

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119  
Minutes of Board of Directors Meeting  
October 12, 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 October 12, 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 Soileau and Director Manning, 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"); David Rowe of Water District Management Co. ("WDM"); Craig Rathmann of Rathmann and Associates, L.P. ("Rathmann"); Randy Jones of Spring Cypress 54.25 Investment, LLC; Jacqueline Frois, Isidonio Garcia, Dale Lampl, Chris Gannon and Amanda Smale residents in the District; James Pintkowski and Stephanie Crane with RMP Investments; 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 September 14, 2015. After review and discussion, Director Williams made a motion to approve the minutes of the meeting held on September 14, 2015, as written. Director Andrade seconded the motion, which carried unanimously.

The Board next considered Customer appeals of District charges or policies relative to the District's water, sanitary sewer and storm sewer systems. Mr. Rowe distributed the attached High Water Bill Investigations and History ledgers.

Ms. Frois addressed the Board. She stated that her August bill had a very high usage of 119,000 gallons and that her typical usage is between 1,000-7,000 gallons. She stated that a broken sprinkler head was found and repaired and that her September bill is back to reflecting normal usage. Ms. Frois requested that the Board authorize an adjustment to her August bill. After discussion, Director Williams made a motion to authorize an adjustment on Ms. Frois' August bill

to \$1.00/1,000 gallons plus fees for sewer and the North Harris County Regional Water Authority (“NHCRWA”) assessment. Director Andrade seconded the motion, which carried unanimously.

Mr. Garcia next addressed the Board. He stated that he has lived in his current home since July and that his August bill has a very high usage of 68,000 gallons. He noted that the typical usage is between 10,000-16,000 gallons. He stated that his irrigation has not been checked for leaks yet. Mr. Rowe stated he will come check the irrigation system. The Board deferred taking any action at this time.

Ms. Smale next addressed the Board on behalf of the Ronnie Turner account. She stated that the water bill has been higher than normal in both July and August. Director Phelps recommended that WDM perform a bench test on the meter and stated that if the test shows the meter has an issue, the Board will authorized adjusting the bill. He further recommended that Ms. Smale pay the average bill amount until the results of the test are determined.

Mr. Gannon next addressed the Board. He stated that his water bill has had high usage and that he has had a leak test performed twice. The Board deferred taking any action until Mr. Rowe can investigate and, if necessary, perform a bench test on the meter.

Mr. Rowe next reported that WDM attempted to check the meter accuracy for Terri Winters’ account but that Ms. Winters moved out and closed the account.

Mr. Rowe next reported that WDM attempted to check Dale Lampl’s irrigation system but that Mr. Lampl did not want WDM to do so. The Board directed Mr. Rowe to replace the meter and perform a bench test.

Mr. Rowe next reported that he spoke with Bridget Symmonds regarding how the meters work and calculate usage. The Board deferred taking any action.

Mr. Lampl entered the meeting at this time and questioned the accuracy of WDM meter testing.

The Board next deferred considering the status of the preparation of a Bond Application Report relative to the District’s proposed Series 2016 Bonds.

The Board next reviewed the Financial Advisor’s recommendation concerning the establishment of the District’s 2015 tax rate. Mr. Rathmann reviewed the attached recommendation and recommended that the District levy a 2015 debt service tax rate of \$0.49 per \$100 of valuation and a 2015 maintenance tax rate of \$0.03 per \$100 of valuation. After discussion, Director Williams made a motion authorizing the District’s Tax Assessor/Collector to publish notice of a public hearing on the adoption of a proposed 2015 debt service tax rate of \$0.49 per \$100 of valuation and a 2015 maintenance tax rate of \$0.03 per \$100 of valuation to be held at the District’s next regular meeting. Director Andrade 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 September. Ms. Davis reported that 99.59% of the District's 2014 taxes had been collected through September 30, 2015. After review and discussion of the reports, Director Williams made a motion to approve the reports and authorize payment on the Tax Account, being check nos. 3233 through 3235, inclusive, as identified in the tax assessor collector's report. Director Andrade 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 September 30, 2015.

Ms. Davis next presented for the Board's review and information the attached written report dated October 6, 2015, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C. ("Cox").

The Board next considered the attached report on the District's water, sanitary sewer and storm sewer systems for the month of September. Mr. Rowe reported that the water accountability percentage for the month is 93.75%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. Rowe next reviewed various repairs and ongoing work in the District. He reported that the air header replacements at the wastewater treatment plant are pending and that the wastewater treatment plant lift station is back in service.

Mr. Rowe next requested that the Board consider authorizing WDM to turn over three (3) delinquent accounts to Collections Unlimited of Texas ("CUT") for collection, in the total amount of \$546.11, and to write-off one (1) delinquent account in the total amount of \$14.50, as outlined in the attached Collections List and Charged Off List. After discussion, Director Williams made a motion to authorize WDM to turn over the three (3) subject accounts to CUT for collection and to write-off the one (1) subject account, as set out above. Director Andrade seconded the motion, which carried unanimously.

Mr. Rowe next reported that a car hit and damaged the fire hydrant in front of the WDM office and stated that he will research to see if he can find who hit the hydrant.

The Board next considered discussion on the future of Water Plant No. 1, including review of cost comparisons relative to decommissioning or rehabilitation of the plant. No one present had anything new to report.

The Board next considered the status of the NHCRWA. No one present had anything new to report.

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

The Board next considered approval of the plans and specifications for water, sanitary sewer, and drainage facilities to serve Stonebrook Estates, Section 2. The report reflected that A&S is working on the plans at this time.

The Board next considered the status of contract with Paskey Incorporated ("Paskey") for construction of detention pond to serve Stonebrook Estates. The report reflected that there is nothing new to report on the project.

The Board next considered the status of contract with Paskey for water, sanitary sewer and drainage facilities to serve Stonebrook Estates, Section 1. The report reflected that there is nothing new to report on the project.

The Board next deferred considering 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 reported on home sales and noted that Toll Brothers will start building homes in November.

Mr. Pintkowski next discussed the proposed Montessori development.

The Board next considered the issuance of utility commitments. No one present had anything new 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 Andrade made a motion to approve the reports and authorize payment on the Operating Account being check nos. 17589 through 17639, inclusive, with check nos. 17591 and 17594 being voided, as identified in the report. Director Williams seconded the motion, which carried unanimously.

The Board next considered matters for possible placement on future agendas. Mr. Marks presented the attached correspondence from Alteris and the attached correspondence from Waterworks Insurance Network. After discussion, the Board concurred to take no action on either correspondence at this time.

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

  
Asst. Secretary, Board of Directors

## ATTACHMENTS

October 12, 2015

1. High Water Bill Investigations and History Ledgers
2. Financial Advisor Correspondence
3. Tax Assessor/Collector Reports
4. Delinquent Tax Report
5. Operator's Report and related correspondence
6. Engineer's Report
7. Bookkeeper's Report
8. Alteris Correspondence
9. Waterworks Insurance Network Correspondence