

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

April 16, 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 April 16, 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.; 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"); 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 March 19, 2018, regular meeting. After review and discussion, Director Uzelmeier moved to approve the minutes of March 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.

Mr. Middendorf addressed the Board regarding his concerns about the parking lot at Kinderwood Park. He asked that the Board provide him a copy of the schematic design of the parking lot prior to construction. Mr. Middendorf also asked that the trees/shrubs along his property line are not trimmed to provide privacy between his home and the playground. Director Garrett thanked Mr. Middendorf for his comments and added that these matters will be discussed later in the meeting.

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

DISTRICT NEWSLETTER

Director Uzelmeier reported on the District's newsletter. No additional Board action was taken.

SECURITY MATTERS

Lieutenant Holifield reviewed the District's Monthly Activity Report, a copy of which is attached. No Board action was taken.

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 97.73% collected as of March 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 McDaniel 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. She also presented and reviewed a proposed budget for the fiscal year ending May 31, 2019, copy of which is attached. Following review and discussion, Director Uzelmeier moved to: (1) approve the bookkeeper's report; (2) authorize payment of the submitted bills; and (3) adopt the budget for fiscal year ending May 31, 2019. Director Green seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

Ms. Garcia distributed and reviewed an Amended and Restated Agreement for Bookkeeping Services (the "Amended Agreement"). Following review and discussion, Director Uzelmeier moved to approve the Amended Agreement and direct that it be retained in the District's official records. Director Green seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

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

FLOOD MITIGATION REPORT IN RESPONSE TO HURRICANE HARVEY

Mr. Salazar distributed and reviewed the Flood Mitigation report, a copy of which is attached. He stated that the results of the investigation and analysis resulted in several considerations for the Board, as outlined in the report. Mr. Salazar added that the report also states that the District's drainage system performed as designed to meet the current Federal Emergency Management Agency and Montgomery County criteria. Following review and discussion, Director Scott moved to: (1) authorize LJA to design the wastewater treatment plant access road to bridge the saddle in natural topography between Woodforest Parkway South and the wastewater treatment plant; and (2) authorize LJA to further study the possible use of a berm system around the Sanderling neighborhood. Director Green seconded the motion, which passed by unanimous vote. The Board instructed MLG to have the Flood Mitigation report added to the District's website and retained in the District's official records.

PARKS COMMITTEE REPORT

Director Green reported that the parks committee met with Mr. Klein to review the plans for Christine Allen Nature Park, Phase I. He stated that the plans are consistent with the schematic that Mr. Klein previously reviewed with the Board. Mr. Klein stated that TBG expects to receive bids for this project prior to the next Board meeting.

Ms. Mundie reported on the status of Kinderwood Park. She stated that LJA will meet with the parks committee to finalize the parking lot plans, prior to construction, and forward the plans to MLG for distribution to residents that request them. Ms. Mundie added that clearing ribbons will be placed on the property where the parking lot will be constructed. No Board action was taken.

LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached. He discussed the status of the Woodforest Trails and recommended the Board approve Pay Estimate No. 6 in the amount of \$5,470.20 from DL Meachum, LP. Following review and discussion and based on the TBG's recommendation, Director Scott moved to: (1) approve TBG's landscape architect's report; and (2) approve Pay Estimate No. 6 in the amount of \$5,470.20 from DL Meachum, LP. Director Green seconded the motion, which passed unanimously.

The Board discussed the status of Kingsley Park reviewed Pay Application No. 6 in the amount of \$33,136.55, submitted by Earth First Landscape, LLC. Following review and discussion, Director Scott moved to approve Pay Application No. 6 in the amount of \$33,136.55. Director Green seconded the motion, which passed unanimously.

PARK MAINTENANCE

Ms. Luca reported on maintenance of District parks. She also stated that the trees/shrubs behind Mr. Middendorf's house would not be trimmed as requested. No Board action was taken.

SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

There was no report on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Williams presented and reviewed the monthly operations report from MOC, a copy of which is attached. He reported on the silt deposits within the drainage ditch east of Woodforest Parkway South and stated that the estimate to remove the silt in the ditch is \$9,425.00. Mr. Williams then requested authorization to write off four uncollectable accounts totaling \$599.60 and forward the accounts to a collection agency. Following review and discussion, Director Scott moved to: (1) approve the operator's report; (2) authorize MOC to remove the silt within the drainage ditch east of Woodforest Parkway South at an estimated cost of \$9,425.00; and (3) authorize MOC to write off four accounts totaling \$599.60 and forward those accounts to a collection agency. Director McDaniel 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 McDaniel seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

Mr. Williams presented and reviewed with the Board the annual report on the District's Identity Theft Prevention Program, a copy of which is attached. He noted that there were no incidents to report and that no changes to the District's Identity Theft Prevention Program are recommended.

Mr. Muller reviewed the District's Critical Load Spreadsheet ("CLS"). He discussed the requirements for the District to update and file the CLS. Following review and discussion, Director Scott moved to authorize filing of the CLS with all entities, as appropriate. Director McDaniel seconded the motion, which carried unanimously.

