

MINUTES OF BOARD OF DIRECTORS MEETING
JULY 16, 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 July 16, 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; Sargent 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. 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 and Ms. Frayde Torres 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 June 18, 2019, previously distributed to the Board. 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 minutes of the meeting held on June 18, 2019.

2. **Public Comments.** President Parker recognized Mr. Bedell, who had no comments for the Board.

3. **Discuss high usage bill for 20206 Dawn Mist Court.** President Parker recognized Mr. Millas, who reported that an offer was extended to reduce penalties and fees, 50% of the sewer charge, and a six-month payment plan on the balance of \$785.84. He stated that Ms. Stewart agreed to the offer presented, noting that the tenant will pay regular monthly costs and the property owner will make payments on the outstanding balance. 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 proposed payment plan as presented by Mr. Millas and stated herein.

4. **Security Report.** President Parker recognized Sargent Romero, who reviewed the Security Report for the month of June 2019, which was previously distributed to the Board. A copy of the Security Report is attached hereto as *Exhibit B*.

5. **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 June 2019, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 97.90% of the District's 2018 taxes had been collected as of June 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 1952 through 1959 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

6. **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.

Mr. Millas reported that the Board approved a check last month for cost associated with the District's annual compliance report for arbitrage yield. No action is requested on this item.

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 Bookkeeper's Report, to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein.

7. **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 requested approval of Pay Estimate No. 5 for \$56,475.00.

Mr. Millas reported that Mrs. Caballero, the property owner at 19620 Atasca Oaks Dr., requested additional time to completely remove the wall because her husband is working in Afghanistan and a new fence will need to be constructed to enclose her pets. Discussion ensued regarding the necessity of accessing District's facilities and extending time. Mr. Millas recommended reaching out to request that Mrs. Caballero continue to move forward with the process of removing the fence to meet the August 29 deadline to determine a good faith effort prior to the Board making a decision to authorize the Operator to remove the wall and bill the customer for the costs. The Board concurred with Mr. Millas' suggestion.

Mr. George reported that detailed design is nearing completion on the Lift Station Rehabilitations and requested authorization to advertise for this project.

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, to approve Pay Estimate No. 5 for \$56,475.00, and authorize BGE to advertise for bids for the Lift Station Rehabilitations.

8. **Developer's Report.** Mr. George reported that work has resumed in King's Lake Estates, Section 9.

9. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated July 16, 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 92% of the water pumped was billed for the period June 1, 2019 through June 30, 2019.

Mr. Gehrke discussed annual Water Smart activities and reviewed and discussed door hangers to inform customers of a toilet dye test for customers to perform in their homes. He suggested purchasing 400 door hangers for District customers. He also requested authorization to purchase a table cloth for Water Smart presentation with the District's name. Mr. Gehrke reviewed an insert called "It's a Toilet, Not a Trashcan" to build awareness about how some items can potentially impact the water environment. Discussion ensued.

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

- Dawn Mist Court – The Board discussed and acted upon this matter under Item 3.
- Rivergrove Bend – Customer is requesting a payment plan due to a high usage bill. Discussion ensued and the Board authorized WWWMS arrange for a payment plan for this customer.
- Caroling Oaks Court – Customer is requesting a waiver of its final bill. Discussion ensued and the Board denied the request for a waiver of the final bill.

President Parker reported the President of the Board for Harris County Municipal Utility District No. 151 ("No. 151"), Mr. Kent Spitzmiller, discovered that in 1996 the District entered into an agreement with No. 151 to provide water to customers within the boundaries of No. 151 because the District's lines were more convenient and more cost effective for the customers in No. 151. Mr. Spitzmiller reported that No. 151's Operator was to send usage records for No. 151's customers to the District's Operator, who in turn, should send the costs to the District's Bookkeeper to prepare invoices to No. 151 for the costs of water provided to their customers. It was noted that no payment has been made for the water provided to No. 151's customers since the agreement has been in place. President Parker stated that No. 151 is offering a check to cover costs of water provided for the past five years. He also stated that billing arrangements should be established between the bookkeepers of the respective districts. No. 151 customers receiving water from the District will be billed the North Harris County Regional Water Authority ("NHCRWA") rate starting 1/1/2019. 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 accept the offer of \$340,040.80 reimburse the District for water provided for the past five years to customers of 151. Mr. Millas discussed preparation of an agreement regarding the payment and release of liabilities.

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; (2) terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, except for those accounts requesting adjustments; (3) authorize WWWMS to send nine accounts to collections.

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 August 20, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

