

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

August 20, 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 August 20, 2018, at 101 Elk Trace, Montgomery, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

<b><u>Board Member</u></b>	<b><u>Precinct</u></b>	<b><u>Title</u></b>
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: Tiana Smith of Waste Management ("WM"); Lauren Luca and Cobi Barnett representing Woodforest Owners Association, Inc. ("WOA"); Matt Klein of TBG Partners, Inc. ("TBG"); Stephen Eustis of Robert W. Baird & Co. ("RW Baird"); Michael Williams and Lonnie Wright of Municipal Operations & Consulting, Inc. ("MOC"); Erin Garcia of Myrtle Cruz, Inc.; Virgil Yoakum and Stephen Barrera of Woodforest Development, Inc. ("WDF"); Victoria Mundie, Vince Salazar, and Michael Johnson of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Sergeant Kenneth Dunlap and Captain Tim Holifield of the Montgomery County Sheriff's Office; and Richard L. Muller, Jr. and Amy N. Love, of The Muller Law Group, PLLC ("MLG"). A list of others in attendance is attached.

**MINUTES**

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

Ms. Midderdoff reported that she continues to see people at Kinderwood Park from her home and requested the Board raise the fence behind her home from 6 feet to 8 feet to obscure the view. Discussion ensued, Ms. Luca reported that the architectural guidelines for Woodforest, Section 16 would not allow for the fence to be raised without a variance. The parks committee reported that it is in their opinion that the Board has taken proper measures to address privacy concerns from residents associated with Kinderwood Park and does not recommend any further action by the Board at this time. No Board action was taken.

There being no additional 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.

## LAW ENFORCEMENT REPORT

Captain Holifield reviewed the District's Monthly Activity Report, a copy of which is attached. He also introduced Kenneth Dunlap as the District's new sergeant. 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 99.39% collected as of July 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.

Mr. Patterson addressed the Board regarding the outstanding tax account for 182 Clearmont Place. He reported that the homeowners are requesting that the District waive the penalty and interest charges on the account due to misplacement by the property owner of the bill. Mr. Muller reported on the District's legal authority to waive penalty and interest, noting that the Property Tax Code requires a finding that the District or an agent of the District made an error in assessing or delivering the tax bill. Following additional discussion, the Board determined to reject the homeowner's request to waive penalty and interest.

## DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

Mr. Eustis distributed and reviewed a letter to the Board from R.W. Baird regarding the 2018 tax rate, including the tax rate analysis, and the 2018 tax rate presentation, copies of which are attached. He noted that R.W. Baird recommends that the District levy a total 2018 tax rate of \$0.89 per \$100 assessed value, with \$0.25 allocated to debt service on water, sewer, and drainage bonds, \$0.20 allocated to debt service on road improvement bonds, and \$0.44 allocated for maintenance and operations. Mr. Eustis noted this is a \$0.01 reduction from the prior year tax rate, and remind the Board of the pending park and system bond issues. After review and discussion, Director Scott moved to authorize the tax assessor/collector to publish notice of the District's meeting on September 17, 2018, to consider a proposed 2018 tax rate of \$0.89 per \$100 of assessed valuation. Director Green seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, copy of which is attached. Following review and discussion, Director Uzelmeier moved to approve the bookkeeper's report and authorize payment of the submitted bills. Director McDaniel seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

## REPORT ON DEVELOPMENT

Mr. Barrera and Mr. Yoakum reported on development in the District, including year-to-date homes

sales, commercial development, and community marketing events. Mr. Klein then distributed and reviewed a packet of information pertaining to the Pine Market commercial area, which included District road projects that would correspond with the project. A copy of packet is attached. No Board action was taken.

#### PARKS COMMITTEE REPORT

There were no additional items to discuss under this agenda item. No Board action was taken.

#### LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached. No Board action was taken.

#### PARK MAINTENANCE

Ms. Luca distributed and reviewed proposals from TreeScapes, Inc. and Innovative Outdoors for maintenance of the median on Fish Creek, copies of which are attached. Following review and discussion, Director McDaniel moved to authorize the WOA to accept the proposal from TreeScapes, Inc. for maintenance of the median on Fish Creek, on the District's behalf. Director Scott seconded the motion, which passed by unanimous vote.

Ms. Mundie reported on the status of enhancing the aesthetics of the riprap and bull rock that was placed in Bonterra, Section 3. She stated that LJA received a proposal from HB Hydro Ax, LLC ("HB Hydro") to stain the riprap and bull rock at a cost of \$1,200. Following discussion, Director Green moved to approve the proposal from HB Hydro and authorize execution on a Job Order with HB Hydro. Director Scott seconded the motion, which passed by unanimous vote.

#### SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier, Mr. Muller, and Mr. Salazar reported on the Capriccio community meeting that was held to discuss the District's Harvey Impact Study and the proposed improvements to reduce likelihood of flooding in the future. Mr. Muller stated that most of the residents that who attended the meeting were satisfied with the District's plan to install a raised driveway that will contain water in Fish Creek in extreme events. He added that residents requested the District (i) arrange to have the outfall to Lake Creek cleaned out, (ii) add the Lake Creek outfall to the District's maintenance schedule, and (iii) screen the entrance to the wastewater treatment plant from the road. No Board action was taken.

Mr. Salazar then reported on discussions with the San Jacinto River Authority ("SJRA") regarding their analysis on the impact of water being released from Lake Conroe. He stated that he will keep the Board updated on when this analysis is complete. 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 five uncollectable accounts totaling \$297.13 and forward the accounts to a collection agency.

Mr. Williams reported on the status of the transfer switch. He stated that after meeting with Mr. Kotlan they agreed that it would be in the best interest of the District to have the contractor that is currently constructing the wastewater treatment plant to install the transfer switch, to prevent the District from voiding the warranty on the new electrical components. Mr. Williams added that this will be further discussed later in the meeting. Following review and discussion, Director Green moved to: (1) approve the operator's report; and (2) authorize MOC to write off five accounts totaling \$297.13 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 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.

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

Mr. Muller reviewed the Sixth Amendment to Municipal Solid Waste Collection and Transportation Agreement ("Amendment") with the Board. He stated that WM agreed to the terms requested by the Board. Discussion ensued, regarding increasing the number of trash removal days. Following discussion, Director Uzelmeier moved to approve the Amendment as presented. Director Green seconded the motion, which passed by unanimous vote. Ms. Smith then distributed the WM monthly report, a copy of which is attached.

#### 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. paving and appurtenances to serve Commercial Tract 3B-1; and
2. paving and appurtenances to serve Commercial Tract 3B-2.

Ms. Mundie requested the Board approve the plans and specifications and authorize LJA to advertise and receive bids for the following projects;

1. water, sanitary, and drainage facilities to serve Woodforest, Section 100; and
2. water, sanitary, and drainage facilities to serve Woodforest, Section 103.

Ms. Mundie reviewed bids received for construction of drainage and paving facilities to serve Kinderwood Park Parking Lot and recommended the contract be awarded to MM Civil Construction, LLC in the amount of \$73,891.60. 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.

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 Woodforest, Section 71;
3. paving and appurtenances to serve Woodforest, Section 99 (including Bronze Trace Drive Extension Phase I);
4. water, sanitary, drainage, and paving facilities to serve Stampede Sportsplex (formerly Deerbourne Active Sportsark);
5. water, sewer, drainage, and paving facilities to serve Christine Allen Park;
6. water, sewer, and drainage facilities to serve Central Pine Street Extension (Woodforest, Section 71 to Ditch 4P);
7. paving and appurtenances to serve Bonterra Boulevard Extension (Bonterra, Section 3 to Bonterra, Section 6); and
8. water, sewer, and drainage facilities to serve Woodforest, Section 94.

