

MINUTES OF BOARD OF DIRECTORS MEETING
NOVEMBER 17, 2015

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 Holiday Inn Express & Suites Atascocita, 5619 FM 1960 East, Humble, Texas 77346, at 6:01 p.m. on November 17, 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 for 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 of Brown & Gay Engineers ("Brown & Gay" or "BGE"), engineer for the District; Mr. Don Rutt of Donald Rutt, C.P.A., bookkeeper for the District; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; 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 meetings of October 20, 2015 and October 26, 2015, 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 meetings of October 20, 2015 and October 26, 2015, as presented.

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

3. **Tax Collector's Report and authorize payment of certain bills.** The President recognized Mr. Spencer, who presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of October 2015, a copy of which is attached hereto as Exhibit "B." Mr. Spencer noted that 99.32% of the District's 2014 taxes had been collected as of October 31, 2015.

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 1648 through 1658 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 October 2015, a copy of which is attached hereto as Exhibit "C."

The President noted receipt of the check for capacity from HCMUD 494 in the amount of \$166,311.32 for 26,830 gallons per day, average daily flow, of wastewater treatment capacity.

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 Bookkeeper's Report, to approve and authorize payment of outstanding check 11572 and check numbers 11573 through 11600 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."

Mr. Froehlich presented to and reviewed with the Board an updated list of capital improvement projects, a copy of which is attached to the Engineer's Report. He noted that two major upcoming projects in the District are rehabilitation of the elevated storage tanks and building out Water Plant No. 2, the latter of which is not urgent but prudent given the progression of new construction in the District.

Mr. Froehlich stated that the Rivergrove subdivision is clear to reaching its valuation threshold to initiate a bond application for reimbursement of KB Homes Lone Star, Inc. for development costs, and recommended that the bond issue also include funds for the rehabilitation project and water plant build-out. Mr. Froehlich noted that BGE submitted information on the projects to the financial advisor who will look into the feasibility of a bond issuance.

Mr. Froehlich reviewed updates on construction of the Rivergrove Development. He reported that BGE plans to review bids for the construction of utilities to serve Section Five on December 4, 2015, and noted that BGE is presenting four offsite utility easements for the Board's approval and execution today, copies of which are attached hereto as Exhibit "E." In response to a question from the President, Mr. Froehlich stated that portions of the easements are within residential lots, and portions will be within the public right of way, once dedicated. Mr. Froehlich reported that Section Six is currently in design, and that Notice to Proceed was issued for Kings Lake Estates ("KLE") Lift Station No. 2 Expansion on November 2, 2015, noting that construction is expected to begin this month.

Mr. Froehlich reported that the developer is working with CenterPoint to provide power to KLE Section Eight. He reported that construction continues on KLE Lift Station No. 3, and presented Pay Estimate No. 2 in the amount of \$35,775 from McDonald Municipal and Industrial for approval, a copy of which is attached to the Engineer's Report. Mr. Froehlich noted that the developer continues to work on mitigating floodplain issues in Section Nine.

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, and to approve payment of Pay Estimate No. 2 in the amount of \$35,775 to McDonald Municipal and Industrial in connection with construction of KLE Lift Station No. 3.

6. **Authorize capacity commitments.** Ms. Lagow stated that the District received a revised letter, check, and Assignment of Capacity from Harris County Municipal Utility District No. 494 ("No. 494"), copies of which are attached hereto as Exhibit "E." The engineer confirmed that the check reflects payment for capacity at the agreed upon rate for 2015.

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 payment in the amount of \$166,311.32 from No. 494 for 26,830 gallons per day, average daily flow, of wastewater treatment capacity in the Atascocita Regional Wastewater Treatment Plant, and to approve and authorize execution of the Assignment of Capacity as presented.

7. **Developer's Report.** There was no report.

8. **Status Report from GIS Municipal Services.** The President noted that there is no report this month.

9. **Review Operations Report and authorize repairs.** The President recognized Mr. Villarreal, who presented to and reviewed with the Board the Operations Report for the month of October 2015, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as Exhibit "K." Mr. Villarreal reported that 90.28% of the water pumped was billed for the period ending November 1, 2015.

Mr. Villarreal reported that WWWMS repaired eleven main line breaks in the District during the month of October.

Mr. Villarreal reported that the resident at 19827 Burle Oak Drive submitted a request for the Board's consideration in payment of their outstanding water bill, a copy of which attached to the Operations Report. The Board directed the operator to coordinate with the resident to implement a payment plan.

Mr. Villarreal reported that a resident at 5702 Deer Timbers Trail is requesting a credit for the late payment penalty fee incurred on their account on the basis that they submitted payment via their bank on the due date. He noted that the customer has submitted this complaint in prior instances. The Board declined to grant the request.

Mr. Villarreal reviewed the list of unpaid accounts scheduled for termination on November 19, 2015.

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

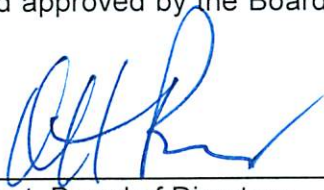
10. **Executive Session pursuant to Section 551.074, Texas Government Code.** The Board did not convene in executive session.

11. **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 December 15, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

