

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119
Minutes of Board of Directors Meeting
March 13, 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 March 13, 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"); Ray Arce of Wheeler & Associates, Inc. ("W&A"); Troy Bordelon of A&S Engineers, Inc. ("A&S"); David Rowe of Water District Management Co. ("WDM"); and David Marks 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 February 13, 2017. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on February 13, 2017, as written. 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 February. Mr. Arce stated that 96.18% of the District's 2016 taxes had been collected through February 28, 2017. After review and discussion of the reports, Director Soileau made a motion to approve the reports and authorize payment on the Tax Account, being check nos. 3354 through 3367, 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 delinquent tax accounts and the Delinquent Collections Listing as of February 28, 2017. The Board next reviewed the attached written report dated March 6, 2017, 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 92.34%. 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. He stated that the Water Plant 2 booster pump was installed and that the gate at the Memorial Springs detention pond was repaired.

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 \$169.82, 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 three (3) subject accounts to CUT for collection, as set out above. Director Soileau seconded the motion, which carried unanimously.

Mr. Rowe next noted that the account at 7503 Methil still has service suspended due to failure to pay taxes.

The Board next considered the status of the North Harris County Regional Water Authority (the "NHCRWA"). Mr. Marks presented the attached correspondence, noting that the NHCRWA will implement a \$0.50 increase on the well pumpage fee and surface water rate as of April 1st.

Mr. Rowe next reported that WDM submitted the District's water use survey.

Mr. Rowe next reviewed WDM's Red Flag letter, noting that no issues were found.

The Board next deferred recessing to executive session to discuss real property matters pursuant to §551.072, Texas Government Code.

The Board next considered a proposal from ESD 16 for the purchase of Water Plant No. 1 from the District. The Board reviewed the proposed contract. After discussion, the Board deferred taking action at this time.

Mr. Rowe next reported that he will get copies of the brochure that the NHCRWA has regarding the cost of water to include in the District's water bills.

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 will advertise for bids on March 16th and open bids for the project on April 6th.

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 TCEQ approval is pending and noted that the Board authorized A&S to award the contract to Gemini Contracting Services, Inc. once approvals have been obtained.

The Board next considered the status of the contract with The Trey Evans Co. for the Water Plant No. 3 Recoating. Mr. Bordelon presented Pay Application No. 2 and Final in the amount of

\$4,150.00 and recommended that the Board approve payment of same and to accept the project as complete. After discussion, Director Manning made a motion to approve the payment of Pay Application No. 2 and Final as set out above and to accept the project as complete. Director Andrade seconded the motion, which carried unanimously.

Mr. Bordelon next reported that he is reviewing the North Memorial Springs pond permit.

The Board next considered the issuance of utility commitments. Mr. Bordelon stated that A&S received a capacity request from T and T Attractions regarding construction of a boat storage facility. After discussion, the Board concurred that A&S should issue a availability letter for 1 ESFC for future plumbing facilities after A&S reviews and approves of the site and development plans.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. Mr. Marks presented an Assignment of Storm Water Facilities Easement. After discussion, Director Manning made a motion to accept the Assignment of Storm Water Facilities Easement and to authorize the President to execute same on behalf of the Board and District. Director Andrade seconded the motion, which carried unanimously.

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 deferred considering the status of development of property within the District.

The Board next considered the status of preparation of a Bond Application Report for the District's Series 2017 Bonds and approval of an Order Authorizing Application to the TCEQ for Approval of Project and Bonds. Mr. Bordelon reviewed a cost summary with the Board. After discussion, Director Manning made a motion to approve the Order Authorizing Application to the TCEQ for the Approval of Project and Bonds. Director Soileau seconded the motion, which carried unanimously.

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. 18404 through 18455, inclusive, with check no. 18410 being voided, and on the Capital Projects Fund being check no. 5604 and one wire, as identified in the report. Director Soileau 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, 2017. After review of the Quarterly Investment

Report, Director Manning 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 Soileau seconded the motion, which carried unanimously.


Mr. Lasky next distributed the attached draft budget for the fiscal year ending April 30, 2018 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, 2017. After discussion on the matter, Director Soileau 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, 2017. Director Manning seconded the motion, which carried unanimously.

The Board next considered the status of web site design and maintenance, including authorizing posting of District agendas on website. After discussion on the matter, Director Manning made a motion to authorize the posting of District agendas on the website, instead of at the Harris County Clerk's office. Director Soileau seconded the motion, which carried unanimously.

The Board next considered matters for possible placement on future agendas. The Board discussed adding additional meeting places at 9711 Landry Blvd. in Spring and at 13927 Boudreaux Rd. in Tomball.

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


Secretary, Board of Directors

ATTACHMENTS

March 13, 2017

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