

MINUTES OF BOARD OF DIRECTORS MEETING  
APRIL 21, 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, April 21, 2020 at 6:00 p.m. via teleconference 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, thus constituting a quorum. Also attending all or parts of the meeting were Lieutenant Steve Romero deputy 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 of BGE, Inc. (“BGE”), engineer for the District; Mr. Clint Gehrke and Ms. Frayde Torres of Water Waste Water Management Services, Inc. (“WWMS”), operator for the District; Mr. Dave Ciarella of Enhanced Energy Services of America, LLC; Ms. Kim Courte of Arthur J. Gallagher Risk Management Services, Inc.; 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 meeting held on March 17, 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 meeting held on March 17, 2020.

3. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of March 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. **Consideration of electricity contract renewal.** President Parker recognized Mr. Ciarella, who presented to and reviewed with the Board information regarding the electricity contract renewal, a copy of which is attached hereto as *Exhibit C*. President Parker informed the Board that Acclaim Energy Services would also like to present pricing. Discussion ensued. It was the consensus of the Board to review the electricity contract renewal at the May meeting.

5. **Approve Resolution Regarding Declaration of Authority due to an Emergency.** President Parker recognized Mr. Millas, who presented to and reviewed with the Board the Resolution Regarding Declaration of Authority due to an Emergency (the "Resolution"), a copy of which is attached hereto as *Exhibit D*. Mr. Millas stated that due to the COVID-19 emergency, the Resolution allows the Board different options for executing district checks. He stated that the Resolution provides the options to approve checks that have been authorized by the board: (1) execution by the president and bookkeeper, (2) the bookkeeper to execute checks alone with the President's approval, or (3) to continue to have three directors execute checks. 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 Resolution.

6. **Discuss renewal of District Insurance (expires May 22, 2020).** President Parker recognized Ms. Courte, who presented to and reviewed with the Board the insurance proposal from Arthur J. Gallagher Waterworks Insurance Network, a copy of which is attached hereto as *Exhibit E*. Discussion ensued. Ms. Courte noted that the board can consider the cyber security proposal at a later time. 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 accept the proposal with the \$25,000 flood deductible.

7. **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 March 2020, a copy of which is attached hereto as *Exhibit F*.

The Board discussed the option of deferral of property taxes for residents affected by COVID-19. Mr. Millas stated that the Board can consider payment plans.

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 2006 through 2010, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

8. **Discuss deferral of property taxes and take any necessary action.** This item was addressed under the previous item.

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 G*. Mr. Burton reviewed disbursements from the General Operating Fund.

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

10. **Adopt budget for fiscal year ending May 31, 2020.** Mr. Burton stated that this item will be discussed at the next meeting.

11. **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 H*.

Mr. Kotlan stated that for the Lift Station Rehabilitations, Phase I, T&G Services has completed both Lift Stations and is substantially complete. He stated that the final inspection was completed April 16, 2020 with only two minor punch list items. He presented Pay Estimate No. 2 for approval for \$64,147.50.

Mr. Kotlan stated that for the Utility Relocations related to FM 1960 Widening, there are two agreements, the Standard Utility Agreement and Advanced Funding Agreement, that will need to be executed with the Texas Department of Transportation ("TxDOT"), once they are provided by TxDOT.

Mr. Kotlan stated that for the Sean Gilbert service request, Mr. Gilbert requested water service for his property behind Country Scramble and that Mr. Gilbert has offered to provide a site for the lift station. He stated that typically Mr. Gilbert would need to wait until annexed and then pay to extend his water system to the District's closet pipeline on FM 1960. He stated what when this was discussed, Mr. Gilbert indicated he would like consideration for providing the land for the lift station.

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 and to approve Pay Estimate No. 2 for the Lift Station Rehabilitation, Phase 1 to T&G Services in the amount of \$64,147.50.

12. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated April 21, 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 March 1, 2020 through March 31, 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 May 1, 2020.

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 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 May 19, 2020.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)