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 the process of terminating garbage and recycling service for delinquent customers. Ms. Smith recommended the District amend the District's contract with WM to allow the removal of delinquent customers garbage and recycling containers. The Board concurred to amend the District's contract with WM and authorized WM to work with MOC and MLG to amend the contract.

ENGINEERING MATTERS

Ms. Mundie presented and reviewed the engineer's report, a copy of which is attached, and requested: (1) authorization to design a facility and approval of a proposal for design of a construction project; and (2) recommendations for approval of pay estimates and a change order, as noted therein.

Ms. Mundie reviewed bids received for construction of paving and appurtenances to serve Bonterra Boulevard Extension (from Bonterra, Section 3 to Bonterra, Section 6) and recommended the contract be awarded to Lexton Construction, LLC in the amount of \$209,841.50. 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 Lexton Construction, LLC for the project.

Ms. Mundie reviewed bids received for construction of paving and appurtenances to serve Central Pine Street Extension (Woodforest, Section 71 to Ditch 4P) and recommended the contract be awarded to Lexton Construction, LLC in the amount of \$307,354.50. 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 Lexton Construction, LLC for the project.

Mr. Muller stated that the Bonterra at Woodforest Community Association, Inc. (“HOA”) is deeding the District Reserve B in Section 5 and Reserve H in Section 3. He added that Reserve B and Reserve H serve as drainage ditches for the District.

Mr. Muller stated that WDI is deeding the District Reserve E in Woodforest, Section 62. He added that Reserve E serve as a recreational facility for the District.

Ms. Mundie reported on the status of bond application no. 7. Mr. Eustis then distributed and reviewed a debt service tax rate analysis, a copy of which is attached, that included the sale of the pending park bond issue and the proposed utility bond. Discussion ensued and Ms. Mundie recommended the Board adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds at an amount not to exceed \$10,500,000. Next, Mr. Eustis discussed selling a bond anticipation note in connection with the District’s utility bond application and requested authorization to solicit bids for the sale of the bond anticipation note. Mr. Muller stated that the District’s auditor will need to prepare a Developer Reimbursement Report in connection with the bond anticipation note and recommended the Board authorize McGrath & Co., to prepare the report.

After review and discussion and based on the engineer’s recommendation, Director McDaniel moved to: (1) approve the engineer’s report, including all recommended action items highlighted in the engineer’s report; (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; (3) accept the Special Warranty Deeds from the HOA and WDI and direct that the Deeds be recorded appropriately and retained in the District’s official records; (4) adopt a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds at an amount not to exceed \$10,500,000; (5) authorize the District’s financial advisor to solicit bids for the sale of a bond anticipation note; and (6) authorize McGrath & Co. to prepare a Developer Reimbursement Report in connection with the sale of the bond anticipation note. Director Scott seconded the motion, which passed by unanimous vote.

BONTERRA STORMWATER EROSION AND DRAINAGE MATTERS

Ms. Mundie reported on erosion issues at a swale close to the Bonterra Club House. She stated that she discussed repair options with Taylor Morrison and they were unable to agree on a solution. Ms. Mundie recommended the Board add riprap and bull rock to control the flow of water while waiting to hear back from Taylor Morrison. She then presented a proposal from Hydro Ax, LLC in the amount of \$4,300.00 to install the riprap and bull rock, a copy of which is attached. Following review and discussion, Director Uzelmeier moved to approve a Job Order with Hydro Ax, LLC, in the amount of \$4,300.00 to install riprap and bull rock. Director Green seconded the motion, which passed by unanimous vote.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed B&G’s engineering report, a copy of which is attached. He presented Pay Application No. 13 in the amount of \$680,831.99, submitted by R & B Group, Inc. (“R&B”) for expansion of the wastewater treatment plant, phase 2. Mr. Kotlan reported that the project is behind schedule due to weather delays. He added that due to the delays of the wastewater treatment plant, he

recommends the District extend the lease of the temporary plant by one month. Mr. Kotlan then requested the Board approve an invoice in the amount of \$5,387.63, from Midsouth Synergy to replace the transformers and risers at the wastewater treatment plant.

After review and discussion and based on the Mr. Kotlan's recommendation, Director Scott moved to: (1) approve B&G's engineering report; (2) approve Pay Application No. 13 in the amount of \$680,831.99; (3) authorize MLG to notify AUC Group of the District's need to extend the lease agreement on the temporary plant; and (4) approve an invoice from Midsouth Synergy in the amount of \$5,387.63. Director Green seconded the motion, which passed by unanimous vote.

ORDER AMENDING AND RESTATING THE RECORDS MANAGEMENT PROGRAM

Mr. Muller presented an Order Amending and Restating the Records Management Program and explained to the Board that MLG has amended the District's Records Management Program to comply with the recommended policy of the Texas State Library and Archives Commission. Following review and discussion and based on MLG's recommendation, Director Uzelmeier moved to approve the Order Amending and Restating the Records Management Program and direct that it be filed appropriately and retained in the District's official records. Director McDaniel seconded the motion, which passed unanimously.

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



Chris Uzelmeier
Secretary, Board of Directors

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