

MINUTES OF BOARD OF DIRECTORS MEETING
MARCH 19, 2019

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 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 except Director Green. Also attending all or parts of the meeting were Mr. Bill Bedell, District resident; Lieutenant Steve Romero 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. Justin Jenkins of McCall Gibson Swedlund Barfoot, PLLC, auditor for the District; Mr. Clint Gehrke and Ms. Frayde Torres of Water Waste Water Management Services, Inc. ("WWWMS"), operator for the District; Mr. and Mrs. Lee, visitors to the meeting; 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 February 19, 2019, previously distributed to the Board. 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 minutes of the meeting held on February 19, 2019, as presented.

2. **Public Comments.** President Parker recognized Mr. and Mrs. Lee, who discussed with the Board being annexed into the District.

3. **Security Report.** President Parker recognized Lieutenant Romero, who reviewed the Security Report for the month of February 2019, which was previously distributed to the Board. A copy of the Security Report is attached hereto 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 February 2019, a copy of which is attached hereto as *Exhibit C*. Mr. Spencer noted that 94.35% of the District's 2018 taxes had been collected as of February 28, 2019.

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

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 1926 through 1933 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Authorize 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, 2019. 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 authorize the delinquent tax attorney to pursue collection of delinquent taxes.

6. **Approve Agreed Upon Procedures for developer reimbursement.** President Parker recognized Mr. Jenkins who presented to and reviewed with the Board, procedures for developer reimbursement, a copy of which is attached hereto as *Exhibit D*. Discussion ensued. 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 developer reimbursement.

7. **Approve Conveyance of Facilities.** The Board reviewed the Conveyance of Facilities, a copy of which is attached hereto as *Exhibit E*. Discussion ensued. 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 Conveyance of Facilities.

8. **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.

9. **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 G*.

Mr. George reported the EST and GST exteriors at Water Plant No. 1 were inspected on March 1 and BGE is preparing a report from inspection.

Mr. George reported on Water Plant No. 2 EST Rehabilitation. He stated due to various delays with weather, the contractor is requesting authorization to work on Saturdays.

Mr. George reported on Water Plant No. 1 Hydro-pneumatic Tank Addition. He stated final inspection punchlist items have been addressed and will schedule a re-inspection with the TCEQ.

Mr. George reported on the removal of the brick wall at Upper Lake. Mr. Millas stated he spoke to the landowner's attorney and instructed him to remove the wall within 60 days or the District will remove and bill the landowner. Mr. Froehlich requested the Board's authorization to do a survey of where the fence line is in order to stake the area that needs to be removed.

Mr. George reported BGE will now be providing a comment on any new commercial development plans submitted for review for development, to list a 4-inch National Hose Coupling (NH) thread at the steamer connection for any fire hydrants.

Mr. George discussed with the Board Mr. & Mrs. Lee's request for annexation to the District. It was the consensus of the Board to move forward with the annexation process.

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 authorize the contractor at Water Plant No. 2 to work on Saturdays.

10. **Developer's Report.** Mr. George stated there are no new updates to Kings Lake Estates, Sections 8 & 9.

11. **Review Operations Report and authorize repairs.** President Parker recognized Mr. Gehrke, who presented the Operations Report dated March 19, 2019, the lift station flow report, and a list of delinquent accounts, copies of which are attached hereto as *Exhibit H*. Mr. Gehrke reported that 91% of the water pumped was billed for the period February 1, 2019 through February 28, 2019.

Mr. Gehrke reported that a customer is requesting a payment plan or adjustment due to a leak by the meter, which has been repaired. 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.

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, except for the Board's approval of the bill adjustment and bill payment plan, as presented and discussed.

12. **Discuss renewal of District Insurance.** It was the consensus of the Board to request a proposal from the District's current provider.

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 16, 2019.


Vice President, Board of Directors

ATTEST:


Secretary, Board of Directors



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