

MINUTES OF BOARD OF DIRECTORS MEETING
DECEMBER 20, 2016

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 regular session, open to the public, at the Holiday Inn Express & Suites Atascocita, 5619 FM 1960 East, Humble, Texas 77346, at 6:00 p.m. on December 20, 2016, 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, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Lars Monson of KB Home Lone Star, Inc., developer in the District; Mr. Don Rutt of Donald Rutt, C.P.A., bookkeeper for the District; Mr. Paul Villarreal of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; Mr. Matt Froehlich of BGE, Inc. ("BGE"), engineer for the District; Mr. Tim Spencer of Ad Valorem Appraisals, tax assessor and collector for the District; and Ms. Brenda Presser, paralegal, of Norton Rose Fulbright US LLP ("NRF"), law firm representing 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 November 15, 2016, previously distributed to the Board. 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 minutes of the meeting held on November 15, 2016, as presented.

2. **Public Comments.** There were no comments from the public at this time.

3. **Approve and authorize distribution of the Preliminary Official Statement and Notice of Sale, Authorize advertising for the sale of bonds.** Ms. Presser requested the Board approve an Order Adopting and Authorizing Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and of a Preliminary Official Statement and Authorizing Publication of Notice of Sale, a copy of which is attached as *Exhibit B*. She stated that the Board previously approved a similar Order in October, however, due to the new designation of the Bonds as Series 2017 and other changes as a result of the passage of time, the Board needs to again approve such Order to be in compliance with the District's bond sale after the first of the year.

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 adopt the Order Adopting

and Authorizing Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and of a Preliminary Official Statement and Authorizing Publication of Notice of Sale.

4. **Tax Assessor'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 November, 2016, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 9.03% of the District's 2016 taxes had been collected as of November 30, 2016. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1747 through 1751 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Review Bookkeeper's Report.** The President recognized Mr. Rutt, who presented to and reviewed with the Board the Bookkeeper's Report and quarterly investment report, copies of which is attached as *Exhibit D*. 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 approve the quarterly investment report, to authorize payment of check numbers 11992 through 12004, 12006 through 12008, 12010, and 12015 through 12027 to the persons, in the amounts and for the purposes listed therein, and to authorize preparation and execution of a check for payment of NRF's invoice from the Operating Fund.

6. **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 E*.

Mr. Froehlich reported the District has received approval for issuance of bonds from the Texas Commission on Environmental Quality ("TCEQ") and a bond sale is scheduled for the Board's January meeting with closing slated for February 14, 2017.

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 Engineer's Report.

7. **Developer's Report.** Mr. Froehlich updated the Board on the status of development of Rivergrove Sections 3, 4, and 5. He requested authorization to advertise for bids for construction of water, sewer and drainage facilities to serve Rivergrove, Section 6.

Mr. Froehlich reported construction is substantially complete for the restoration of the crushed concrete access driveway for Kings Lake Estates Lift Station No. 2.

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 advertisement for bids for construction of water, sewer and drainage facilities to serve Rivergrove, Section 6.

8. **Status Report from GIS Municipal Services.** There was no report.

9. **Review Operations Report and authorize repairs.** The President recognized Mr. Villarreal, who presented to and reviewed with the Board the Operations Report dated December 20, 2016, the lift station flow report, and a list of delinquent accounts, copies of which

are attached hereto as *Exhibit F*. Mr. Villarreal reported that 89.96% of the water pumped was billed for the period November 1, 2016 thru November 30, 2016.

Mr. Villarreal discussed an issue with a sewer line at 6023 Upper Lake. Mr. Villarreal said that the property owner contends the sewer line problem is a result of repairs made by the District approximately 15 years ago. Mr. Villarreal stated that WWWMS will televise the line and assist the property owner in determining the issue and responsibility for repairs.

Mr. Villarreal reported that two homes on Pocito Court are tied into a sewer line with a defective stack pipe and 4" wye. He stated that he spoke with the property owners and told them the repairs will be made after the holidays.

Mr. Villarreal discussed correspondence from a District resident requesting waiver of penalty for payment of their September water bill. He stated the resident contends that the bill was never received. Mr. Villarreal confirmed the account holder is consistent with timely payments.

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 approve the request to waive the late payment penalty.

10. **Approve Interlocal Agreement for Law Enforcement Services.** The Board reviewed a proposed renewal agreement for law enforcement services from Harris County Constable, Precinct Four, a copy of which is attached hereto as *Exhibit G*. 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 and authorize execution of the Interlocal Agreement for Law Enforcement Services, as presented.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on January 17, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

