

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119  
Minutes of Board of Directors Meeting  
June 8, 2015

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 119 met at 9711 Landry Boulevard, Spring, Harris County, Texas, on June 8, 2015 in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Andrew R. Phelps, President  
John Soileau, Vice President  
William Manning, Secretary  
Robert Williams, Asst. Secretary/Treasurer  
Salvador Andrade, Director

and all of said members were present, except Director Andrade, thus constituting a quorum.

Also present were Anthony Lasky of Municipal Accounts & Consulting, L.P. ("MA&C"); Lauren Davis of Wheeler & Associates, Inc. ("W&A"); Troy Bordelon of A&S Engineers, Inc. ("A&S"); Dwayne Rowe and David Rowe of Water District Management Co. ("WDM"); Randy Jones of Spring Cypress 54.25 Investment, LLC; and David Marks of Marks Richardson PC ("MRPC").

The President called the meeting to order and declared it open for such business as might regularly come before it.

The Board deferred consideration of comments from members of the public, as no one signed up to speak.

The Board next reviewed and considered the approval of the minutes of the meeting held on May 11, 2015. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on May 11, 2015, as written. Director Williams seconded the motion, which carried unanimously.

The Board next considered the attached report on the status of collection of taxes, the status of collection of delinquent tax accounts, and the payment of invoices in connection therewith for the month of May. Ms. Davis reported that 98.71% of the District's 2014 taxes had been collected through May 31, 2015. After review and discussion of the reports, Director Manning made a motion to approve the reports and authorize payment on the Tax Account, being check nos. 3203 through 3210, inclusive, and one wire, as identified in the tax assessor collector's report. Director Williams seconded the motion, which carried unanimously.

The Board next reviewed the delinquent collections list and there was a discussion regarding the status of District delinquent tax accounts. Ms. Davis presented for the Board's review and information the attached Delinquent Collections Listing as of May 31, 2015.

Ms. Davis next presented for the Board's review and information the attached written report dated June 1, 2015, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C.

Ms. Davis next presented the attached correspondence received from the Harris County Appraisal District and advised that the District's 2015 preliminary value is in the amount of \$484,736,511, including estimated personal property.

The Board next considered authorizing Ted A. Cox, P.C. to proceed with the collection of 2014 delinquent taxes, including the filing of lawsuits. After discussion on the matter, Director Manning made a motion to authorize Ted A. Cox, P.C. to proceed with the collection of the District's 2014 and prior years delinquent tax accounts on July 1, 2015, including filing of lawsuits as necessary. Director Williams seconded the motion, which carried unanimously.

The Board next considered the attached report on the District's water, sanitary sewer and storm sewer systems for the month of May. Mr. David Rowe reported that the water accountability percentage for the month is 93.27%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. David Rowe next reported that the Wastewater Treatment Plant is in need of new sub air headers. He noted that he received three bids for the work and that NTS provided a quote of \$5,680 for six (6) stainless sub air headers. After discussion, Director Phelps made a motion to authorize WDM to accept the bid from NTS for the sub air header replacement, subject to Mr. Bordelon authorizing proceeding after first confirming the adequacy of 304 Stainless Steel and performing a cost-benefit analysis of upgrading to 3/6 grade stainless steel, as set out above. Director Williams seconded the motion, which carried unanimously.

Mr. David Rowe next reported that WDM will repair the underground airline leak near the Blower Room.

Mr. David Rowe next requested that the Board consider authorizing WDM to turn over four (4) delinquent accounts to Collections Unlimited of Texas ("CUT") for collection, in the total amount of \$133.26, and to write-off one (1) delinquent account in the total amount of \$17.85, as outlined in the attached Collections List and Charged Off List. After discussion, Director Manning made a motion to authorize WDM to turn over the four (4) subject accounts to CUT for collection and to write-off the one (1) subject account, as set out above. Director Williams seconded the motion, which carried unanimously.

Director Soileau entered the meeting at this time.

Mr. David Rowe next reported on various grounds-keeping items. He noted that the Landry property needs to have the canopy raised and tree trimming at the Landry Road Park and that WDM can subcontract the work for approximately \$2,136.00. After discussion, Director Manning made a motion to authorize WDM to proceed with the maintenance for the Landry Park property, as outlined above. Director Williams seconded the motion, which carried unanimously.

