

MINUTES OF BOARD OF DIRECTORS MEETING
OCTOBER 15, 2019

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 Atascocita Fire Department, 18425 Timber Forest Dr., Humble, Texas 77346, at 6:00 p.m. on October 15, 2019, 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 thus constituting a quorum. Also attending all or parts of the meeting were Mr. Bill Bedell, District resident; Lieutenant Steve Romero and Corporal Carl 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 Bill Kotlan of BGE, Inc. ("BGE"), engineer for the District; Mr. Clint Gehrke and Ms. Frayde Torres of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; and Mr. Dimitri Millas and Ms. Jane Maher 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. **Public Comments.** President Parker recognized Mr. Bidell, who thanked the Board for their work. President Parker thanked Mr. Bidell for his attendance.

2. **Public Hearing concerning First Amendment to Strategic Partnership Agreement with the City of Houston.** President Parker recognized Mr. Millas, who stated that the Public Hearing will have to be deferred until a later date. He stated that the City of Houston has put the First Amendment to Strategic Partnership (the "Amendment") on hold due to further administrative review. Upon motion by Director Chris, seconded by Director Nancy, after full discussion and the question being put to the Board, the Board voted unanimously to close the hearing.

3. **Minutes.** The Board considered the proposed minutes of the meeting held on September 17, 2019, previously distributed to the Board. 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 minutes of the meeting held on September 17, 2019.

4. **Security Report.** President Parker recognized Corporal Gamble, who reviewed the Security Report for the month of September 2019, which was previously distributed to the Board. A copy of the Security Report is attached hereto as *Exhibit B*. Upon motion by Director Moore, seconded by Director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to approve the security report.

5. **Public Hearing on Tax Rate.** President Parker the hearing on the proposed tax rate. There were no comments. The President closed the hearing.

6. **Adopt Order Setting Tax Rate and Levying Tax for 2019.** The Board reviewed an Order Setting Tax Rate and Levying Tax for 2019 (the "Order"), a copy of which is attached hereto as *Exhibit C*. Upon motion by Director Green, seconded by Director Frank, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order, thereby levying a tax rate of \$0.48 per \$100 assessed valuation (\$0.32 for debt service and \$0.16 for operations and maintenance).

7. **Approve Amended District Information Form.** The Board reviewed the Amended District Information Form reflecting a decrease in tax levied for 2019, a copy of which is attached hereto as *Exhibit D*. 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 and authorize filing of the Amended District Information Form in the Harris County Real Property Records.

8. **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 September 2019, a copy of which is attached hereto as *Exhibit E*. Mr. Spencer noted that 98.66% of the District's 2018 taxes had been collected as of September 30, 2019. He noted that the \$500 check to the Texas Tribune for the publication of the tax rate was not listed in the report.

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 1973 through 1982, including the \$500 check to the Texas Tribune, from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

9. **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 F*. Mr. Burton reviewed disbursements from the General Operating Fund.

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

10. **Discuss outstanding funds due from Harris County Municipal District No. 151.** The Board reviewed a summary of the water usage analysis for Harris County Municipal District No. 151 ("HCMUD No. 151"), a copy of which is attached hereto as *Exhibit G*. Discussion ensued.

Mr. Millas presented to and reviewed with the Board the Amendment to Agreement for Supply of Water and Wastewater Collection Services (the "Amendment"), a copy of which is attached hereto as *Exhibit H*. Upon motion by Director Sulpizio, seconded by Director Frank, after full discussion and the question being put to the Board the Board voted unanimously to approve the Amendment.

11. **Discuss proposed amendment to the Strategic Partnership Agreement with the City of Houston.** This item was addressed under a previous agenda item.

12. **Engineer's Report.** President Parker recognized Mr. Froehlich, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit I*.

Mr. Froehlich presented Pay Estimate no. 7 for the Water Plant No. 2 EST Rehabilitation in the amount of \$77,525.00.

Mr. Froehlich presented the contracts for the Lift Station Rehabilitation, Phase 1 for the Board's execution.

Mr. Froehlich stated that several easements are required for the utility relocation related to the FM 1960 widening. He presented two bids for consulting work related to easement acquisition, copies of which are attached to the Engineer's Report. He stated that ROW Management presented the lowest bid for a scope to include title work, offer letters, negotiations, condemnation consultation and recordation services. He recommended the Board engage ROW Management for a bid price of \$5,500 per tract.

Mr. Froehlich stated that for the Lee annexation NRF sent and is awaiting the return of the executed petitions. He also stated that for the Gilbert, Agaybi and Gap Plumbing annexation the survey work is ongoing.

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 the Engineer's Report, to approve Pay Estimate no. 7 in the amount of \$77,525.00 and to engage ROW Management for a bid price of \$5,500 per tract.

13. **Discuss annexation matters.** This item was addressed under the previous item.

14. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated October 15, 2019 and a list of delinquent accounts, copies of which are attached hereto as *Exhibit J*. Mr. Gehrke reported that 113% of the water pumped was billed for the period September 1, 2019 through September 30, 2019.

Mr. Gehrke presented to and reviewed with the Board letters from residents requesting bill adjustments, copies of which are attached hereto as *Exhibit K*. It was the consensus of the Board to waive the penalty of \$2.74 to the Hensley account due to delays in mail service from tropical storm Imelda.

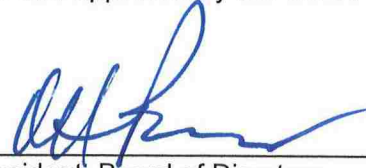
Upon motion by Director Green, seconded by Director Moore, after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Operations Report; (2) to waive late fees for September due to Tropical Storm Imelda and (3) to terminate service to delinquent accounts in accordance with the terms of the District's Rate Order.

The Board requested that the discussion of constables be included on the next agenda.

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 November 19, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

