

MINUTES OF BOARD OF DIRECTORS MEETING
DECEMBER 18, 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 December 18, 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, except Director Frank, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Robert Smith, General Manager for Jairus Construction LLC and contractor for Continental Plaza; Don Premel, President of Continental Plaza HOA; Mr. Ed Barger, Ms. Rachel Baringer, Ms. Kathleen Baringer, and Mr. Bill Bedell, District residents; Lieutenant Steve Romero, Corporal Gamble, and Officer Grounds 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 of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; and Mr. Dimitri Millas 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 November 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 meeting held on November 20, 2018, as presented.

2. **Public Comments.** President Parker recognized Mr. Smith and Mr. Premel who requested options and requirements to provide water and sewer services to the Continental Plaza development. Mr. Premel reported on agencies that he is coordinating to incorporate education, housing and commercial development. President Parker directed Mr. Premel and Mr. Smith to the District's engineer and legal counsel for further discussion on this matter.

President Parker recognized Ms. Rachel Baringer who requested a bill adjustment for a tampering fee that was applied to her account. Ms. Baringer reported that she is not living at the residence due to renovations from Hurricane Harvey. Discussion ensued regarding a discrepancy between receipt of a termination notice and termination of services. Mr. Gehrke stated that he will coordinate with Ms. Baringer for additional information and investigate the matter further to resolve the issues. No action was taken by the Board.

3. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of November, 2018, which was previously distributed to the Board. A copy of the Security Report is attached as *Exhibit B*. No action was taken by the Board.

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 November 2018, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 9.13% of the District's 2018 taxes had been collected as of November 30, 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 1911 and 1912 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Approve Agreed Upon Procedures for developer reimbursement.** Mr. Froehlich reported that the Agreed Upon Procedures is being prepared by the District's auditor and the TCEQ pre-inspection will be scheduled following completion of the punch list items by the contractor. The Board deferred this item until next month's meeting.

6. **Approve Conveyance of Facilities.** The Board deferred this item until next month's meeting and pending receipt of the Agreed Upon Procedures from the auditor.

7. **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 13148 through 13150 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 Sulpizio, seconded by Director Green, 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.

8. **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 E*. 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.

9. **Developer's Report.** Mr. George updated the Board on the status of Kings Lake Estates, Section 9 and Rivergrove Sections 5 and 6. He presented and recommended approval of two change orders for the utility construction contracts for Rivergrove, Section 5 and Section 6: He stated that Change Order No. 1 represents an increase in the total contract price by \$2,280.00, which represents the costs for additional time and effort for construction staking. Mr. George stated that Change Order No. 2 represents a decrease in the total contract price by \$4,902.80, resulting from the deletion of unused bid items listed in the contract.

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 Change Order No. 1 for an increase in the contract price by \$2,280.00 and Change Order No. 2 for a decrease in the contract price by \$4,902.80 for construction of facilities to serve Rivergrove, Sections 5 and 6.

10. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated December 18, 2018, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Gehrke reported that 93% of the water pumped was billed for the period September 1, 2018 through September 30, 2018.

Mr. Gehrke requested the Board's authorization to defer termination on delinquent accounts until January 3, 2019.

Mr. Gehrke reviewed requests for bill adjustments, which are included in the Operations Report. The Board took the following action on each request:

Misty Pines – Board approved the request for an extension to December 21, 2018.

Artesian Way – The Board approved waiving one-half of new rate to allow a deposit of \$50.00 because the updated Rate Order was in transition.

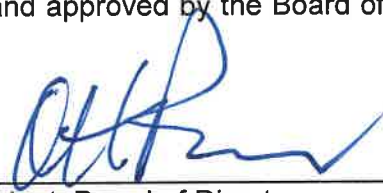
Deer Timbers – Mr. Gehrke reviewed the customer's payment history and reported there is no evidence of high usage. The Board consented to the property owner's request for an adjustment for an unusually high water bill. The Board authorized Mr. Gehrke to adjust the bill to minimum water and sewer costs, noting a one-time occurrence under these circumstances. It was noted that regional fees water fees cannot be waived because it is a direct cost to the District..

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: (1) approve the Operations Report; and (2) terminate service to delinquent accounts in accordance with the terms of the District's Rate Order after January 3, 2019, except for the Board's approval of the bill adjustments presented and discussed.

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

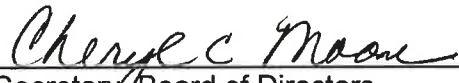
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The above and foregoing minutes were passed and approved by the Board of Directors on January 15, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