Ms. Mundie recommended acceptance of the following offsite easements for Woodforest, Section 61:

1. Sanitary Sewer Easement for 0.11 acres;
2. Storm Sewer and Drainage Easement for 0.05 acres;
3. Temporary Drainage Easement Agreement for 0.32 acres; and
4. Storm Sewer and Drainage Easement for 0.28 acres.

Ms. Mundie then reported on erosion in Woodforest, Section 24. She stated that an electrical line owned by Mid-South Electric Company may have caused the erosion. Ms. Mundie add that she reached out to MSEC regarding repairing the erosion. She then reviewed a proposal from Silt Solutions, Inc. in the amount of \$12,800 for erosion repair. Discussion ensued, and the Board concurred to accept the proposal from Silt Solutions, Inc. for erosion repair.

After review and discussion and based on the engineer's recommendation, Director Scott moved to: (1) approve the engineer's report, including all recommended action items highlighted in the engineer's report; (2) award the contract for construction of drainage and paving facilities to serve Kinderwood Park Parking Lot, contingent on receipt of bonds, insurance, and Form 1295; (3) accept the aforementioned easements; and (4) accept the proposal from Silt Solutions, Inc. and authorize the Board President to execute a contract with Silt Solutions, Inc. for the erosion repair. Director Green seconded the motion, which passed by unanimous vote.

#### REGIONAL WASTEWATER TREATMENT PLANT, TRUNKLINES, DRAINAGE, AND DETENTION AGREEMENT

Mr. Muller reviewed the Agreement for the Joint Construction and Operation of Regional Wastewater Collection and Treatment Facilities and Shared Drainage and Detention Facilities between the District and Montgomery County Municipal Utility District No. 121 ("Agreement"). He added that this Agreement may be amended in the future, depending on development in both districts. After review and discussion, Director Uzelmeier moved to approve the Agreement, subject to changes discussed. Director Green seconded the motion, which passed by unanimous vote.

SERIES 2018 UNLIMITED TAX PARK BONDS

Mr. Eustis reported on the status of the \$5,700,000 Unlimited Tax Park Bonds, Series 2018 (“Series 2018 Bonds”). He stated that the District has received a draft of the staff memorandum from the Texas Commission on Environmental Quality and may proceed with selling the Series 2018 Bonds at the next Board meeting. Mr. Eustis then requested the Board approve a revised Preliminary Official Statement and Official Notice of Sale in connection with the Series 2018 Bonds. After review and discussion, Director Scott moved to approve the revised Preliminary Official Statement and Official Notice of Sale. Director Garrett seconded the motion, which passed by unanimous vote. Mr. Eustis added that the Board meeting will need to be held at noon to award the bonds and the Board concurred.

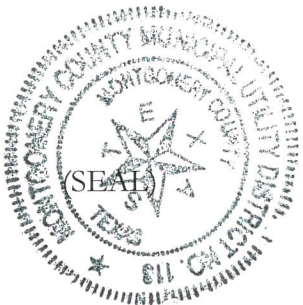
WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed B&G’s engineering report, a copy of which is attached. He presented Pay Application No. 17 in the amount of \$179,352.42 and Change Order No. 7 in the amount of \$43,138.49, which includes a 90 day time extension, submitted by R & B Group, Inc. (“R&B”) for expansion of the wastewater treatment plant, phase 2.

Mr. Kotlan reported on the status of the wastewater treatment plant, phase 3 and requested authorization to advertise and receive bids for the project.

After review and discussion, Director Uzelmeier moved to: (1) approve Pay Application No. 17; (2) approve Change Order No. 7; and (3) authorize B&G to advertise and receive bids for the wastewater treatment plant, phase 3. Director Scott seconded the motion, which passed by unanimous vote.

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



Secretary, Board of Directors

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Any documents referenced in these minutes and not attached herein are retained in the District's official records in accordance with the District's Record Management Program and are available upon request.