

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

February 19, 2018

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 113 (the "District") met in regular session, open to the public, on February 19, 2018, at 101 Elk Trace, Montgomery, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

<u>Board Member</u>	<u>Precinct</u>	<u>Title</u>
David Garrett	Precinct 4	President
Amy Scott	Precinct 5	Vice President
Chris Uzelmeier	Precinct 3	Secretary
Robert Green	Precinct 1	Assistant Vice President
Cato McDaniel	Precinct 2	Assistant Secretary

and all of the above were present except for Director Scott, thus constituting a quorum.

Also present at the meeting were: Brenda McCullough of Taylor Morrison, Inc.; Matt Klein of TBG, Inc. ("TBG"); Stephen Eustis of Robert W. Baird & Co.; Lonnie Wright of Municipal Operations & Consulting, Inc. ("MOC"); Bill Kotlan of Brown & Gay Engineering, Inc. ("B&G"); Erin Garcia of Myrtle Cruz, Inc.; Adam Delouche and Virgil Yoakum of Woodforest Development, Inc. ("WDF"); Victoria Mundie, Vince Salazar, Jim Wendt, and Donnie Reed of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Deputy Josh Hunter of the Montgomery County Sheriff's Office; Tiana Smith of Waste Management ("WM"); Jason Rainosek of Landology, LLC; and Richard L. Muller, Jr., Amy N. Love, and Keely Campbell of The Muller Law Group, PLLC ("MLG"). A list of others in attendance is attached.

MINUTES

The Board considered approving the minutes of the January 15, 2018, regular meeting. After review and discussion, Director Uzelmeier moved to approve the minutes of January 15, 2018, regular meeting. Director McDaniel seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

Director Green opened the meeting to receive public comments.

Ms. McGaha addressed the Board regarding the stormwater pollution prevention program ("SWPPP") at the wastewater treatment plant, phase 2 construction site. She asked the Board whether the construction project was in compliance with the required SWPPP and requested that the construction project include removal of the silt load from Fish Creek. Ms. McGaha also asked that the Board investigate options to prevent ongoing and additional flooding of the Capriccio neighborhood. Director Green stated that this matter will be discussed later in the meeting.

DISTRICT NEWSLETTER

Director Uzelmeier updated the Board on preparation of the District newsletter.

SECURITY MATTERS

The Board reviewed the District's Monthly Activity Report, a copy of which is attached. Deputy Hunter reported on the status of the Amended and Restated Interlocal Cooperation Agreement (the "Agreement") with Montgomery County. He added that the Agreement is scheduled for Commissioners Court approval on February 26, 2018. No Board action was necessary.

2018 DIRECTORS ELECTION

Mr. Muller reported that MLG received four candidate applications for the 2018 Directors Election for Precinct 5. He added that Precincts 1 and 2 elections were not contested and will be cancelled. Mr. Muller then requested authorization to send a notice of election to the Montgomery County Voter Registrar and Clerk. He added that the District will also need to hold a ballot drawing to determine the order in which the candidates' names appear on the ballot. Following discussion, Director Uzelmeier moved to authorize MLG to send a notice of election to the Montgomery County Voter Registrar and Clerk and to post the Notice of Drawing. Director McDaniel seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the monthly tax assessor/collector's report, including checks presented for approval, and the delinquent tax list, a copy of which is attached. He reported that the District's 2017 taxes were 89.48% collected as of January 31, 2018. Following review and discussion, Director Uzelmeier moved to approve the tax assessor/collector's report, including payment of the tax bills listed in the report. Director Green seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, copy of which is attached. After review and discussion, Director Uzelmeier moved to approve the bookkeeper's report, including authorizing payment of the submitted bills. Director Green seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Mr. Delouche reported on development in the District, including year-to-date homes sales, commercial development, and community marketing events.

Ms. McCullough reported on development in Bonterra.

PARKS COMMITTEE REPORT

Director Green reported on parks matters.

Residents addressed the Board regarding their concerns about the play structures and parking lot at Kinderwood Park.

LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached.

Mr. Klein presented a Job Order from TBG to design Christine Allen Nature Park in an amount not to exceed \$125,085 and requested authorization to advertise for bids for the project.

Mr. Klein presented a Job Orders from TBG to design Kinderwood Park Parking Lot Landscaping and Cardinal Ridge, in amounts not to exceed \$6,000 and \$13,500, respectively.

Mr. Klein reported on the status of the Woodforest 2017 Trails project. He presented and recommended payment of Pay Application No. 5 in the amount of \$25,675.38, submitted by DL Meacham, LP.

Mr. Klein reported on the status of the Fish Creek Thoroughfare Median Landscape project. He presented and recommended payment of Pay Application No. 4 in the amount of \$20,597.40, submitted by HD Outdoor Designs. Mr. Klein also requested the Board approve Change Order Nos. 1 and 2 in the amounts of \$35,486 and \$4,514, respectively.

