

MINUTES OF BOARD OF DIRECTORS MEETING
DECEMBER 17, 2019

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 Atascocita Fire Department, 18425 Timber Forest Dr., Humble, Texas 77346, at 6:00 p.m. on December 17, 2019, whereupon the roll was called of the members of the Board, to wit:

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, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Bill Bedell, District resident; Lieutenant Steve Romero and deputies 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. Bob Thomas of ROW Management, Inc.; 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. Brenda Presser 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. **Public Comments.** There were no public comments.
2. **Minutes.** The Board considered the proposed minutes of a meeting held on November 19, 2019, 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 November 19, 2019.
3. **Security Report.** President Parker recognized Corporal Gamble, who reviewed the Security Report for the month of November 2019, which was previously distributed to the Board. A copy of the Security Report is attached hereto as *Exhibit B*.
4. **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 November 2019, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 9.62% of the District's 2019 taxes had been collected as of November 30, 2019. 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 1986 through 1987, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **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 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.

6. **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 requested the Board's authorization to prepare the bid documents and advertise bids for Water Plant No. 1 Elevated Storage Tank Rehabilitation.

Mr. Kotlan updated the Board on the status of the FM 1960 Road Widening and introduced Mr. Thomas of ROW Management, Inc.. Mr. Thomas reported that three easements are required for this project, which will take several months to acquire. He reported on the distribution of the initial offer letters to the property owners. Mr. Kotlan presented and recommended payment of \$4,950.00 to ROW Management for work performed for research and preparation of the easements.

Mr. Kotlan reviewed and discussed the budget and schedule for Water Plant No. 2 Expansion, as described in the Engineer's Report. He stated the scope of the project is to add booster pumps and a ground storage tank to the site and to replace the emergency generator and chemical dosing system. He requested the Board's authorization to begin design in January 2020.

Mr. Kotlan reported on a service request from Country Scramble and stated that Country Scramble has been paying for sewer service for the past seven years, but is not connected to the District's sewer system. The health department has discovered illegal pumpage of sewage and Country Scramble is currently having the sewage hauled away daily. Mr. Kotlan discussed two options to provide sewer service that would include construction of a force main which will require a channel crossing and an easement from an adjoining property or construction of a larger regional lift station at the site and pump into an existing force main that would also serve a number of futures that have been or will be annexed. He reviewed costs for a private sanitary sewer force main and proposed regional lift station, which is attached as *Exhibit E-1*.

Mr. Kotlan reported that Harris County Housing Authority ("HCHA") has received federal grant money and intends to develop and build affordable housing in Continental Plaza with an estimated 520 connections. Discussion ensued regarding potential contribution from HCHA for out-of-district services, previous developers' requests, and the District's water and sewer capacity sufficient to serve the tract with some potential upgrades. Mr. Kotlan recommended that the Board authorize an escrow deposit to pay for a feasibility study to determine the feasibility and cost for providing service to the development.

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 accept the Engineer's Report, authorize BGE to prepare and advertise bids for Water Plant No. 1 Elevated Storage Tank Rehabilitation, approve payment of the invoice from ROW Management for \$4,950.00, and to authorize BGE to begin design on Water Plant No. 2 Expansion.

7. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated December 17, 2019 and a list of delinquent

accounts, copies of which are attached hereto as *Exhibit F*. Mr. Gehrke reported that 90.71% of the water pumped was billed for the period November 1, 2019 through November 30, 2019.

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: (1) approve the Operations Report; and (2) to terminate service to delinquent accounts in accordance with the terms of the District's Rate Order.


8. Appointment of Agent for the 2020 Directors Election. Mr. Millas stated that the Election Code allows the Secretary to appoint an agent to maintain regular office hours, make available District documents and to receive any personally delivered documents relating to the election. He noted that the positions held by Directors Parker and Green expire in May 2020.

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 appoint Brenda Presser as Election Agent for the District, and to approve, authorize execution, and authorize posting of notice of the Appointment of Agent, copies of which are attached hereto as *Exhibit G*.

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 January 21, 2020.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

