

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119
Minutes of Board of Directors Meeting
January 9, 2017

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 January 9, 2017 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 Williams, thus constituting a quorum.

Also present were Anthony Lasky of Municipal Accounts & Consulting, L.P. ("MA&C"); Sissie McCoy 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 ("BD"); and Lindsey Eubank of Marks Richardson PC ("MRPC").

As the first order of business, 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 December 12, 2016. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on December 12, 2016, as written. Director Soileau 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 December. Ms. McCoy stated that 32.92% of the District's 2016 taxes had been collected through December 31, 2016. 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. 3335 through 3339, inclusive, and two wires, as identified in the tax assessor collector's report. Director Soileau seconded the motion, which carried unanimously.

The Board next reviewed the delinquent collections list discussed the status of delinquent tax accounts and the Delinquent Collections Listing as of December 31, 2016. The Board next reviewed the attached written report dated January 4, 2017, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C. ("Cox").

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Ms. Eubank advised that the Board is authorized pursuant

to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes due to the District that became delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. After discussion, Director Manning made a motion to adopt the attached Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes and to authorize Ted A. Cox, P.C. to proceed with the collection of the District's delinquent personal property accounts following proper notice as provided in the Resolution, including the filing of lawsuits, as necessary. Director Soileau 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 December. Mr. Rowe reported that the water accountability percentage for the month is 108.11%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. Rowe next reviewed the status of various projects.

Mr. Rowe next requested that the Board consider authorizing WDM to write-off one (1) delinquent account in the total amount of \$9.10, as outlined in the attached Charged Off and Collections Accounts List. After discussion, Director Manning made a motion to authorize WDM to write-off the one (1) subject account, as set out above. Director Soileau seconded the motion, which carried unanimously.

The Board next considered a proposal for providing detention pond maintenance services. Mr. Rowe noted that he had nothing new to report and recommended the item be taken off the agenda until WDM hears more.

The Board next considered authorizing WDM to provide required information to districts receiving water through an emergency interconnect relative to Consumer Confidence Reports. After discussion, Director Manning made a motion to authorize WDM to provide the required information. Director Soileau seconded the motion, which carried unanimously.

Ms. McCoy, Mr. Lasky, Mr. Dill, Mr. Jones, Mr. Rowe, and Mr. Bordelon exited the meeting at this time.

The Board next recessed to executive session at 5:19 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 5:29 p.m.

Ms. McCoy, Mr. Lasky, Mr. Dill, Mr. Jones, Mr. Rowe, and Mr. Bordelon reentered the meeting at this time.

The Board next considered a proposal from ESD 16 for the purchase of Water Plant No. 1 from the District. After discussion, the Board concurred that the counterproposal should be sent to Mr. Dill.

The Board next considered the status of the North Harris County Regional Water Authority (“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. Mr. Bordelon reviewed the attached report relative to same.

The Board next considered approval of plans and specifications and authorize advertisement for bids for the wastewater system rehabilitation project. Mr. Bordelon reported that A&S has prioritized the lines to rehabilitate and that they are addressing comments from the City of Houston. The Board took no action.

The Board next considered approval of plans and specifications and authorize advertisement for bids for the demolition of Water Plant No. 1. Mr. Bordelon reported that A&S is working on a bid package and anticipates having bids for review in February. After discussion, Director Manning made a motion to approve the plans and specifications and to authorize the advertisement for bids. Director Soileau seconded the motion, which carried unanimously.

The Board next considered the status of the contract with The Trey Evans Co. for the Water Plant No. 3 Recoating. Mr. Bordelon reported that construction continues.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. Ms. Eubank noted that MRPC is working on the documents for the Stonebrook Estates, Section 2 Detention Pond.

The Board next considered the status of development of property within the District. Mr. Jones reported that Newmark closed 8 homes in December and that he has met with Centerpoint regarding Stonebrook Estates, Section 2 utilities.

The Board next considered authorizing the preparation of a Bond Application Report for the District’s Series 2017 Bonds. Mr. Bordelon stated that Mr. Rowe and Director Phelps added additional projects to the list and that he will revise the cost summary.

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

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. 18269 and 18310 through 18357, inclusive, with check no. 18269 being voided, and on the Capital Projects Fund being one wire, as identified in the report. Director Manning seconded the motion, which carried unanimously.

Ms. Eubank next advised the Board that provisions of the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed

with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and the attached list of financial institutions, brokers and dealers attached thereto as Exhibit "A." Ms. Eubank recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Soileau made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Manning seconded the motion, which unanimously carried.

The Board next deferred considering the status of web site design and maintenance.

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to authorize MRPC to obtain insurance proposals for the Board's consideration at the February meeting.

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


Secretary, Board of Directors

ATTACHMENTS

January 9, 2017

1. Tax Assessor/Collector Reports
2. Delinquent Tax Report
3. Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
4. Operator's Report and related correspondence
5. Engineer's Report and related correspondence
6. Bookkeeper Report
7. Qualified Brokers List