kotlan and that Mr. Kotlan stated that his property was incorrectly connected to the main water line. He noted that Mr. Kotlan made the recommendation that the line be capped and that Mr. Kotlan spoke with the District’s insurance. Mr. Kotlan stated

that he has not received an update from the District's insurance provider. President Parker requested that Mr. Kotlan coordinate with the District's insurance provider on a resolution. It was the consensus of the Board to have an agenda item next month and to authorize NRF to coordinate with the District's insurance provider, if needed.

2. **Minutes.** The Board considered the proposed minutes of a meeting held on July 20, 2021, previously distributed to the Board. Upon motion by Director Green, seconded by Director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held on July 20, 2021, as presented.

3. **Security Report.** Lieutenant Romero reviewed the Security Report for the month of June 2021, a copy of which is attached hereto as *Exhibit B*. 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 Security Report.

Director Frank requested that the Board send a letter to Mark Herman from the Harris County Precinct 4 Constable's Office to commend Deputy Craig on her work on the assault case on Faye Oaks Dr.

4. **Audit.** Mr. Millas stated that this item will be discussed at the next meeting.

5. **Refunding opportunity.** President Parker recognized Mr. Wood, who presented to and reviewed with the Board information regarding the potential refunding of a portion of the District's Unlimited Tax Refunding Bonds, Series 2011 and Series 2013, a copy of which is attached hereto as *Exhibit C*. Discussion ensued. Upon motion by Director Green, seconded by director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to move forward with the refunding opportunity, to appoint Raymond James as the Underwriter and to request a rating assignment from Moody's Investors Service.

Mr. Wood noted that the approval of the Preliminary Official Statement would be on the next agenda.

6. **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 July 2021, a copy of which is attached hereto as *Exhibit D*.

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 2153 through 2157, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

7. **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 E*.

Upon motion by Director Green, seconded by Director Frank, 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, to adopt the Bookkeeper's Report as presented.

8. **Investment Policy.** The Board reviewed a Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "Resolution") and related disclosures under the Public Funds Investment Act, copies of which are attached hereto as *Exhibit F*. Mr. Millas stated that there are no required changes and that NRF is not suggesting any revisions to the Investment Policy at this time.

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 adopt the Resolution as presented.

9. **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 G*.

Mr. Kotlan stated that BGE is working on the Emergency Response Plan that is due at the end of the year for the American Water Infrastructure Act of 2018.

Mr. Kotlan reported on the utility relocations related to the FM 1960 widening and stated that currently, other utilities are relocating in the FM 1960 right-of-way. He noted that when the contractor, Angel Brothers, is estimating that water and sewer relocation will begin in mid-September.

Mr. Kotlan reported that for the Water Plant No. 2 Expansion, and presented Pay Estimate No. 2 in the amount of \$39,096.00 for approval. He noted that the work includes work on the foundation of the ground storage tank. He also presented Change Order No. 1 and No. 2 for approval. He noted that Change Order No. 1 adds a restroom to the control building along with a sewage pump station and water and sewer service lines and the removal of cathodic protection from the ground storage tank. He stated that Change Order No. 1 will increase the contract by \$156,200.00 and 30 days. He reported that Change Order No. 2 cover the material and equipment cost increases of \$38,194.19 for the piping and generator. He noted that with the approval of both Change Orders, the contract will increase to \$1,951,474.19 and the time will be 30 days. He presented an invoice from Centerpoint Energy for \$10,300.00 for approval for the extension of gas service to Water Plant No. 2 for the generator.

Mr. Kotlan reported on the Barents Drive Lift Station and stated that BGE received the deed for the lift station site and the plans have been resubmitted to the City of Houston. He presented a Centerpoint invoice in the amount of \$1,700.00 for an easement to facilitate extension of power service to serve Barents Drive Lift Station.

Mr. Kotlan stated that the water line extension project has been submitted for the City of Houston's review.

Mr. Kotlan reviewed the Capital Improvement Plan ("CIP") updated with current prices for the Atascocita Central Wastewater Plant and noted that the CIP will be presented at the Atascocita Joint Operations Board meeting.

Mr. Kotlan reported on the capacity commitments.

Mr. Kotlan reported on 19715 Oak Branch Court and stated that BGE has not yet received an action on the claim.

Upon motion by Director Frank, seconded by Director Moore, after full discussion and the

question being put to the Board, the Board voted unanimously to 1) accept the Engineer's Report, 2) approve Pay Estimate No. 2 to Schier Construction Company, Inc. in the amount of \$39,096.00, 3) approve Change Order No. 1 to Schier Construction Company contract for an addition of \$156,200.00 and 30 days to the contract, 4) approve Change Order No. 2 to Schier Construction Company contract for an addition of \$38,124.19, 5) approve payment to Centerpoint in the amount of \$10,300.00 for the gas service at Water Plant No. 2 , 6) approve payment to Centerpoint in the amount of \$1,700.00 for electrical easement at Barents Dr. Lift Station and 7) approve the wastewater treatment plant capital improvement plan.

10. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated August 17, 2021 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit I*. Mr. Gehrke reported that 90.80% of the water pumped was billed for the period July 1, 2021 through July 30, 2021.

Mr. Gehrke reported on various maintenance items.

The Board discussed the delinquent process. It was the consensus of the Board to continue to suspend service disconnections and waive new late payment charges for another month. Mr. Gehrke reviewed a customer request on Timbers Trail Dr. for a reduction or payment plan.

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 Operations Report and to continue to suspend service disconnections and waive new late payment charges for another month and to authorize a year payment plan for the customer on Timbers Trail Dr.

11. **Conversion of bleach to gas.** Upon motion by Director Sulpizio, seconded by Director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to convert from chlorine gas to bleach. Mr. Kotlan stated that he will prepare the required documentation for the Texas Commission on Environmental Quality.

12. **Discuss meeting format and meeting locations, and such other matters as may properly come before it.** It was the consensus of the Board to hold the next meeting on September 21, 2021. Mr. Millas stated that NRF would distribute a memo to the Board regarding the meeting format options for the next meeting.

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 September 21, 2021.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)