

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

May 14, 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 May 14, 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: Mark McGrath of McGrath & Co., PLLC (“McGrath”); Cobi Barnett and Lauren Luca representing Woodforest Owners Association, Inc.; Stephen Eustis of Robert W. Baird & Co.; 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”); Rhonda Patterson of Assessments of the Southwest, Inc.; Lieutenant Brian Bagwell of the Montgomery County Sheriff’s Office; and Richard L. Muller, Jr., Amy N. Love, and Keely Campbell of The Muller Law Group, PLLC (“MLG”).

MINUTES

The Board considered approving the minutes of the April 16, 2018, regular meeting. After review and discussion, Director Uzelmeier moved to approve the minutes of April 16, 2018, regular meeting. Director Green 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.

DISTRICT NEWSLETTER

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

SECURITY MATTERS

Lieutenant Bagwell reviewed the District’s Monthly Activity Report, a copy of which is attached. He stated that Lieutenant Holifield was promoted to Captain and transferred to another command. Lieutenant Bagwell added that he will attend future Board meetings and present the monthly activity report. No Board

action was taken.

### 2018 DIRECTORS ELECTION

The Board of Directors, acting as the Canvassing Authority, reviewed the results of the 2018 Directors' election. Mr. Muller reviewed the Canvass Report, Cumulative Report, and Precinct Report provided by Montgomery County Elections Department, pursuant to the joint election conducted by Montgomery County, copies of which are attached hereto.

The Board next considered the Order Canvassing Returns and Declaring Results of Director Election ("Order Canvassing"). Following review and discussion, Director Green moved to approve the Order Canvassing and direct that the Order Canvassing be filed appropriately and retained in the District's official records. Director McDaniel seconded the motion, which passed by unanimous vote of the Canvassing Authority.

The Board considered approving the Certificate of Election, reflecting that Directors Scott, Green, and McDaniel have each been re-elected to the Board of Directors to serve a term expiring May 2022. Following review and discussion, Director Green moved to approve the Certificate of Election and direct that the Certificate be filed appropriately and retained in the District's official records. Director McDaniel seconded the motion, which passed by unanimous vote.

The Board considered approving the Sworn Statements and Oaths of Office of Directors Scott, Green, and McDaniel. Following review and discussion, Director Green moved to approve the Sworn Statements and Oaths of Office of Directors Scott, Green, and McDaniel. Director McDaniel seconded the motion, which passed by unanimous vote.

The Board concurred not to reorganize its officers at this time.

### TAX ASSESSMENT AND COLLECTION MATTERS

Ms. 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. She reported that the District's 2017 taxes were 98.29% collected as of April 30, 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. Following review and discussion, Director Scott moved to approve the bookkeeper's report and authorize payment of the submitted bills. Director Green seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

### AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END MAY 31, 2018

The Board considered authorizing McGrath to prepare the District's audit for the fiscal year end May 31, 2018. Mr. McGrath noted that the estimated cost for preparation of the audit is \$15,500. After review and discussion, Director Uzelmeier moved to authorize McGrath, to conduct of the District's audit for the fiscal year end May 31, 2018. Director McDaniel 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

Director Scott reported that the parks committee reviewed the plans for drainage and paving and appurtenances to serve Kinderwood Park with Ms. Mundie and the plans are in accordance with what was previously discussed. Ms. Mundie added that she will release the plans to MLG for distribution. No Board action was taken.

## LANDSCAPE ARCHITECT'S REPORT

Mr. Barrera reviewed TBG's landscape architect's report, a copy of which is attached. He then reviewed bids received for construction of Christine Allen Nature Park Phase I and stated that TBG recommends the contract be awarded to Landscape Art, Inc. in the amount of \$1,521,860, which includes all alternate bid items. After review and discussion, and based on the TBG'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 Landscape Art, Inc. for the project.

Mr. Barrera reported on the status of the Woodforest Trails project and recommended the Board approve Pay Estimate No. 7 in the amount of \$17,802.18 from DL Meachum, LP.

Mr. Barrera reported on the status of the Fish Creek Thoroughfare Median Landscape project and recommended the Board approve Pay Estimate No. 5 and Final in the amount of \$44,312.60 and Change Order No. 3, a deduction, in the amount of \$3,430 from HD Outdoor Designs.

Following review and discussion and based on the TBG's recommendation, Director Uzelmeier moved to: (1) approve TBG's landscape architect's report; (2) approve the construction contract for Christine Allen Nature Park Phase I, contingent on receipt of the bonds, insurance, and Form 1295s, and authorize execution of the Letter Financing Agreements; (3) approve Pay Estimate No. 7 in the amount of \$17,802.18 from DL Meachum, LP; and (4) approve Pay Estimate No. 5 and Final in the amount of \$44,312.60 and Change Order No. 3, a deduction, in the amount of \$3,430 from HD Outdoor Designs. Director Scott seconded the motion, which passed unanimously.

The Board discussed the status of Kingsley Park and reviewed Pay Application No. 7 in the amount of \$2,160 and Change Order No. 3 in the amount of \$2,224.80, submitted by Earth First Landscape, LLC. Following review and discussion, Director Uzelmeier moved to approve Pay Application No. 7 in the amount of \$2,160 and Change Order No. 3 in the amount of \$2,224.80. Director Scott seconded the motion, which passed unanimously.