After review and discussion and based on the TBG's recommendation, Director Uzelmeier moved to: (1) approve TBG's landscape architect's report; (2) approve Job Order from TBG to design Christine Allen Nature Park in an amount not to exceed \$125,085 and authorize TBG to advertise and accept bids for the project; (3) approve Job Orders from TBG to design Kinderwood Park Parking Lot Landscaping and Cardinal Ridge, in amounts not to exceed \$6,000 and \$13,500, respectively; (4) approve Pay Application No. 5 in the amount of \$25,675.38, submitted by DL Meacham, LP for Woodforest 2017 Trails project; and (5) approve Pay Application No. 4 in the amount of \$20,597.40, submitted by HD Outdoor Designs for Fish Creek Thoroughfare Median Landscape and Change Order Nos. 1 and 2 in the amounts of \$35,486 and \$4,514, respectively. Director McDaniel seconded the motion, which passed unanimously.

Mr. Wendt reviewed bids received for construction of Stampede Sportsplex, Phase 2 and recommended the contract be awarded to CBS Contractors, Inc. in the amount of \$1,014,709.90, which includes alternate bid items 3 and 4. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, such bidder would be most advantageous to the District and would result in the best and most economical completion of the District's facilities. Mr. Muller presented for execution a Letter Financing Agreement with WDI for the project and stated that MLG is waiting on receipt of a Form 1295 from WDI and CBS Contractors, Inc. for the project. Following discussion, Director Uzelmeier moved to approve the aforementioned contract, pending review of the bonds, insurance, and Form 1295 from WDI and CBS Contractors, Inc. Director McDaniel seconded the motion, which passed unanimously.

Mr. Rainosek reported on the status of Kingsley Park and recommended approval of Pay Application Nos. 3 and 4 in the amounts of \$146,925.04 and \$125,513.84, respectively, submitted by Earth First Landscape, LLC. Following review and discussion, Director Uzelmeier moved to approve Pay Application Nos. 3 and 4 in the amounts of \$146,925.04 and \$125,513.84, respectively, submitted by Earth First Landscape, LLC. Director McDaniel seconded the motion, which passed unanimously.

PARK MAINTENANCE

Mr. Muller reviewed the Amended and Restated Operations and Maintenance Agreement for Parks and Recreational Facilities with Woodforest Owners Association (“Parks Agreement”). He stated that the Parks Agreement was amended to include additional facilities. Following review and discussion, Director Garrett moved to adopt the Parks Agreement. Director Uzelmeier seconded the motion, which passed by unanimous vote.

Mr. Muller reported that MLG is working with the Bonterra Owners Association on an operations and maintenance agreement for District facilities in Bonterra and recommended the Board table action on this agenda item at this time.

OPERATION OF DISTRICT FACILITIES

Mr. Wright presented and reviewed the monthly operations report from MOC, a copy of which is attached. Mr. Williams then requested authorization to write off one uncollectable account in the amount of \$251.21 and forward the account to a collection agency.

Following review and discussion, Director Green moved to: (1) approve the operator’s report; and (2) authorize MOC to write off one account in the amount of \$251.21 and forward the account to a collection agency. Director McDaniel seconded the motion, which passed by unanimous vote.

Mr. Waida addressed the Board regarding fees added to his account due to his credit card being declined. He requested the Board waive the \$25.00 fee charged to his account being that payment was made once he was notified by MOC that his credit card was declined. Mr. Wright stated that MOC followed procedures, stated in the District’s Rate Order, with regards to a declined credit card. He added that MOC called the phone number on record for Mr. Waida and placed a door hanger at the address notifying Mr. Waida that his card with declined. Discussion ensued regarding MOC’s process of notifying customers when their credit card is declined and timing of when fees are charged to an account. Following additional discussion, Director Garrett moved to authorize MOC to waive the \$25.00 fee charged to Mr. Waida’s account. Director McDaniel seconded the motion, which passed by unanimous vote. The Board requested MOC explore ways to inform customers if their credit card is declined before fees are incurred.

The Board considered termination of garbage and recycling service to delinquent customers included on the termination list attached to the operator’s report. Mr. Wright said proper notice was sent to such customers of the opportunity to be heard in order to explain, contest, or correct the utility service bill and show reason why garbage and recycling service should not be terminated for reason of nonpayment, all as required by the District’s Rate Order. After discussion, Director Green moved that, because the residents on the attached list were neither present at the meeting nor had presented any statement on the matter, garbage and recycling service should be terminated in accordance with procedures set forth in the Rate Order. Director McDaniel seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator’s report.

Mr. Wright then discussed different ways to encourage delinquent customers to pay their utility service bill. He stated that MOC has been working with WM on a solution and will explore additional options with Mid-South Synergy, Inc.

