

MINUTES OF BOARD OF DIRECTORS MEETING  
FEBRUARY 19, 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 February 19, 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. Also attending all or parts of the meeting were Mr. Bill Bedell, District resident; Lieutenant Steve Romero, 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; Mr. Ryan Haskins of KB Home; and Mr. Dimitri Millas and Ms. Amanda Dykmann 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 January 15, 2019, 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 January 15, 2019, as presented.

2. **Public Comments.** President Parker recognized Mr. Haskins, who said that he has no comments.

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

4. **Approve Conveyance of Facilities.** This item was deferred until next month's meeting.

5. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of January, 2019, which was previously distributed to the Board. A copy of the Security Report is attached as *Exhibit B*.

6. **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 C*. Mr. Burton reviewed disbursements from the General Operating Fund.

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 Bookkeeper's Report, to authorize payment of the checks in the amounts, to the persons, and for the purposes listed therein

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 D*.

Mr. George reported the EST at Water Plant No. 1 is due for a one-year inspection and the GST is due for a five-year inspection. He said the EST will not have to be drained but the GST will. He said BGE will hold off with the inspection of the GST until the rehabilitation of Water Plant No. 2's EST is complete.

Mr. George presented and requested approval of Change Order No. 2 for \$6,000 to Gemini Contracting Services, Inc. for Water Plant No. 1 Hydro-pneumatic Tank Addition. He stated TCEQ performed a tank inspection last week and the contractor is addressing minor punch list items.

Mr. George reported that NRF has reviewed the easement for the Upper Lake Water main break. He stated Mr. Millas determined the District has the legal right to use the easement as necessary to access, maintain, or replace waterline without the consent of the landowner. Discussion ensued regarding the next steps in taking down the fence that interferes with the District's work of the waterline. It was the consensus of the Board for Mr. Millas to contact the landowner's attorney stating they have to remove the fence or the District will at their expense.

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 and approve Change Order No. 2 for \$6,000 to Gemini Contracting Services, Inc. for Water Plant No. 1 Hydro-pneumatic Tank Addition.

8. **Developer's Report.** Mr. George reported Kings Lake Estates, Section 9 for clearing and grubbing will be cancelled and re-bid at a later date. He stated the intention is to get a new builder and bank involved. Mr. George presented for the Board's approval Storm Water Quality Permit Transfer to Kings Lake Estates Section 8.

Mr. George reported that the TCEQ pre-purchase inspections are completed on Rivergrove, Sections 5 and 6 and BGE received approval for escrow release from the TCEQ to reimburse the developer for these projects. He stated BGE is working with the reimbursement auditor to confirm amount and will present next month. Mr. George presented for the Board's approval Storm Water Quality Permit Transfer for Rivergrove.

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 Storm Water Quality Permits for Kings Lake Estates Section 8 and Rivergrove.

9. **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 January 2019, a copy of which is attached hereto as *Exhibit E*. Mr. Spencer noted that 92.74% of the District's 2018 taxes had been collected as of January 31, 2019.

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

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1915 and 1925 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

10. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated February 19, 2019, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit F*. Mr. Gehrke reported that 92% of the water pumped was billed for the period January 1, 2019 through January 31, 2019.

Mr. Gehrke reported that a customer is requesting a payment plan or adjustment due to a broken pipe in the backyard, which has been repaired. He stated the customer is requesting a refund for the sewer usage. Mr. Gehrke recommended offering a payment plan that will bring the account current. Discussion ensued. The Board concurred with the Operator's recommendation and authorized WWWMS to offer a payment plan as presented.

Mr. Gehrke reported that a customer is requesting a payment plan or adjustment due to an unusual high bill. He stated the customer has a good history and recommended an adjustment. Discussion ensued. The Board concurred with the Operator's recommendation and authorized WWWMS to offer an adjustment as presented.

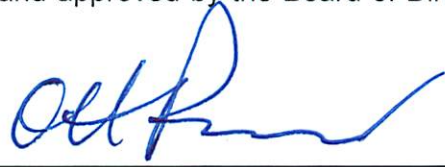
Upon motion by Director Green, seconded by Director Sulpizio after full discussion and the question being put to the Board, the Board voted unanimously to: (1) approve the Operations Report; and (2) terminate service to delinquent accounts in accordance with the terms of the District's Rate Order, except for the Board's approval of the bill adjustment and bill payment plan, as presented and discussed.

11. **Report on AWBD Mid-Winter Conference.** The President discussed various topics from the conference.

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

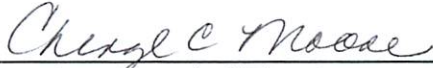
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The above and foregoing minutes were passed and approved by the Board of Directors on March 19, 2019.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

