

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

September 17, 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 September 17, 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: Crystal Horn of McGrath & Co.; Glenn Woodson of Storm Maintenance and Monitoring; Bill Kotlan of Brown & Gay Engineering, Inc. ("BGE"); Lauren Luca and Cobi Barnett representing Woodforest Owners Association, Inc.; 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.; Victoria Mundie and Vince Salazar of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Captain Melvin Franklin 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. A list of others in attendance is attached.

MINUTES

The Board considered approving the minutes of the August 20, 2018, regular meeting. After review and discussion, Director Scott moved to approve the minutes of August 20, 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.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE AND ADOPT ORDER LEVYING TAXES

Mr. Patterson confirmed that notice was published of the District's public hearing to set the proposed 2018 tax rate. Director Garrett opened the public hearing regarding the adoption of the District's 2018 tax rate.

There being no members of the public in attendance who wished to address the Board, the public hearing was closed.

The Board considered adopting an Order Levying Taxes (“Order”). Mr. Muller presented and reviewed the Order reflecting the proposed tax rate. After review and discussion, Director Scott moved to adopt the Order Levying Taxes, reflecting a 2018 tax rate of \$0.89 per \$100 of assessed valuation, comprised of \$0.25 to pay debt service on water, sewer, and drainage bonds, \$0.20 to pay debt service on road improvement bonds, and \$0.44 for maintenance and operations. Director Green seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2018 tax levy include debt service components for the calendar year ending December 31, 2019, and a maintenance tax component for the fiscal year ending May 31, 2019.

#### UNLIMITED TAX PARK BONDS, SERIES 2018

##### REVIEW BIDS AND AWARD SALE OF THE DISTRICT’S \$5,700,000 UNLIMITED TAX PARK BONDS, SERIES 2018

Mr. Eustis presented and reviewed a copy of the bid results for the sale of the District’s \$5,700,000 Unlimited Tax Park Bonds, Series 2018 (“Bonds”). A copy of the bid results is attached. Mr. Eustis recommended awarding the sale of the Bonds to Raymond James & Associates, Inc., with a net effective interest rate of 3.740911%. He informed the Board that one of the mother of one of the associates at RW Baird works for Raymond James & Associates, Inc. Following review and discussion, Director Green moved to award the sale of the Bonds to Raymond James & Associates, Inc. Director Uzelmeier seconded the motion, which passed by unanimous vote. Mr. Eustis added that Raymond James & Associates, Inc. submitted a Form 1295 with their bid.

##### ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT’S \$5,700,000 UNLIMITED TAX PARK BONDS, SERIES 2018

The Board next considered adopting a Resolution Authorizing the Issuance of the District’s \$5,700,000 Unlimited Tax Park Bonds, Series 2018 (“Bond Resolution”). Following review and discussion, Director Green moved to adopt the Bond Resolution. Director Uzelmeier seconded the motion, which carried by unanimous vote.

##### APPROVE PAYING AGENT/REGISTRAR AGREEMENT

The Board considered approving a Paying Agent/Registrar Agreement with Regions Bank in connection with the Bonds (“Agreement”). Following review and discussion, Director Green moved to authorize the execution of the Agreement. Director Uzelmeier seconded the motion, which passed unanimously. Mr. Muller added that Regions Bank, submitted a Form 1295 related to this Agreement.

##### APPROVE OFFICIAL STATEMENT

The Board next considered approving the Official Statement for the Bonds. Mr. Eustis stated that the Preliminary Official Statement will be updated to include sale information regarding the Bonds. Following discussion, Director Green moved to approve the Official Statement. Director Uzelmeier seconded the motion, which passed by unanimous vote.

## AMENDMENT TO INFORMATION FORM

Mr. Muller presented an Amended and Restated Information Form, updated to reflect the issuance of the Bonds and 2018 tax rate. Following review and discussion, Director Uzelmeier moved to authorize execution of the Amended and Restated Information Form. Director McDaniel seconded the motion, which passed unanimously.

## 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. No Board action was taken.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, copy of which is attached. She reviewed the District's amended budget. Following review and discussion, Director Uzelmeier moved to: (1) approve the bookkeeper's report and authorize payment of the submitted bills; and (2) adopt the amended budget. Director McDaniel seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

## 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 99.58% collected as of August 30, 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 Scott seconded the motion, which passed by unanimous vote.

## AUDIT FOR FISCAL YEAR END MAY 31, 2018

Ms. Horn distributed and reviewed a draft of the District's audit for the fiscal year end May 31, 2018. After review and discussion, Director Green moved to approve the audit for the fiscal year ended May 31, 2018, subject to final review by the District's consultants. Director Garrett seconded the motion, which passed unanimously.

