

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119
Minutes of Board of Directors Meeting
June 12, 2017

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 119 met at 13927 Boudreaux Road, Tomball, Harris County, Texas, on June 12, 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 Directors Phelps and 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 May 8, 2017. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on May 8, 2017, as written. Director Andrade seconded the motion, which carried unanimously.

The Board next considered authorizing Ted A. Cox, P.C. to proceed with the collection of 2016 delinquent taxes, including the filing of lawsuits. After discussion on the matter, Director Soileau made a motion to authorize Ted A. Cox, P.C. to proceed with the collection of the District's 2016 and prior years delinquent tax accounts on July 1, 2017, including filing of lawsuits as necessary. Director Manning 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. Rowe reported that the water accountability percentage for the month is 94.08%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. 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 \$206.08, as outlined in the attached Collections Lists and Charged Off Lists. After discussion, Director Manning made a motion to authorize WDM to turn over the four (4) subject accounts to

CUT for collection, as set out above. Director Andrade seconded the motion, which carried unanimously.

Mr. Rowe next reviewed the status of various projects. He stated that the system flushing started today. He requested that the Board authorize WDM to cease service to two (2) electric meters at the Water Plant #1 site. After discussion, the Board concurred in the cease of service and that Director Soileau should sign the documentation regarding same.

Mr. Rowe next reported that the celenoid valves on the Wastewater Treatment Plant compactor need to be removed with the screens for cleaning. He presented a quote from NTS in the amount of \$3,500, noting that the cost includes replacing the celenoid valves, fixing air drops and a rental of man lifts. The Board deferred taking any action.

The Board next deferred authorizing WDM to change billing service providers.

Mr. Rowe next reported that online bill pay is up to 43%.

The Board next considered approval of an Interlocal Agreement relative to the District's sponsorship of the Water Wise Program. After discussion, Director Soileau made a motion to approve the Agreement and to authorize WDM to file same. Director Manning seconded the motion, which carried unanimously.

The Board next considered the status of contract for the purchase of Water Plant No. 1 by ESD 16 from the District. Mr. Marks reported on the status of dedication of required easements and the status of the survey of the site and easements.

The Board next considered the status of the North Harris County Regional Water Authority. No one present had anything 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 authorizing the preparation of plans and specifications for Ground Storage Tank and Water Plant No. 3. Mr. Bordelon reported that A&S is working on options and costs for the Board to consider.

The Board next considered the status of the contract with Gemini Contracting Services, Inc. for the demolition of Water Plant No. 1. Mr. Bordelon reported that the project will be complete on August 11th.

The Board next considered the status of the contract with Lopez Utilities Contractor, LLC for the wastewater system rehabilitation project. Mr. Bordelon reported that MRPC reviewed the bonds and insurance for the contract and presented same for execution.

Mr. Bordelon next reported that A&S is working on the WWTP permit renewal and storm water permits for Stonebrook Estates and the North Pond on Memorial Springs.

Mr. Bordelon next presented invoices from A&S that are over 4-years old and had never been paid. After discussion, Director Soileau made a motion to authorize payment of the subject invoices. Director Manning seconded the motion, which carried unanimously.

Mr. Arce entered the meeting at this time.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. No one present had anything to report.

The Board next considered the status of development of property within the District. Mr. Marks reported that Mr. Jones informed him that lots continue to be taken down and sale are good.

The Board next considered the status of application for approval of the District's Series 2017 Bonds. Mr. Bordelon stated that the pre-purchase inspection is complete and that the repairs are underway.

The Board next considered the issuance of utility commitments. No one present had anything to report.

Mr. Lasky next distributed to the Board the attached bookkeeping report, investment reports, pledged securities reports, bills presented for payment and profit and loss statements 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. 18557 through 18607, inclusive, with check nos. 18557 and 18559 being voided, and on the Capital Projects Fund being check no. 5606 and one wire, as identified in the reports. Director Andrade seconded the motion, which carried unanimously.

The Board next considered a report from Arbitrage Compliance Specialists, Inc. relative to the District's Series 2012 Bonds. Mr. Marks distributed the attached report and noted that no filing requests are needed.

The Board next considered the status of web site design and maintenance. No one present had anything to report.

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 Andrade seconded the motion, which carried unanimously.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 2016 to February 2017, 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 Soileau 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 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. Mr. Arce stated that 98.48% of the District's 2016 taxes had been collected through May 31, 2017. After review and discussion of the report, Director Manning made a motion to approve the report and authorize payment on the Tax Account, being check nos. 3389 through 3393, inclusive, as identified in the tax assessor collector's reports. Director Soileau seconded the motion, which carried unanimously.

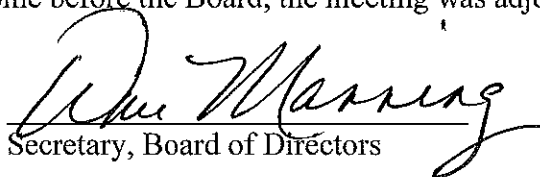
The Board next reviewed delinquent tax accounts and the Delinquent Collections Listing as of May 31, 2017. The Board next reviewed the attached written report dated June 7, 2017, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C.

Mr. Arce next reported that the District's 2017 initial taxable value is \$573,638,204, plus the value of personal property.

Mr. Arce next reported that W&A is hosting a workshop on their tax reports and invited the Board to attend.

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

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


Secretary, Board of Directors

ATTACHMENTS

June 12, 2017

1. Operator's Report and related correspondence
2. Engineer's Report and related correspondence
3. Bookkeeper Report
4. Arbitrage Compliance Report
5. Records Destruction Request
6. Tax Assessor/Collector Report
7. Delinquent Tax Report