

MINUTES OF BOARD OF DIRECTORS MEETING  
MAY 21, 2019

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") 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 May 21, 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; Corporal Gamble, Deputy Serrano and Deputy Perez 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. Matt Froehlich and Mr. Ryan George 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. **Minutes.** The Board considered the proposed minutes of the meeting held on April 16, 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 April 16, 2019, as amended.

2. **Public Comments.** There were no public comments.

3. **Security Report.** President Parker recognized Deputy Serrano, who reviewed the Security Report for the month of April 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 April 2019, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 99.65% of the District's 2018 taxes had been collected as of April 30, 2019.

Mr. Spencer reviewed a summary of the District's tax roll information.

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 1937 through 1949 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 Green, 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. **Approve budget for May 31, 2020.** Mr. Burton reviewed the budget for fiscal year ending May 31, 2020 for the District's Operating Fund, which is attached to the Bookkeeper's Report. He noted that the engineer is making revisions to the capital outlay.

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 budget, subject to receipt of capital outlay revisions from the engineer.

7. **Engage auditor for fiscal year ending May 31, 2019.** President Parker asked the Board about engaging McCall Gibson Swedlund Barfoot ("MGSB") to prepare the District's audit for fiscal year ending May 31, 2019. 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 authorize MGSB to prepare the audit for fiscal year ending May 31, 2019.

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

Mr. George updated the Board on Water Plant No. 2 EST Rehabilitation and presented Change Order No. 1 for an increase of 37 days in contract time due to the EST not being drained until after the holidays. He also requested approval of Pay Estimate No. 3 for \$50,850.00.

Mr. George requested approval of Pay Estimate No. 2 (Final) for \$51,241.00 for Water Plant No. 1 Hydro-Tank Addition.

Mr. George reported that BGE met with the property owner with the fence obstruction on Upper Lake, along with his attorney and a contractor to discuss the scope of demolition. Mr. Froehlich reported the primary issue is the location of waterline valves and the District's inability to access the valves. He stated that the property owner is requesting that the wall remain in place until the actual time the District's waterline requires access. Mr. Froehlich said the property owner understands that when that time arrives and the wall has to be removed, that all costs of removals and repairs are borne by the property owner. Mr. Millas reported on discussion with the property owner's attorney and with NRF's real estate attorney. The Board asked Mr. Gerhke about the number of times the line has been accessed. He responded and noted that the waterline is a critical line, provides an interconnect with Harris County Municipal Utility District No. 151 and ties into the entire system. 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 NRF to prepare a notice to the property owner to remove the wall obstructing access to the District's valve boxes immediately and remove the remainder of the wall within 30 days.

The Board discussed an additional wall blocking the District's waterline further down Upper Lake. 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 authorize NRF to prepare notice to the other property owner to remove the fence obstructing the District's waterline within 90 days.

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 accept the Engineer's Report, to approve Change Order No. 1 for an increase of 37 days to contract time; to approve Pay Estimate No. 3 for \$50,850.00, and to approve Pay Estimate No. 2 (Final) for \$51,241.00.

9. **Developer's Report.** Mr. Froehlich stated there are no updates to report.

10. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated May 21, 2019, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Gehrke reported that 91% of the water pumped was billed for the period April 1, 2019 through April 30, 2019.

Mr. Gehrke presented and the Board decided on the following requests for bill adjustments:

- Dawn Mist – Customer requested a payment plan for a high bill due to an undetected leak which has since been repairs. The Board authorized WWWMS to arrange for a payment plan.
- Misty Pines – Customer requested that North Harris County Regional water fee be waived on a high water bill. Mr. Gehrke reported the customer had a leak. The Board authorized WWWMS to offer a payment plan.
- Straight Arrow – Customer requested reimbursement for reconnection fees resulting from a cut-off for non-payment. The Board denied the request.
- Lakeshire – Customer requested a payment plan for a high bill. The Board authorized WWWMS to arrange a payment plan.

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 Operations Report; and (2) terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, except for those accounts requesting adjustments.

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 18, 2019.

  
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President, Board of Directors

ATTEST:

*Asst.*   
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Secretary, Board of Directors

