

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

March 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 March 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, thus constituting a quorum.

Also present at the meeting were: Cobi Barnett and Lauren Luca representing Woodforest Owners Association, Inc. ("WOA"); Matt Klein of TBG, Inc. ("TBG"); Stephen Eustis of Robert W. Baird & Co.; Lonnie Wright and Michael Williams of Municipal Operations & Consulting, Inc. ("MOC"); Bill Kotlan of Brown & Gay Engineering, Inc. ("B&G"); Erin Garcia of Myrtle Cruz, Inc.; Virgil Yoakum, Robert Douglas, and Stephen Barrera of Woodforest Development, Inc. ("WDI"); Victoria Mundie, Vince Salazar, and Michael Johnson of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Lieutenant Tim Holifield 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 February 19, 2018, regular meeting. After review and discussion, Director Green moved to approve the minutes of February 19, 2018, regular meeting. Director McDaniel seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

Director Garrett opened the meeting to receive public comments.

There being no public comments, Director Garrett closed the meeting to public comments.

FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Garcia presented a proposed budget for the fiscal year ending May 31, 2019, a copy is attached. She requested that the directors and consultants review the budget and provide any comments to her prior to the next meeting.

DISTRICT NEWSLETTER

Director Uzelmeier reported on the District's newsletter. Discussion ensued regarding the upcoming Directors election for Precinct 5 and the Board concurred to offer candidates an opportunity to submit a short statement regarding why Precinct 5 residents should vote for them for placement on the District's website. No additional Board action was taken.

SECURITY MATTERS

The Board reviewed the District's Monthly Activity Report, a copy of which is attached. Lieutenant Holifield reported that one new deputy will start patrolling the District later this week and another in the next 30-60 days. He also reported that Montgomery County will produce and install new patrol signs throughout the District. No Board action was taken.

2018 DIRECTORS ELECTION

Mr. Muller discussed the 2018 directors elections with the Board. He reported that MLG received four candidate applications for Precinct 5's director position and therefore Precinct 5 will have an election. Mr. Muller added that the election will be held by Montgomery County.

Mr. Muller reported that MLG received one candidate application for Precinct 1, one candidate application for Precinct 2, no write-in candidate applications, and no candidate withdrawal requests, to be placed on the ballot for the May 5, 2018, directors election for Precinct 1 and Precinct 2. He added that the Board may declare the unopposed candidates for Precinct 1 and Precinct 2 elected to office in lieu of holding the May 5, 2018, election for Precinct 1 and Precinct 2.

ACCEPT CERTIFICATE DECLARING UNOPPOSED STATUS OF CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

The Board considered accepting a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors (the "Certificate"), certifying that Robert Green and Cato McDaniel are unopposed candidates for the May 5, 2018, directors election for Precinct 1 and Precinct 2, respectively. After review and discussion, Director Green moved to accept the Certificate and direct that the Certificate be distributed, filed appropriately, and retained in the District's official records. Director Uzelmeier seconded the motion, which passed by unanimous vote.

ADOPT ORDER CANCELLING ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

The Board considered adopting an Order Cancelling Election for Precinct 1 and Precinct 2 and Declaring Unopposed Candidates Elected to Office (the "Order") for the May 5, 2018, directors election. Following review and discussion, Director Green moved to adopt the Order and direct that the Order be filed appropriately and retained in the District's official records. Director Uzelmeier seconded the motion, which passed by unanimous vote.

AUTHORIZE NOTICE OF CANCELLATION

Mr. Muller stated that the District is required to post a Notice of Cancellation of the election, for Precinct 1 and Precinct 2. Following discussion, Director Green moved to authorize execution of the Notice of Cancellation and requested that MLG post the Notice of Cancellation. Director Uzelmeier seconded the motion, which passed by unanimous vote.

CORRECTED RESOLUTION REESTABLISHING SINGLE-MEMBER DISTRICTS FOR ELECTION OF BOARD OF DIRECTORS

Mr. Muller stated that, at the request of Montgomery County Voter Registrar, the Board consider adopting an Amended Resolution Reestablishing Single-Member Districts for Election of Board of Directors to correct a typographical error. Following review and discussion, Director Scott moved to adopt an Amended Resolution Reestablishing Single-Member Districts for Election of Board of Directors. Director Uzelmeier 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 96.53% collected as of February 28, 2018. Following review and discussion, Director Green moved to approve the tax assessor/collector's report, including payment of the tax bills listed in the report. Director Uzelmeier seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Green moved to adopt the Resolution Concerning Exemptions from Taxation, reflecting a \$10,000 exemption to residents who are disabled or 65 years of age and older and rejecting any exemptions for general residential homesteads. Director Scott seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

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

PARKS COMMITTEE REPORT

There was no report from the parks committee.

LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached. He requested the Board approve the plans and specification and authorize TBG to advertise and receive bids for construction of Christine Allen Nature Park, Kinderwood Park parking lot, and Cardinal Ridge.

Following review and discussion and based on the TBG's recommendation, Director Green moved to: (1) approve TBG's landscape architect's report; and (2) approve plans and specification and authorize

TBG to advertise and accept bids for Christine Allen Nature Park, Kinderwood Park parking lot, and Cardinal Ridge. Director Scott seconded the motion, which passed unanimously.

Mr. Rainosek reported on the status of Kingsley Park and recommended approval of Pay Application No. 5 in the amount of \$125,513.84 and Change Order No. 2 in the amount of \$6,022.90, submitted by Earth First Landscape, LLC. Following review and discussion, Director Green moved to approve Pay Application No. 5 in the amount of \$125,513.84 and Change Order No. 2 in the amount of \$6,022.90, submitted by Earth First Landscape, LLC. Director Scott seconded the motion, which passed unanimously.

PARK MAINTENANCE

Ms. Luca gave an update on maintenance of District parks. She stated that the WOA received multiple complaints regarding residents not following the District's park rules and recommended the Board post the park rules at Kinderwood, Scooter, Monarch, and Forest Island parks. Mr. Muller then reviewed a Master Service Agreement and Job Order in the amount of \$5,431.50, with Precision Design to design and install the park signs. Following review and discussion, Director Green moved to approve the Master Service Agreement and Job Order in the amount of \$5,431.50, with Precision Design to design and install the park signs. Director Scott seconded the motion, which passed unanimously. Director Uzelmeier stated that he will work with the parks committee on an article for the District's newsletter regarding park rules.

SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier reported on the sewer, drainage, and road facilities committee's (the "Committee") meeting with Mr. Muller, Mr. Barrera, Mr. Kotlan, and the San Jacinto River Authority ("SJRA") regarding the District reuse program. He stated that SJRA current regulations allow for the SJRA to make capital contributions to districts for reuse programs; however, the SJRA cannot commit to the District's reuse program at this time. Mr. Muller added that MLG sent a formal request to the SJRA requesting a capital contribution for the reuse program as requested. Director Uzelmeier stated that the Committee will continue to research alternative funding options for the reuse program. No Board action was taken.

OPERATION OF DISTRICT FACILITIES

Mr. Williams presented and reviewed the monthly operations report from MOC, a copy of which is attached. He reported that: (1) a drainage ditch behind 122 Pacific Grove is holding water due to grading; and (2) ditch 5A has silt deposits within. Mr. Williams added that MOC is working with LJA on resolving these issues and will provide the Board with a proposal to repair the drainage and silt issues at the next regular meeting. Following review and discussion, Director Scott moved to approve the operator's report. Director Uzelmeier seconded the motion, which passed by unanimous vote.

The Board considered termination of garbage and recycling service to delinquent customers included on the termination list attached to the operator's report. Mr. Williams 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 Scott 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 Uzelmeier seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

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. Discussion ensued regarding ways to increase recycling participation in the District. Ms. Smith stated that she will send Director Uzelmeier links to webpages designed to help increase recycling participation.

The Board then discussed garbage proposals received from WM, Best Trash, and Texas Pride Disposal, copies of which are attached. Following review and discussion, Director Scott moved to authorize MLG to negotiate a contract for garbage and recycling services with WM that includes: (1) one day per week trash and recycling collection; (2) a three-year term; and (3) establish a trigger to increase the number of trucks used to collect garbage and recycling as the number of residents grows. Director McDaniel 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, and requested: (1) authorization to design facilities and approval of proposals for design of construction projects; (2) approval of plans and specifications and authorization to advertise and receive bids for construction documents; and (3) recommendations for approval of pay estimates and change orders, as noted therein.

