

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 119
Minutes of Board of Directors Meeting
October 9, 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 October 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 Directors 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 and Josh 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 considered the Termination of Exclusive Residential Refuse Service Contract with Republic Waste Services of Texas, Ltd. After discussion, Director Manning made a motion to terminate the Exclusive Residential Refuse Service Contract with Republic Waste Services of Texas, Ltd. effective November 30, 2017. Director Andrade seconded the motion, which unanimously carried.

The Board next considered the review and approval of a Residential Solid Waste Collection Contract with Texas Pride Disposal for solid waste collection services for a five (5) year fixed rate of \$14.39 per month. Mr. Marks presented an executed TEC Form 1295 in connection with the proposed agreement from Texas Pride. After discussion, Director Soileau made a motion to approve the Residential Solid Waste Collection Contract with Texas Pride effective December 1, 2017, and authorize the President to execute the Contract. Director Manning seconded the motion, which carried unanimously.

The Board next reviewed and considered the approval of the minutes of the meeting held on September 11, 2017. After review and discussion, Director Manning made a motion to approve the minutes of the meeting held on September 11, 2017, as written. Director Andrade seconded the motion, which carried unanimously.

The Board next conducted a public hearing relative to the District's proposed 2017 debt service tax rate and maintenance tax rate. Ms. McCoy advised that the tax rate publication had

been published in accordance with state law requirements. The President announced the hearing open and invited members of the public to address the Board on the proposed 2017 debt service tax rate and maintenance tax rate. Seeing no members of the public wishing to speak, the President then announced the hearing closed.

The Board next considered the adoption and levy of the District's 2017 proposed debt service tax rate and maintenance tax rate. After discussion, Director Manning made a motion to levy a 2017 debt service tax rate of \$0.41 per \$100 of assessed valuation and a 2017 maintenance tax rate of \$0.07 per \$100 of assessed valuation, for a combined tax rate of \$0.48 per \$100 of assessed valuation, and to adopt the attached Order Levying Taxes. Director Andrade seconded the motion, which carried unanimously.

Mr. Marks next presented and reviewed with the Board a Seventh Amendment to the Eleventh Amended and Restated District Information Form in connection with the 2017 tax rate. After discussion, Director Soileau made a motion to approve same and to authorize the Board members present to execute same. 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 September. Ms. McCoy stated that 99.51% of the District's 2016 taxes had been collected through September 30, 2017. After review and discussion of the report, Director Soileau made a motion to approve the report and authorize payment on the Tax Account, being check nos. 3417 through 3420, inclusive, as identified in the tax assessor collector's reports. Director Andrade seconded the motion, which carried unanimously.

The Board next reviewed delinquent tax accounts and the Delinquent Collections Listing as of September 30, 2017.

The Board next reviewed the attached written report dated October 3, 2017, which had been prepared by the District's delinquent tax attorney, Ted A. Cox, P.C. ("Cox"). After discussion, Director Soileau made a motion to proceed with the termination of water service for the Kelsee Cook account. Director Andrade seconded the motion, which unanimously carried.

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 reviewed the attached correspondence received from Ms. Shirlene James, who owns the home at 9715 John Bank Drive, requesting assistance with her water bill charge from July 19th to August 21st which reflected a total water usage of 32,000 gallons of water. Mr. Rowe stated that the home has been vacant since December 2016 and that Ms. James believes that her neighbor stole water from the residence. After discussion, Director Soileau moved that Ms. James be charged the standard high usage adjustment of the minimum rate for water plus \$1.00 per 1,000 gallons of water used in excess of the minimum plus the North Harris County Regional Water Authority ("NHCRWA") water usage fee. Director Manning seconded the motion, which unanimously carried.

Mr. Rowe next reviewed the attached correspondence received from Mr. Taranum Bhatti, who owns the home at 9719 Halkirk Street, requesting assistance with his water bill charge from August and September which reflected a total water usage of 87,000 gallons of water for August and 151,000 gallons of water for September. Mr. Rowe stated that the home had a water leak and was repaired in September. After discussion, Director Soileau moved that Mr. Bhatti be charged the standard high usage adjustment of the minimum rate for water plus \$1.00 per 1,000 gallons of water used in excess of the minimum plus the NHCRWA water usage fee. Director Andrade seconded the motion, which unanimously carried. The Board concurred that Mr. Bhatti be allowed to make payments in installments.

Mr. Rowe reported that the water accountability percentage for the month is 93.93%. He next reported that the District's facilities operated in compliance with their respective permits during the month.

