

MINUTES OF BOARD OF DIRECTORS MEETING  
MARCH 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 March 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 Ms. Nancy Frank, a resident of the District; Lieutenant Steve Romero, Corporal Gamble and Deputy Soliz 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. Paul Villarreal of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; and Ms. Brenda Presser, paralegal, 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. **Qualify Directors.** President Parker reported that Ms. Frank had submitted an Application For A Place On The Ballot for the 2018 Directors Election for which she had no opposition. He noted the vacancy on the Board and the Board considered appointing Ms. Frank to complete the term of the vacant position that expires in May 2018. The Board reviewed the completed Affidavit of Director, Oath of Office and Statement of Officer for Ms. Frank, copies of which are attached as *Exhibit B*.

Upon motion made by Director Green, seconded by Director Sulpizio, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Affidavit of Director, Oath of Office and Statement of Officer and to appoint Ms. Frank to the Board of Directors.

2. **Election of Officers.** Discussion ensued regarding the officers and it was noted there is an open position for Vice President. The Board discussed changing officer positions. 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 appoint: Director Parker to serve as President, Director Green to serve as Vice President, Director Moore to serve as Secretary, Directors Sulpizio and Frank to serve as Assistant Secretaries.

3. **Minutes.** The Board considered the proposed minutes of the regular meeting held on February 20, 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 regular meeting held on February 20, 2018, as presented.

4. **Public Comments.** There were no comments from the public.

5. **Security Report.** The President recognized Lieutenant, Romero who reviewed highlights of the Security Report with the Board, a copy of which is attached as *Exhibit C*. He reported on the movement of officers and changes in assignments.

6. **Review Operations Report and authorize repairs.** President Parker noted that Mr. Villarreal has a conflict and the Board will be receiving the Operations Report out of order. He recognized Mr. Villarreal, who presented to and reviewed with the Board the Operations Report dated February 20, 2018, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit D*. Mr. Villarreal reported that 92% of the water pumped was billed for the period February 1, 2018 through February 28, 2018.

Mr. Villarreal discussed accountability and reported on tap line leaks and an investigation to confirm if Harris County Municipal Utility District No. 46's interconnect is closed. He discussed installing an additional tap between the meter vault and valve to determine if water is being utilized in either direction. Mr. Villarreal also reported that the current check valves may require replacement of assemblies and requested that these items be added to the Capital Improvement Plan for consideration.

Mr. Villarreal reported that the cut-off date for unpaid delinquent accounts is March 22, 2018.

Mr. Villarreal presented a quote for distribution of the North Harris County Regional Water Authority ("NHWRWA") brochure to notify District customers of the increase in regional water cost effective April 1, 2018. Mr. Villarreal also recommended that the Board authorize posting this information on the District's web site.

Mr. Villarreal reported that a tap was installed between Harris County Municipal Utility District No. 46 and the District's interconnect. He stated the valves were exercised and there have not been any other leak issues.

Mr. Villarreal reported on the status of Mr. Madden's payment plan, noting that the last payment was received in February and no payment has been received to date for March. He stated that WWWMS reached out to Mr. Madden to notify him that service will be terminated if no payment is made and Mr. Madden responded that the District should terminate service. The Board instructed WWWMS to terminate Mr. Madden's account. Discussion ensued regarding the outstanding balance and proposed recovery of funds.

Mr. Villarreal reported that a few hydrants were flushed due to discolored water. He stated that the fire hydrants are scheduled for flushing at the end of the month. Mr. Villarreal suggested adding this information to the District's web site. Discussion ensued and the Board directed that Mr. Villarreal flush the fire hydrants after April 1, 2018.

Mr. Villarreal reported on a request for a bill adjustment for a commercial customer on Westlake Houston Parkway who encountered a severe leak beneath the parking lot, which has since been repaired. Discussion ensued regarding average billing and costs for the NHCRWA fee and it was the consensus of the Board to authorize WWWMS to adjust the bill with average billing plus the cost of the NHCRWA fee.

Mr. Villarreal report on a request for a bill adjustment for a customer on Tahoe Shores who experienced an unusually high bill due to a leak, which the customer has since repaired. Mr. Villarreal reviewed the customer's billing history. Discussion ensued regarding average billing and costs for the NHCRWA fee and it was the consensus of the Board to authorize WWWMS to adjust the bill with average billing plus the cost of NHCRWA fee.

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, to terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, except for the bill adjustments for the customers discussed, and to arrange for posting of the NHCRWA brochure on the District's web site regarding a rate increase.

7. **Engage delinquent tax attorney to enforce the collection of delinquent taxes.** Mr. Spencer noted that the delinquent tax attorney will begin collection of delinquent personal property taxes on April 1, 2018. He confirmed that the District has a contract with Perdue, Brandon, Fielder, Collins, & Mott, LLP for collection of delinquent taxes.

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 delinquent tax attorney to pursue the collection of delinquent taxes.

8. **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 February 2018, a copy of which is attached hereto as *Exhibit E*. Mr. Spencer noted that 93.78% of the District's 2017 taxes had been collected as of February 28, 2018.

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

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 1843 through 1853 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

9. **Review Bookkeeper's Report.** The President recognized Mr. Burton, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as *Exhibit F*. Mr. Burton reviewed disbursements from the General Operating Fund and reported that the amount for check number 12682 has been left blank pending receipt of an invoice prior to the next meeting that will be paid without incurring late fees.

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

10. **Engineer's Report.** The President recognized Mr. George, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit G*.

Mr. George reviewed the status of progress on the design and plan production for an additional hydro-pneumatic tank at Water Plant No. 1. He then presented and requested approval of proposal from Ninyo and Moore to perform a geotechnical evaluation for the hydro-pneumatic tank addition for \$3,800.00.

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 accept the Engineer's Report, and to approve proposal from Ninyo and Moore to perform a geotechnical evaluation for the hydro-pneumatic tank addition for \$3,800.00.

11. **Developer's Report.** Mr. George reviewed the progress on the status of Rivergrove, Section 6, Kings Lake Estates and Oaks of Atascocita.

Mr. Froehlich reported on a request for utilities for a proposed used car dealership. Mr. Froehlich reported that he told the potential buyer that there is no gravity sewer, that the water is across FM 1960 and that in order to receive service the land must be annexed. Mr. Froehlich reported that the potential buyer is exploring alternatives for service.

Mr. Froehlich reported that BGE was contacted by an engineer regarding annexation and utilities to serve a 50-lot single family residential development. He said that he provided the engineer the same information as in the request described in the preceding paragraph..

12. **Adopt Order Declaring Unopposed Candidates Elected to Office.** The Board reviewed an Order Declaring Unopposed Candidates Elected to Office (the "Order"), a copy of which is attached hereto as *Exhibit B*. Ms. Presser noted that no one filed for the District's election and recommended that the Board adopt the Order. She stated that adopting the Order will also cancel the Directors Election.

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 adopt the Order, as presented.

13. **Discuss renewal of District Insurance.** Ms. Presser reported the District's current insurance is through Arthur J. Gallagher and expires on May 22, 2018. The Board instructed NRF to obtain a renewal proposal from its current provider and two additional vendors.

14. **GIS Quarterly Status Report.** No report was presented.

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 April 17, 2018.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