Ms. Mundie reviewed bids received for construction of water, sewer, drainage, and paving facilities to serve Christine Allen Nature Park and recommended the contract be awarded to Monarch Civil Constructors, LLC at an amount not to exceed \$400,259. 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 Civil Constructors, LLC for the project.

Ms. Mundie reviewed bids received for construction of water, sewer, and drainage facilities to serve Central Pine Street extension and recommended the contract be awarded to Hyland Construction Co., Inc. in the amount of \$117,960.08. 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 Hyland Construction Co., Inc. for the project.

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

BONTERRA STORMWATER EROSION AND DRAINAGE MATTERS

Ms. Mundie distributed and reviewed a map showing erosion issues at a swale close to the Bonterra Club House, a copy of which is attached. She discussed repair options with the Board and stated that LJA can provide the Board with proposals at the next regular Board meeting. Following review and discussion, Director Scott moved to authorize LJA to solicit bids or submit proposals to repair the erosion issues and to contact Taylor Morrison regarding this project. Director Green seconded the motion, which passed by unanimous vote.

FLOOD MITIGATION REPORT IN RESPONSE TO HURRICANE HARVEY

Mr. Salazar reported on the Flood Mitigation report. He stated that he met with the Committee to review the report and will review the final report with the entire Board at the next regular Board meeting. No Board action was taken.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed B&G's engineering report, a copy of which is attached. He presented Pay Application No. 12 in the amount of \$428,171.40, submitted by R & B Group, Inc. ("R&B") for expansion of the wastewater treatment plant, phase 2. Mr. Kotlan then presented Change Order No. 3; a deduction to the contract, in the amount of \$132,000.00 to purchase the existing package plant aeration/digester tanks. Mr. Kotlan reported that the project is behind schedule due to weather delays.

Mr. Kotlan discussed a report last month from a resident regarding the storm water pollution prevention plan ("SWPPP") at the construction site for the expansion of the wastewater treatment plant, phase 2. He also distributed and reviewed pictures of the construction site, copies are attached. Mr. Kotlan reported that R&B does have a SWPPP and that the contractor was substantially in compliant with the plan. He noted that R&B was directed to post the notice of SWPPP location, repair several silt fence failures, and clean up silt that had passed under the silt fence. Mr. Kotlan added that no silt was identified that left the construction site.

Discussion ensued regarding construction of a driveway to the wastewater treatment plant. Mr. Kotlan stated that a driveway to the wastewater treatment plant will require the fence to be relocated. He added that he will provide the Board with a proposal to relocate the fence at the next regular Board meeting.

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. 12 in the amount of \$428,171.40; (3) approve Change Order No. 3, a deduction in the amount of \$132,000.00; and (4) authorize LJA to design a driveway to the wastewater treatment plant. Director McDaniel seconded the motion, which passed by unanimous vote.

RESOLUTION CHANGING DISTRICT OFFICES AND ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE OF THE BOARD OF DIRECTORS

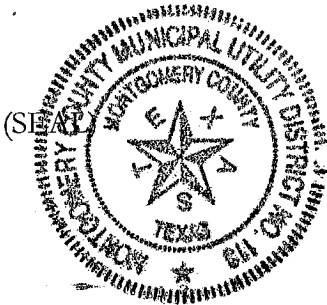
The Board considered changing the District's official office and establishing additional meeting places outside the boundaries of the District to include MLG's new office location. After review and discussion Director Scott moved to adopt a Resolution Changing District Offices and Establishing Additional Out-of-District Meeting Places ("Resolution") and direct that such Resolution be filed appropriately and retained in the District's official records. Director McDaniel seconded the motion, which

passed by unanimous vote. Mr. Muller stated that MLG will publish notice of the additional meeting place as required.

DISTRICT REGISTRATION FORM

Mr. Muller reviewed the District Registration Form. He stated that the District's office address, MLG's address, and the mailing address of all directors were updated. Following review and discussion, Director Scott moved to authorize execution of the District Registration Form, pending changes discussed. Director McDaniel seconded the motion, which passed by unanimous vote. Mr. Muller added that MLG will file the District Registration Form with the Texas Commission on Environmental Quality and upload to the District's Dropbox folder.

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



Chris Helmer
Secretary, Board of Directors

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