Mr. Rowe next reported that Water Plant No. 1 is now isolated from the District's system. He stated that WDM is working on repairs to the fire hydrants.

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 \$109.09, and to write-off one (1) delinquent account in the total amount of \$12.38, as outlined in the attached Collections Lists and Charged Off Lists. After discussion, Director Soileau made a motion to authorize WDM to turn over the one (1) subject account to CUT for collection and to write-off the one (1) subject account, as set out above. Director Manning seconded the motion, which carried unanimously.

The Board next considered the approval of Declaration of Easements and approval of Resolution Declaring Sanitary Control Restrictions relative to the District's Water Plant No. 1. Mr. Marks presented and reviewed with the Board a Dedication of Waterline and Access Easement (Water Plant No. 1), Access Easement (0.064 acres), Access Easement (0.037 acres) and an Order Establishing Rules and Regulations for Sanitary and Pollution Control of the Areas in Proximity to Public Water Supply Well, Water Well No. 1 and Water Plant No. 1. After discussion, Director Manning made a motion to approve the (i) Dedication of Waterline and Access Easement (Water Plant No. 1), Access Easement (0.064 acres) and Access Easement (0.037 acres), (ii) Order Establishing Rules and Regulations for Sanitary and Pollution Control of the Areas in Proximity to Public Water Supply Well, Water Well No. 1 and Water Plant No. 1, and (iii) authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Andrade seconded the motion, which unanimously carried.

The Board next considered the status of contract for the purchase of Water Plant No. 1 by Harris County Emergency Services District No. 16 ("HCESD 16") from the District. Mr. Marks presented a Special Warranty Deed (0.3306 acres tract of land, save and except 200 square foot tract of land) from the District to HCESD 16 relative to the purchase of Water Plant No. 1. After discussion, Director Manning made a motion to approve the form of Special Warranty Deed (0.3306-acre tract of land, save and except 200 square foot tract of land), and authorize the President to execute and the Secretary to attest same and all other documents required to be

executed by the District in connection with the closing of the sale. Director Andrade seconded the motion, which unanimously carried.

The Board next considered the approval of a Water Supply and Waste Disposal Agreement with HCESD 16. Mr. Marks presented the Agreement and reviewed various provisions with the Board. After discussion, Director Manning made a motion to approve the Water Supply and Waste Disposal Agreement with HCESD 16, and authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Andrade seconded the motion, which unanimously carried.

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 the approval of plans and specifications and authorizing advertisement for bids for Ground Storage Tank at Water Plant No. 3. Mr. Bordelon stated that the survey is currently being performed and that A&S will commence design plans and specifications following the survey.

The Board next considered the status of the contract with Gemini Contracting Services, Inc. for the demolition of Water Plant No. 1. Mr. Bordelon stated that construction activities are nearing completion and that a substantial completion inspection would be scheduled soon.

The Board next considered the status of the contract with Lopez Utilities Contractor, LLC for the wastewater system rehabilitation project. Mr. Bordelon reported that construction activities continue on the project.

Mr. Bordelon next reported that A&S has submitted all the required documentation to the Texas Commission on Environmental Quality ("TCEQ") relative to the WWTP permit renewal. He also stated that the storm water permit for North Pond on Memorial Springs had been approved and the storm water permit for Stonebrook Estates was submitted on October 2, 2017.

Mr. Bordelon next reported that the pre-purchase inspection of facilities relative to the Series 2017 Bonds was held on October 4, 2017, and that no deficiencies were noted. He stated that the memorandum from the TCEQ should be received soon.

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.

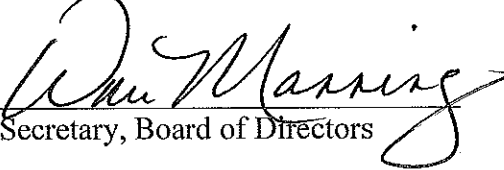
The Board next deferred consideration of the status of development of property within the District as no developer was present at the meeting.

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. 18708, and 18757 through 18792, inclusive, and on the Capital Projects Fund being check no. 5607 through 5618, inclusive and five wires, as identified in the reports. Director Andrade seconded the motion, which carried unanimously.

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

October 9, 2017

1. Order Levying Taxes
2. Tax Assessor/Collector Report
3. Delinquent Tax Report
4. Operator's Report and related correspondence
5. Engineer's Report and related correspondence
6. Bookkeeper Report