GARBAGE MATTERS, INCLUDING PROPOSALS FOR SERVICE

Ms. Smith addressed the Board regarding garbage and recycling collection in the District. She distributed and reviewed WM's monthly report, a copy of which is attached. Director Green requested that the WM's report include a 12-month history for pounds of waste and recycling materials collected.

Mr. Muller reviewed an email the District received from a District customer requesting a credit to his account due to his trash/recycling not being collected on time, a copy of the email is attached. He added that the District's Rate Order, at this time, does not have a process that allows the Board to credit an account for trash/recycling not being collected. Discussion ensued, and the Board concurred not to amend the District's Rate Order at this time.

Mr. Muller stated that the District's contract with WM for collection of trash/recycling services will expire on September 30, 2018, and asked if the Board want to receive proposals from garbage companies. Following discussion, Director Green moved to authorize MLG to solicit proposals from garbage companies for collection of trash/recycling services in the District. Director Uzelmeier seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

Ms. Mundie presented and reviewed the engineer's report, a copy of which is attached, including: (1) authorization to design facilities and approval of proposals for design of construction projects; and (2) recommendations for approval of pay estimates and/or change orders, as noted therein.

Ms. Mundie reviewed bids received for construction of water, sewer, drainage, and paving facilities to serve Stampede Sportsplex and recommended the contract be awarded to Monarch Construction Co. in the amount of \$394,418.80, \$382,473.80 of which is the District's share. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, such bidder would be most advantageous to the District and would result in the best and most economical completion of the District's facilities. Mr. Muller presented for execution a Letter Financing Agreement with WDI for the project and stated that MLG is waiting on receipt of a Form 1295 from WDI and Monarch Construction Co. for the project.

After review and discussion and based on the engineer's recommendation, Director Garrett moved to: (1) approve the engineer's report, including all recommended action items highlighted in the engineer's report; and (2) award the aforementioned contract, pending review of the bonds, insurance, and Form 1295s, and authorize execution of the Letter Financing Agreement and direct that it be retained in the District's official records. Director McDaniel seconded the motion, which passed by unanimous vote.

FLOOD MITIGATION REPORT IN RESPONSE TO HURRICANE HARVEY

Mr. Salazar reported that the Flood Mitigation report has been reviewed by District consultants. Mr. Muller recommended the sewer, drainage, and road facilities committee meet with Mr. Salazar to review the report prior to review and approval by the Board to ensure that the report addresses the concerns of the committee. No Board action was needed at this time.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed B&G’s engineering report, a copy of which is attached. He presented Pay Application No. 11 in the amount of \$163,837.80, submitted by R & B Group, Inc. (“R&B”) for expansion of the wastewater treatment plant, phase 2. Mr. Kotlan reported that the project is progressing in accordance with the schedule. He then reviewed Change Order Nos. 4, 5, and 6 submitted by R&B for the addition of an offsite driveway and levee with gravel and concrete pavement options and for installing two reuse pumps at the effluent filter structure, a copy of which is attached. He recommended the Board reject Change Order Nos. 4, 5, and 6 and work with LJA to solicit bids for these projects.

Mr. Kotlan addressed concerns from Ms. McGaha regarding the SWPPP at the wastewater treatment plant, phase 2 construction site. He stated that R&B is responsible for the SWPPP on the project and that he will review the site and meet with R&B regarding same and report back to the Board.

After review and discussion and based on the Mr. Kotlan’s recommendation, Director Uzelmeier moved to: (1) approve B&G’s engineering report; (2) approve Pay Application No. 11 in the amount of \$163,837.80; and (3) reject Change Order Nos. 4, 5, and 6 submitted by R&B to the wastewater treatment plant, phase 2 contract. Director McDaniel seconded the motion, which passed by unanimous vote.

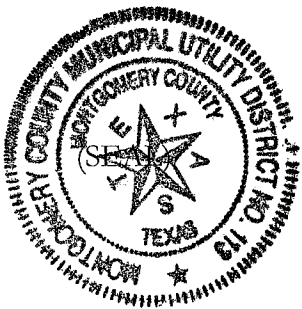
SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier stated that the sewer, drainage, and road facilities committee and Mr. Muller will meet with the San Jacinto River Authority on March 5, 2018, to discuss the value of the District reuse water. No Board action was taken.

AUTHORIZE ATTENDANCE AT ASSOCIATION OF WATER BOARD DIRECTOR SUMMER CONFERENCE

The Board considered authorizing attendance at the Association of Water Board Directors (“AWBD”) summer conference in San Antonio. After discussion, Director Uzelmeier moved to authorize any interested Directors to attend the AWBD summer conference. Director McDaniel seconded the motion, which passed unanimously.

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



Chris Geron
Secretary, Board of Directors

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