

MINUTES OF BOARD OF DIRECTORS MEETING
OCTOBER 20, 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, OCTOBER 20, 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 Mr. Cory Burton and Ms. Ashleigh Bass 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.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of a meeting held on September 15, 2020, previously distributed to the Board. Upon motion by Director Sulpizio, seconded by 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 September 15, 2020, as presented.
3. **Public Hearing on Tax Rate.** President Parker opened the hearing on the proposed tax rate. There were no comments. The President closed the hearing.

4. **Adopt Order Setting Tax Rate and Levying Tax for 2020.** The Board reviewed an Order Setting Tax Rate and Levying Tax for 2020 (the "Order"), 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 adopt the Order, thereby levying a tax rate of \$0.48 per \$100 assessed valuation (\$0.315 for debt service and \$0.165 for operations and maintenance).

5. **Approve Amended District Information Form.** President Parker recognized Mr. Millas, who presented to and reviewed with the Board the Amended District Information Form, a copy of which is attached hereto as *Exhibit C*. He stated that since the approved total tax rate is the same as the previous year's rate, the Board does not need to approve the Amended District Information Form.

6. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of September 2020, a copy of which is attached hereto as *Exhibit D*.

7. **Tax Collector's Report and authorize payment of certain bills.** The Board reviewed the Tax Assessor and Collector's Report for the month of September 2020, a copy of which is attached hereto as *Exhibit E*.

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 2064 through 2066, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

8. **Review Bookkeeper's Report.** President Parker recognized Ms. Bass, 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.

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 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 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 the contractor for the Water Plant No. 2 EST Rehabilitation is working on the warranty punchlist.

Mr. Kotlan presented Pay Estimate No. 6 for the Board's approval from Nova Painting, LLC in the amount of \$72,138.85 for the Water Plant No. 1 EST Rehabilitation.

Mr. Kotlan stated that BGE submitted a signed Standard Utility Agreement to the Texas Department of Transportation and are waiting for the signature and completion of the Advanced Funding Agreement.

Mr. Kotlan stated that BGE has completed agency comments for the Water Plant No. 2 Expansion and that BGE is waiting for approved plans from the City of Houston.

Mr. Kotlan reviewed the capacity commitments and discussed the water service agreement with Mr. Lee for the extension of water service to 4410 FM 1960 E. He stated that the extension

would cost approximately \$38,540 and that Mr. Lee would contribute \$15,000. Mr. Millas stated that NRF is currently working on the agreement, and that the Board can approve the agreement subject to its competition. Mr. Kotlan stated that the District would also need to engage ROW Management to obtain an easement from Dirt Cheap Mulch Co. He stated that the cost for the engagement would be \$5,200.

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) accept the Engineer's Report; (2) approve Pay Estimate No. 6 to Nova Painting, LLC in the amount of \$72,138.85; (3) approve the water service agreement with Mr. Lee, subject to its completion; and (4) authorize BGE to engage ROW Management, LLC.

10. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated October 20, 2020 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit H*. Mr. Gehrke reported that 94.69% of the water pumped was billed for the period September 1, 2020 through September 30, 2020.

Mr. Gehrke reported on various maintenance items.

The Board discussed the delinquent process. It was the consensus of the Board to have WWWMS continue to deliver delinquent notices, but to not terminate services, and to further discuss the termination process at the November board meeting.

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.

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 November 17, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)