## 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. No Board action was taken.

## PARKS COMMITTEE REPORT

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

## PARK MAINTENANCE

Ms. Luca and Ms. Barnett distributed and reviewed a District facilities report, a copy of which is attached. No Board action was taken.

## MAINTENANCE AGREEMENT WITH WOODFOREST OWNERS ASSOCIATION ON MAINTENANCE OF ROAD RIGHT-OF-WAY FACILITIES

Mr. Muller reviewed the Maintenance Agreement for Road Right-of-Ways with the Board ("Maintenance Agreement"). He stated that the Maintenance Agreement includes the cost of landscaping, irrigation, and streetscape improvements for Fish Creek Boulevard from Lake Creek to Elk Trace Boulevard that was approved by the Board last month. Following review and discussion, Director Scott moved to authorize execution of the Maintenance Agreement. Director Green seconded the motion, which passed by unanimous vote.

## LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached. He requested the Board approve pay applications for the following construction projects:

1. Christine Allen Nature Park; and
2. Cardinal Ridge.

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

## SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

There were no additional items to discuss under this agenda item. 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 seven uncollectable accounts totaling \$845.44 and forward the accounts to a collection agency. Following review and discussion, Director McDaniel moved to: (1) approve the operator's report; and (2) authorize MOC to write off seven accounts totaling \$845.44 and forward those accounts to a collection agency. 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 McDaniel 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.

## WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed BGE's engineering report, a copy of which is attached. He presented Pay Application No. 18 in the amount of \$221,528.34, 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 reviewed the estimated schedule for completion.

After review and discussion, Director McDaniel moved to: (1) approve BGE's engineering report; and (2) approve Pay Application No. 18. Director Uzelmeier seconded the motion, which passed by unanimous vote.

## REPORT FROM STORM MAINTENANCE ON MOWING OF DISTRICT FACILITIES

Mr. Woodson distributed and reviewed a detention and drainage maintenance report, a copy of which is attached.

Mr. Muller informed the Board that the sewer, drainage, and road facilities committee met today with himself, Ms. Love, Everett Coverdell of Johnson Development, Mr. Yoakum, Mr. Woodson, Mr. Williams, and Mr. Wright to discuss maintenance of the District's detention and drainage facilities. No Board action was needed at this time.

## ENGINEERING MATTERS

Ms. Mundie presented and reviewed the engineer's report, a copy of which is attached. She requested approval of an engineering proposal to design paving and appurtenances to serve Bonterra at Woodforest, Section 7.

Ms. Mundie requested the Board approve the plans and specifications and authorize LJA to advertise and receive bids for paving and appurtenances to serve Commercial Tract 3B-1.

Ms. Mundie reviewed bids received for construction of water, sanitary sewer, and drainage facilities to serve Woodforest, Section 61 and recommended the contract be awarded to Kenneth Lamb Construction in the amount of \$334,207.50, \$277,445.50 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.

Ms. Mundie reviewed bids received for construction of lift station no. 5 and recommended the contract be awarded to 5J Services, LLC in the amount of \$327,675. 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 reviewed bids received for construction of water, sanitary sewer, and drainage facilities to serve Commercial Tract 3B-1 and recommended the contract be awarded to Kenneth Lamb Construction in the amount of \$321,518, \$309,648 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.

Ms. Mundie gave an update on drainage and paving facilities to serve Kinderwood Park Parking Lot. She stated that this project will be re-bid to separate construction of drainage and paving facilities. Ms. Mundie added that separating the facilities should decrease the cost of the project.

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

1. paving and appurtenances to serve Central Pine Street extension (Woodforest, Section 71 to Ditch 4P);
2. water, sewer, drainage, and paving facilities to serve Bronze Trace Drive extension (Woodforest, Section 99 to Woodforest, Section 67).

Ms. Mundie recommended acceptance of the following offsite easements for Woodforest, Sections 100 and 103, respectively:

1. Temporary Storm Sewer and Drainage Easement for 0.15 acres; and
2. Storm Sewer and Drainage Easement for 0.10 acres.

Mr. Salazar reported that Ridgelake Shores Property Owners Association released a Dam Safety Analysis on the Ridge Lake dam and requested authorization to review the analysis, on the District's behalf, to see if there will be any impact to property owners in the District.

After review and discussion and based on the engineer's recommendation, Director Green moved to: (1) approve the engineer's report, including all recommended action items highlighted in the engineer's report; (2) award the aforementioned contracts contingent on receipt of bonds, insurance, and Form 1295s; (3) accept the aforementioned easements; and (4) authorize LJA to review the Dam Safety Analysis on the Ridge Lake dam and report any impact to property owners in the District to the Board. 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.