

MINUTES OF BOARD OF DIRECTORS MEETING
NOVEMBER 20, 2018

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 November 20, 2018, 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. Also attending all or parts of the meeting were Mr. Ed Cocetti, Director for Harris County Municipal Utility District No. 153 and member of the Atascocita Joint Operations Board; Mr. Bill Kimball, District residents; Lieutenant Steve Romero and Corporal Gamble 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"), engineers for the District; Mr. Clint Gehrke and Ms. Frayde Torres of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; 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 October 16, 2018, previously distributed to the Board. 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 minutes of the meeting held on October 16, 2018, as presented.

2. **Public Comments.** President Parker recognized Mr. Cocetti, who introduced himself to the Board. He discussed Districts' contracts for operational services at cost plus versus lump sum. He requested the Board's feedback regarding his pursuit to investigate the possibilities and parameters to engage in a lump sum contract for District operations. President Owen explained that he previously discussed this matter with Mr. Cocetti, who desires to investigate a lump sum contract with Inframark for contract management purposes. Discussion ensued and it was the consensus of the Board that there is no opposition to Mr. Cocetti's investigation and presentation of results for a lump sum contract for operations and management of same. Mr. Jenkins noted that Inframark's management is in the process of composing a lump sum contract for consideration by the Board.

President Parker recognized Mr. Kimball commented on the appreciation for the decrease in the District's tax rate.

3. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of October, 2018, which was previously distributed to the Board. A copy of the Security Report is attached as *Exhibit B*.

4. **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 October 2018, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 0.16% of the District's 2018 taxes had been collected as of October 31, 2018.

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

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1906 through 1910 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **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 and reported that check numbers 13107 through 13109 have been left blank pending receipt of invoices prior to the next meeting that will be paid without incurring late fees.

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

6. **Approve Assignment of Capacity and Assignment of Trunkline Capacity.** Ms. Presser stated that pursuant to the Fourth Amended and Restated Waste Disposal Contract and Second Amended and Restated Sanitary Sewer Line Contract, Harris County Municipal Utility District No. 494 ("No. 494") acquires wastewater treatment capacity from the joint sewage treatment plant. Ms. Presser confirmed that a check in the amount of \$173,901.00 was received from No. 494 for wastewater treatment capacity. 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 the execution of the Assignment of Capacity, a copy of which is attached as *Exhibit E*.

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 F*.

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.

8. **Developer's Report.** Mr. Froehlich reported that request for release of escrowed funds for developer reimbursement for Rivergrove Sections 5 and 6 has been declared administratively complete by the Texas Commission on Environmental Quality ("TCEQ"). He stated the developer is preparing for the pre-purchase inspection by the TCEQ. Discussion ensued regarding reimbursement timeline and conveyance of facilities.

9. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated October 16, 2018, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit G*. Mr. Gehrke reported that 93% of the water pumped was billed for the period September 1, 2018 through September 30, 2018.

Mr. Gehrke presented and reviewed a customer request for a bill adjustment. Mr. Gehrke reviewed the letter from the customer who described an unusually high water bill from an undetected running water hose. Mr. Gehrke reviewed the payment history, noting no payment delinquencies.

Discussion ensued, it was the consensus of the Board to authorize WWWMS to credit the account \$99.40.

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: (1) approve the Operations Report; and (2) terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, except for the Board's consensus for the bill adjustment presented and discussed.

10. **Discuss December meeting date.** President Parker noted that the December meeting falls during the week before Christmas and after polling the Board, it was the consensus of the Board that a quorum will be available on the regular meeting date of December 18, 2018.

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 18, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors



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