## PARK MAINTENANCE

Ms. Luca distributed and reviewed a District facilities report, a copy of which is attached.

## SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier reported that the committee is working with MLG to schedule a meeting next month with Mid-South Electric Company to discuss water reuse options. 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 requested authorization to write off two uncollectable accounts totaling \$315.37 and forward the accounts to a collection agency. Following review and discussion, Director Uzelmeier moved to: (1) approve the operator's report; and (2) authorize MOC to write off two accounts totaling \$315.37 and forward those accounts to a collection agency. Director Green 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 Uzelmeier 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 Green seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

### FIFTH AMENDMENT TO MUNICIPAL SOLID WASTE COLLECTION AND TRANSPORTATION AGREEMENT

Mr. Muller reviewed the Fifth Amendment to Municipal Solid Waste Collection and Transportation Agreement with Waste Management (the "Amendment"). He stated that the Amendment adds MOC as an authorized agent, which allows MOC to remove trash carts and recycling bins from residences that are delinquent on their sewer bill. Following review and discussion, Director Scott moved to approve the Amendment. Director Green 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. She requested approval of engineering proposals to design the following projects:

1. sanitary sewer and drainage facilities to serve Bonterra at Woodforest, Section 7 (Tract 4EE-1); and
2. permanent access road to serve the wastewater treatment plant.

Ms. Mundie requested the Board approve the plans and specifications and authorize LJA to advertise and receive bids for construction of sanitary and drainage facilities to serve Kinderwood Park.

Ms. Mundie then requested the Board approve pay applications and change orders for the following construction projects:

1. paving and appurtenances to serve Bonterra at Woodforest, Section 6;

2. paving and appurtenances to serve Deerbourn Ridge Drive (Woodforest, Section 64 to Woodforest, Section 69) and Taylor Crossing Drive; and
3. paving and appurtenances to serve Bonterra at Woodforest, Section 5.

Ms. Mundie reported on the status of bond application no. 7. She stated that the application will be submitted to the Texas Commission on Environmental Quality later this month.

After review and discussion and based on the engineer's recommendation, Director Scott moved to approve the engineer's report, including all recommended action items highlighted in the engineer's report. Director McDaniel seconded the motion, which passed by unanimous vote.

#### ENGINEERING PROPOSAL FOR BERM

Mr. Salazar distributed and reviewed a proposal from LJA for preliminary engineering of a potential berm system for the Sanderling community. He discussed the scope of services and the corresponding fees. Following review and discussion, Director Green moved to approve the proposal from LJA for preliminary engineering of a potential berm system for the Sanderling community. Director Scott seconded the motion, which passed by unanimous vote.

#### OPERATIONS AND MAINTENANCE AGREEMENT FOR PARKS AND RECREATIONAL FACILITIES WITH BONTERRA OWNERS ASSOCIATION

Mr. Muller stated that MLG is working with LJA on additional land conveyances and requested the Board table action on this agenda item.

The Board tabled action on this agenda item.

#### 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 is meeting with the contractor today to discuss the placement of the riprap and bull rock. Ms. Mundie added that she will also meet with Taylor Morrison to discuss additional repair options. No Board action was taken.

#### WASTEWATER TREATMENT PLANT

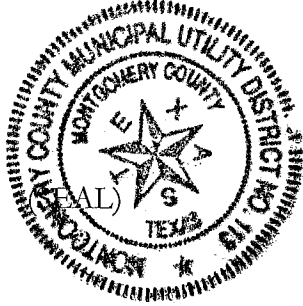
Mr. Kotlan presented and reviewed B&G's engineering report, a copy of which is attached. He presented Pay Application No. 14 in the amount of \$176,272.509 and Change Order No. 5 in the amount of \$8,060.56, which includes a 21 day time extension, submitted by R & B Group, Inc. ("R&B") for expansion of the wastewater treatment plant, phase 2. Mr. Kotlan reported that the lease of the temporary plant will expire at the end of the month. He added that if the temporary plant is still needed after May 31, 2018, that the cost will be paid by R&B.

After review and discussion and based on the Mr. Kotlan's recommendation, Director Uzelmeier moved to: (1) approve B&G's engineering report; and (2) approve Pay Application No. 14 in the amount of \$176,272.509 and Change Order No. 5 in the amount of \$8,060.56, which includes a 21 day time extension. Director McDaniel seconded the motion, which passed by unanimous vote.

DISCUSS DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS  
("AWBD") SUMMER CONFERENCE

The Board discussed the AWBD summer conference. Discussion ensued and the Board concurred to authorize directors attending the conference to receive fees of office for up to four days; and receive reimbursement for up to three nights' hotel accommodations.

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



*Chris Gelmer*  
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
monthly activity report.....	1
Canvass Report, Cumulative Report, and Precinct.....	2
tax assessor/collector's report .....	2
bookkeeper's report.....	2
landscape architect's report .....	3
District facilities report.....	4
operation's report.....	4
annual report on Identity Theft Prevention Program .....	4
engineer's report.....	4
B&G's engineer's report .....	5