Mr. David Rowe next noted that the Water Plant No. 1, Water Plant No. 2, the Landry Lift Station, and the Wastewater Treatment Plant are also in need of various fence clearing, tree trimming, and general plant maintenance. He recommended that the work for the Wastewater Treatment Plant be deferred at this time and noted that WDM could subcontract the remaining work for the Water Plant No. 1, Water Plant No. 2, and Landry Lift Station for approximately \$2,365.00. After discussion, Director Soileau made a motion to authorize WDM to proceed with the work for the Water Plant No. 1, Water Plant No. 2, and Landry Lift Station, as outlined above. Director Williams seconded the motion, which carried unanimously.

The Board next deferred approval of Amendment to Agreement with Water District Management Co., Inc. until next month's Board meeting.

The Board next deferred approval of amendment to the District's Rate Order until the next Board meeting.

The Board next deferred discussion on the future of Water Plant No. 1, including review of cost comparisons relative to decommissioning or rehabilitation of the plant.

The Board next considered the status of the North Harris County Regional Water Authority ("NHCRWA"). Mr. Bordelon stated that he had nothing new to report.

The Board next considered authorizing the design, advertisement for bids and/or award of construction contracts. Mr. Bordelon presented the attached report relative to same.

The Board next considered the status of contract with Paskey Incorporated ("Paskey") for construction of detention pond to serve Stonebrook Estates. Mr. Bordelon stated he had nothing new to report to the Board.

The Board next considered the status of contract with Paskey for water, sanitary sewer and drainage facilities to serve Stonebrook Estates, Section 1. Mr. Bordelon stated he had nothing new to report to the Board.

Mr. Bordelon next reported that the storm water permit renewal for the north pond of Memorial Springs is complete.

The Board next deferred the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District.

The Board next considered a report regarding the status of the development of property within the District. Mr. Jones stated that home sales are going well.

The Board next considered the issuance of utility commitments. Mr. Bordelon stated that he had none to report at this time.

Mr. Lasky next distributed to the Board the attached bookkeeping report, investment report, pledged securities report, bills presented for payment and profit and loss statement for the

District's fiscal year, prepared by MA&C, the District's bookkeeper. After review and discussion of the reports, Director Manning made a motion to approve the reports and authorize payment on the Operating Account being check nos. 17394 through 17437, inclusive, as identified in the report. Director Williams seconded the motion, which carried unanimously.

Mr. Lasky next presented the attached Quarterly Investment Report which had been prepared by MA&C, relative to the District's Debt Service Fund, Construction Fund and Operating Fund for the reporting period through April 30, 2015. After review of the Report, Director Manning made a motion to approve the Report and authorize the District's Investment Officer to execute same on behalf of the Board and District. Director Williams seconded the motion, which carried unanimously.

Mr. Marks next presented the attached report from Mr. Rhyner with Arbitrage Compliance Specialists relative to the District's Series 2010 Bonds. Mr. Marks noted that Mr. Rhyner's report reflects no rebate payment due to the IRS at this time.

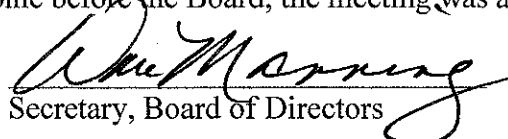
Mr. Marks next discussed for the Board's information and approval a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. He advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's Office. After discussion, Director Manning made a motion to approve the Form and authorize MRPC to file same with the Secretary of State's Office, as required by law. Director Williams seconded the motion, which carried unanimously.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 2014 to February 2015, in accordance with the Records Retention Schedule for General Records. Mr. Marks presented the attached letter from the Records Management Officer with list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Williams made a motion to authorize the destruction of said notes as requested in accordance with the provisions of the District's Records Management Program and said Schedule. Director Manning seconded the motion, which carried unanimously.

The Board next discussed the possible sale of groundwater credits. Mr. Marks noted that the interested entity has not responded to the District's offer. The Board concurred to remove the item from the agenda.

The Board next considered matters for possible placement on future agendas. Mr. Marks presented the attached correspondence from Region H. The Board concurred to take no action.

There being no further business to come before the Board, the meeting was adjourned.

  
Secretary, Board of Directors

## ATTACHMENTS

June 8, 2015

1. Tax Assessor/Collector Reports
2. Delinquent Tax Report
3. Preliminary Value from HCAD
4. Operator's Report and related correspondence
5. Engineer's Report
6. Bookkeeper's Report
7. Quarterly Investment Report
8. Arbitrage Compliance Specialists Report
9. Records Destruction Request Letter
10. Region H Correspondence