

MINUTES OF BOARD OF DIRECTORS MEETING  
JULY 21, 2015

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 special session, open to the public, at the Holiday Inn Express & Suites Atascocita, 5619 FM 1960 East, Humble, Texas 77346, at 6:01 p.m. on July 21, 2015, whereupon the roll was called of the members of the Board, to wit:

Owen H. Parker, President  
Glenn R. Bogs, Vice President  
Chris Green, Secretary  
Robin Sulpizio, Assistant Secretary  
Cheryl Moore, Treasurer/Investment Officer

All members of the Board were present, except Director Bogs. Also attending all or parts of the meeting were Mr. Paul Villarreal and Mr. Clinton Gehrke of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; Mr. Matt Froehlich and Mr. Nathan White of Brown & Gay Engineers ("Brown & Gay" or "BGE"), engineer for the District; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; Mr. Don Rutt of Donald Rutt, C.P.A., bookkeeper for the District; Mr. Kent Spitzmiller, visitor to the meeting; and Ms. Emerald Lagow, paralegal, of Norton Rose Fulbright US LLP, 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 of June 23, 2015, previously distributed to the Board. 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 minutes of the meeting of June 23, 2015, as presented.

2. **Receive comments from the public.** There were no comments from members of the public.

3. **Review Tax Collector's Report and authorize payment of certain bills.** Mr. Spencer presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of June 2015, a copy of which is attached hereto as Exhibit "B." Mr. Spencer noted that 98.49% of the District's 2014 taxes had been collected as of June 30, 2015.

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

Mr. Spencer reported that the delinquent tax attorney filed suit on eight accounts.

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, to authorize payment of check numbers 1635 through 1637 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

4. **Review Bookkeeper's Report.** The President recognized Mr. Rutt, who presented to and reviewed with the Board the Bookkeeper's Report for the month of June 2015, a copy of which is attached hereto as Exhibit "C."

Mr. Rutt noted that \$1,746.01 is due from Queman Properties, LLC for costs associated with annexation of the 18-acre tract.

Mr. Rutt noted that his report includes an updated list of the District's Strategic Partnership Agreement ("SPA") revenue.

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, and to authorize payment of the check numbers 11466 through 11491 to the persons, in the amounts, and for the purposes listed in the Bookkeeper's Report.

5. **Engineer's Report.** Mr. Froehlich presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "D."

BGE will coordinate with Director Parker to update the District's Capital Improvement Plan, a copy of which is attached to the Engineer's Report.

Mr. Froehlich reported that Rivergrove Section 4 Utilities are complete, and presented to and reviewed with the Board Pay Estimate No. 3 in the amount of \$39,852.36 from Clearwater Utilities, Inc., for approval. He reported that plans were sent for agency review for Kings Lake Estates Lift Station No. 2 Expansion project, which will serve the Rivergrove development.

Mr. Froehlich reported that Kings Lake Estates Section 8 utilities are complete and paving is underway. He presented to and reviewed with the Board Pay Estimate No. 3 in the amount of \$2,033.47 from Principal Services, LTD for approval. He noted that BGE resolved field issues with the contractor for Kings Lake Estates Lift Station No. 3, and stated that the project is back on track. He noted that the developer is still working to finalize land plans for Section 9, and noted that he will meet with Dr. Guniganti tomorrow to discuss plans for Sections 8 and 9.

Mr. Froehlich noted there are no updates on the Kannan Partnership.

Mr. Froehlich stated that BGE will be contacting Mr. Berry Madden to begin preparation of the drainage/floodplain due diligence study for the Madden tract.

In response to a question from the President, Mr. Froehlich confirmed that a Hampton Inn is under construction. He stated that the Board previously provided a no objection letter to the developer.

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 Engineer's Report, to approve Pay Estimate No. 1 in the amount of \$39,852.36 from Clearwater Utilities, Inc., in connection with Rivergrove Section 4 Utilities construction project, and to approve Pay Estimate No. 3 in the amount of \$2,033.47 from Principal Services, LTD in connection with the Kings Lake Estates, Section Eight, Water, Sanitary Sewer & Storm Sewer Facilities construction project.

6. **Authorize capacity commitments.** There were no new capacity commitments.
7. **Developer's Report.** There were no developers present.
8. **Status Report from GIS Municipal Services.** The President noted that the Board received a Quarterly Status Report from Mr. McCoy including updates on the District's GIS map, a copy of which is attached hereto as Exhibit "E."
9. **Review Operations Report and authorize repairs.** The President recognized Mr. Gherke, who presented to and reviewed with the Board the Operations Report for the month of June 2015, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as Exhibit "F." Mr. Gherke reported that 90.91% of the water pumped was billed for the period ending July 1, 2015.

Mr. Gherke reported that the air conditioning unit at the Water Plant is out of service and will be replaced today.

Mr. Gherke reported that WWWWMS distributed the District's 2014 Consumer Confidence Report to residents.

Mr. Gherke reported that WWWWMS is preparing to issue a tap fee letter to the Hampton Inn on Moon Trail, noting that the contractors have already begun to clear the lot for construction.

Mr. Gherke reported that WWWWMS is recommending replacement of the defective Eaton Auto transfer switch at Lift Station No. 3 with a more reliable switch made by ASCO ATS. Mr. Gherke reported that Generator Service will provide the necessary parts for \$2,706.25, but is not able to perform the installation. He reported that STP Services estimated the total cost of replacement to be \$5,500.

Mr. Gherke reported that the HMI interface/circuit board at Lift Station No. 3 is defective in direct sunlight, possibly due to a power surge that occurred last month.

Discussion ensued regarding maintenance of storm sewers in the District. Mr. Froehlich confirmed that there are storm sewers at each outfall throughout the District, and that the Operator periodically clears debris from the drains. He stated that Harris County does not assume responsibility for servicing the drains, although they perform regular inspections to ensure they are being maintained.

Director Moore noted that she heard a loud explosion while walking her dog, and returned home to find white smoke billowing out of the storm sewer at the corner of her street. Mr. Gherke noted that it is common for teenagers in residential areas to toss lit fireworks inside of sewers, and that this is likely to be the cause given the event's proximity to the Fourth of July.

Mr. Gherke reviewed the delinquent accounts listed for termination on July 22, 2015.

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 approve the Operations Report, and to authorize the termination of service to delinquent accounts.

10. **Consider approval of Water Wise Interlocal Agreement for 2015-2016 school year.** The Board reviewed a proposed Interlocal Agreement with the Harris-Galveston Subsidence District for participation in the Water Conservation Education Program for the 2015-2016 school year, a copy of which is attached hereto as Exhibit "G." 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 and authorize execution of the proposed Interlocal Agreement with Harris-Galveston Subsidence District.

11. **Executive Session pursuant to Section 551.074, Texas Government Code.** The Board did not convene in executive session.

12. **Other matters.** There were no other matters.

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 18, 2015.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

