

MINUTES OF BOARD OF DIRECTORS MEETING  
MAY 19, 2020

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, MAY 19, 2020 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 Sargent Massey of Harris County Precinct 4 Constable’s Office; 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; Mr. Bill Kotlan and Mr. Darrin Fentress of BGE, Inc. (“BGE”), engineer for the District; Mr. Clint Gehrke of Water Waste Water Management Services, Inc. (“WWWMS”), operator for the District; Mr. Dave Ciarella of Enhanced Energy Services of America, LLC; 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.** The President 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 can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. The President then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of a meetings held on April 21 and April 28, 2020, previously distributed to the Board. Upon motion by Director Green, seconded by Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meetings held on April 21 and April 28, 2020.
3. **Security Report.** President Parker recognized Sargent Massey, who reviewed the Security Report for the month of April 2020, which was previously distributed to the Board. A copy

of the Security Report 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. **Election of Officers.** President Parker opened discussion to election of officers. 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 retain the current slate of officers.

5. **Consideration of electricity contract renewal.** President Parker recognized Mr. Ciarella, who presented to and reviewed with the Board information regarding the electric broker considerations, a copy of which is attached hereto as *Exhibit C*. Discussion ensued. 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 authorize President Parker to execute an electricity contract at a price not to exceed \$0.0399 per kWh at a term not to exceed 74 months.

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 authorize President Parker to sign the exclusivity letter with Enhanced Energy Services.

6. **Discuss access to private parcels off of the plant road, and take any necessary action.** Mr. Millas reported that Roxanne Junor is interested in buying a parcel of land off Atascocita Road potentially for a used car business. Mr. Kotlan discussed the access to the private parcel off of the plant road and noted that the driveway is about 300 feet from FM 1960. Discussion ensued. It was the consensus of the Board to not take any action at this time.

7. **Engage auditor for fiscal year ending May 31, 2020.** Mr. Millas reviewed with the Board the Auditor Engagement Continuance Letter, a copy of which is attached hereto as *Exhibit D*. He noted that the District currently has an evergreen contract with McCall Gibson Swedlund Barfoot PLLC to prepare the District's audit and stated that no action is needed.

8. **Tax Collector's Report and authorize payment of certain bills.** President Parker recognized Mr. Spencer, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of April 2020, a copy of which is attached hereto as *Exhibit E*.

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 2011 through 2034, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

9. **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 F*. Mr. Burton reviewed disbursements from the General Operating Fund.

Mr. Burton reviewed the budget for the fiscal year ending May 31, 2020, a copy of which is attached to the Bookkeeper's Report. Discussion ensued.

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 (1) approve the Bookkeeper's Report, to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein; (2) authorize payment of funds to the Texas Department of Transportation for FM 1960

widening once the final Advanced Funding Agreement is received; and (3) approve the budget for the fiscal year ending May 31, 2020.

10. **Approve payment of funds to Texas Department of Transportation for FM 1960 widening.** This item was addressed under the previous item.

11. **Adopt budget for fiscal year ending May 31, 2020.** This item was addressed under the Bookkeeper's report.

12. **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 the ground storage tank at Water Plant No. 1 was partially inspected this month and that BGE expects to have the inspection and report complete for the June meeting.

Mr. Kotlan presented Pay Estimate No. 1 for Nova Painting, LLC in the amount of \$16,200.00 for the Water Plant No. 1 EST Rehabilitation for the Board's approval, a copy of which is attached hereto as *Exhibit H*.

Mr. Kotlan stated that for the Lift Station Rehabilitations, Phase I, T&G Services has completed the punch list items with the exception of the installation of the new pump chains. He stated that T&G Services is expected to submit a Final Pay Estimate next month.

Mr. Kotlan stated that for the Utility Relocations related to FM 1960 Widening, BGE is still working out minor edits in the Standard Utility Agreement and Advanced Funding Agreement.

Mr. Kotlan stated that for the Sean Gilbert service request, BGE is in communication with Mr. Gilbert regarding an agreement for service and a dedication of a lift station site.

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 accept the Engineer's Report and to approve Pay Estimate No.1 for the Water Plant No. 1 EST Rehabilitation to Nova Painting, LLC in the amount of \$16,200.00.

13. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated May 19, 2020 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit I*. Mr. Gehrke reported that 91% of the water pumped was billed for the period April 1, 2020 through April 30, 2020.

Mr. Gehrke stated that WWWMS will continue to deliver delinquent notices but will not terminate services as instructed by the Board to suspend service disconnections and waive late payment charges through at least June 1, 2020.

Mr. Gehrke presented to and reviewed with the Board the Consumer Confidence Report, a copy of which is attached hereto as *Exhibit J*.

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 and the Consumer Confidence Report subject to the final review by NRF.

14. **Approve Consumer Confidence Report.** This item was addressed under the previous item.

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 June 16, 2020.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)