

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119  
Minutes of Board of Directors Meeting  
March 14, 2016

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 March 14, 2016 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, 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"); David Rowe of Water District Management Co. ("WDM"); Randy Jones of Spring Cypress 54.25 Investment, LLC; Brad Dill of BD Realty Advisors, 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 February 8, 2016. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on February 8, 2016, 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 February. Ms. Davis stated that 96.42% of the District's 2015 taxes had been collected through February 29, 2016. 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. 3254 through 3266, inclusive, and two wires, as identified in the tax assessor collector's report. Director Manning 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 and the Delinquent Collections Listing as of February 29, 2016.

The Board next reviewed the attached written report dated February 3, 2016, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C.

The Board next considered the attached report on the District's water, sanitary sewer and storm sewer systems for the month of February. Mr. Rowe reported that the water accountability percentage for the month is 94.73%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. Rowe next reported that additional pipe ballads need to be installed around Memorial Springs detention basin access road and noted that the cost of the work would be \$1,675. He noted that the authorization for replacement is within the scope of the maintenance portion of the District's contract with WDM.

Mr. Rowe next reported that the fine screen for the lift pump is still on order.

Mr. Rowe next requested that the Board consider authorizing WDM to turn over one (1) delinquent account to Collections Unlimited of Texas ("CUT") for collection, in the total amount of \$141.34, as outlined in the attached Collections List and Charged Off List. After discussion, Director Soileau made a motion to authorize WDM to turn over the one (1) subject account to CUT for collection, as set out above. Director Manning seconded the motion, which carried unanimously.

Mr. Rowe next reported that the sewer line at Chaseloch was cleaned and noted that WDM will televise the line and report to the Board on the condition of the line.

The Board next considered the status of a security system contract. No one present had anything new to report.

The Board next considered a presentation by Mr. Dill regarding ESD 6 station expansion plans and need for additional land. Mr. Marks reported that he spoke with Mr. Rolen who informed him that the matter has been passed to a subordinate to re-study. Mr. Dill addressed the Board and offered to get an appraisal of the property for the Board's consideration.

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.

The Board next considered the status of the Bond Application Report relative to the District's Series 2016 Bonds. Mr. Marks reported that the application approval by the TCEQ is pending. Mr. Bordelon reported that the pre-pre-purchase inspection was performed and that A&S is currently working on addressing repairs.

The Board next considered the status of the North Harris County Regional Water Authority (the "NHCRWA"). Mr. Marks presented the attached correspondence regarding the NHCRWA's rate increase.

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

The Board next considered approval of the plans and specifications and authorize advertisement for bids for water, sanitary sewer, and drainage facilities to serve Stonebrook Estates, Section 2. Mr. Bordelon reported that the plans have been submitted for review and requested that the Board approve the plans and specifications and authorize the advertisement for bids contingent upon A&S receiving all necessary plan approvals. After discussion, Director Soileau made a motion to approve the plans and specifications and to authorize the advertisement for bids for water, sanitary sewer, and drainage facilities to serve Stonebrook Estates, Section 2, as set out above. Director Manning seconded the motion, which carried unanimously.

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 the annual review of Resolution Adopting Prevailing Wage Rate Scale for Construction Projects. After discussion, Director Williams made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects based on the attached average between the Department of Labor, the City of Houston and Harris County rates. Director Soileau seconded the motion, which carried unanimously.

The Board next considered approval of a Partial Assignment of Proceeds Agreement between Spring Cypress Triangle, LP and Glunt Investment & Development Co. Mr. Marks stated that Mr. Glunt requested approval of the assignment and stated that MRPC has received executed Form 1295 from both entities. After discussion, Director Soileau made a motion to approve the Assignment as set out above and to authorize the President to execute the Acknowledgement attached to the Assignment as Exhibit B on behalf of the Board and District. Director Williams seconded the motion, which carried unanimously.

The Board next considered a report regarding the status of the development of property within the District. Mr. Jones reported that the 80' lots are selling better than the 70' lots and that the developer will include more 80' lots in the new plat.

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 Soileau made a motion to approve the reports and authorize payment on the Operating Account being check nos. 17803 through 17859, inclusive, and one wire for the April 1<sup>st</sup> debt service payment, as identified in the report. Director Williams seconded the motion, which carried unanimously.

Mr. Lasky next presented and reviewed with the Board the attached Quarterly Investment Report for the reporting period ended January 31, 2016. After review of the Quarterly Investment Report, Director Soileau made a motion to approve the Quarterly Investment Report and to 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. Lasky next distributed the attached draft budget for the fiscal year ending April 30, 2017 for the Board's review. He noted that the Board will adopt the budget next month.

The Board next considered authorizing the preparation of an Unclaimed Property Report by the District's bookkeeper and tax assessor-collector, as necessary, which is to be filed with the State Comptroller prior to July 1, 2016. After discussion on the matter, Director Manning made a motion to authorize the District's bookkeeper and tax assessor-collector to research the District's accounts to determine the necessity of preparing an Unclaimed Property Report, and, if such reports are necessary, authorize the District's bookkeeper and tax assessor-collector to file same with the State Comptroller prior to July 1, 2016. Director Andrade seconded the motion, which carried unanimously.

The Board next considered matters for possible placement on future agendas.

The Board next considered the adoption of an Order Declaring Candidates Elected. Mr. Marks advised that in accordance with Subchapter C, Chapter 2 of the Election Code and Section 2.052 of the Election Code, after 5:00 p.m. on February 19, 2016, the District may cancel the election if each candidate whose name appears on the ballot and/or has registered as a write-in candidate is unopposed in such election and the Board of Directors of the District can declare such unopposed candidates elected or to be re-elected for an additional term. Mr. Marks presented a Certification of Unopposed Candidates declaring the candidates unopposed and presented and reviewed various portions of the Order Declaring Candidates Elected. After discussion, Director Soileau made a motion to adopt the Order declaring Directors Phelps and Andrade re-elected for an additional term expiring in May of 2020, and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Williams seconded the motion, which carried unanimously.

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

  
Secretary, Board of Directors

## ATTACHMENTS

March 14, 2016

1. Tax Assessor/Collector Reports
2. Delinquent Tax Report
3. Operator's Report and related correspondence
4. Engineer's Report
5. Bookkeeper's Report
6. Quarterly Investment Report
7. Draft Budget
8. Census Correspondence