

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

November 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 November 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 except Director Scott, thus constituting a quorum.

Also present at the meeting were: Glenn Woodson and Jimmy Thornton of Storm Maintenance & Monitoring, Inc.; Bill Kotlan of Brown & Gay Engineering, Inc. ("BGE"); Cobi Barnett representing Woodforest Owners Association, Inc. ("WDI"); Stephen Eustis of Robert W. Baird & Co.; Michael Williams of Municipal Operations & Consulting, Inc. ("MOC"); Erin Garcia of Myrtle Cruz, Inc.; Stephen Barrera of Woodforest Development, Inc.; Victoria Mundie and Vince Salazar of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Sergeant Kenneth Dunlap and Sergeant Chris Roberts of the Montgomery County Sheriff's Office; and Richard L. Muller, Jr., Kene Chinweze, 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 October 15, 2018, regular meeting. After review and discussion, Director Uzelmeier moved to approve the minutes of October 15, 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.

STREET FLOODING MATTERS

Ms. Mundie reported on matters being taken to improve drainage in the Capriccio, Riverbend, and Russet Peak subdivisions. Mr. Williams stated that recent weather conditions have delayed the start of construction projects; however, construction is scheduled to start during the week of November 26, 2018.

DISTRICT NEWSLETTER

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

LAW ENFORCEMENT REPORT

Sergeant Dunlap reviewed the District's Monthly Activity Report, a copy of which is attached. He reported that KBA Defense, LLC recently purchased an estimated 15 acres next to Woodforest and behind Christine Allen Nature Park. Sergeant Dunlap added that this property is not within the boundaries of Woodforest or the District. He reported that Montgomery County allows discharging of firearms on tracts of land greater than 10 acres and that KBA has not violated any laws that they are aware of. Discussion ensued, and Mr. Muller stated that MLG will contact the City of Conroe regarding residents' safety concerns.

Sergeant Roberts then discussed holiday safety tips/reminders. He recommended the Board remind residents to be careful this holiday season and to be aware of their surroundings. Sergeant Roberts stated that it is very important to inform residents to not to leave packages, valuables, or cash in their car to prevent break-ins. He added that the community has been very alert and helpful to law enforcement with regards to reporting suspicious activity/vehicles. Sergeant Roberts asked that residents continue to report suspicious activity/vehicles and asked that the Board inform residents to call the Sheriff's Office and not approach people or vehicles. Director Uzelmeier stated that he will add the matters listed above to the District's December 2018 Newsletter. No further Board action was taken.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, copy of which is attached. Following review and discussion, Director Green moved to: (1) approve the bookkeeper's report and authorize payment of the submitted bills; and (2) approve the Series 2013 Road Bonds arbitrage report. Director Uzelmeier seconded the motion, which passed unanimously. A copy of the bookkeeper's report is attached.

ANNUAL REPORT

Mr. Muller reported that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"). He added that the Series 2018 parks bonds Official Statement will be filed with EMMA in lieu of an annual report. Following review and discussion, Director McDaniel moved to authorize execution of the annual filing affidavit and submission of the Official Statement to EMMA. Director Uzelmeier seconded the motion, which passed unanimously.

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 2018 taxes were 2.99% collected as of October 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.

REPORT ON DEVELOPMENT

Mr. Barrera 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

Director Green stated that Scooter Park needs additional mulch. Ms. Barnett reviewed three proposals received for mulch, copies of which are attached. Discussion ensued, and the Board requested Ms. Barnett obtain revised proposals to ensure each proposal quoted the same amount of mulch. Following review and discussion, Director Green moved to accept a proposal for mulch to fill Scooter Park, pending review by Ms. Barnett. Director Uzelmeier seconded the motion, which passed by unanimous vote.

PARK MAINTENANCE

Ms. Barnett discussed the Operation and Maintenance Agreement with Bonterra at Woodforest Community Association for District park facilities ("Agreement"). Following review and discussion, Director Green moved to authorize execution of the Agreement. Director Uzelmeier seconded the motion, which passed by unanimous vote.

MOWING OF DISTRICT PROPERTY, INCLUDING PROPOSAL FROM STORM MAINTENANCE AND MONITORING, INC.

Mr. Woodson distributed and reviewed a mowing report, a copy of which is attached. He also presented a proposal in the amount of \$3,500 to clean and mow Woodforest, Section 64 Reserve A. Following review and discussion, Director McDaniel moved to: (1) approve the mowing report; and (2) accept the proposal to mow Woodforest, Section 64 Reserve A. Director Uzelmeier seconded the motion, which passed by unanimous vote.

LANDSCAPE ARCHITECT'S REPORT

Mr. Muller reviewed TBG Partners, Inc.'s ("TBG") landscape architect's report, a copy of which is attached. He stated that TBG recommended the Board approve pay applications and change orders for the following projects:

1. Woodforest 2017 Trails;
2. Christine Allen Nature Park; and
3. Cardinal Ridge.

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

SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier reported on sewer, drainage, and road matters. 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 \$468.19 and forward the accounts to a collection agency. Following review and discussion, Director Green moved to: (1) approve the operator's report; and (2) authorize MOC to write off seven accounts totaling \$468.19 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.

LEGISLATIVE MATTERS

Mr. Muller reviewed an engagement letter from Grace & McEwan Consulting, Inc. ("G&M") for legislative services during the 86th Texas legislative session. He reported that cost for this service is \$65,000, which would be shared with Montgomery County Municipal Utility District No. 121, if engaged. Discussion ensued regarding the cost/benefit of this service and the Board agreed not to engage G&M at this time. No further Board action was taken.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed BGE's engineering report, a copy of which is attached. He reported that the automatic transfer switch for the wastewater treatment plant, phase 2, has been delivered and partially installed.

Mr. Kotlan reported on construction of the wastewater treatment plant, phase 3. He stated that a preconstruction conference and notice to proceed will be issued in December 2018.

Mr. Kotlan reported on the wastewater reuse project. He stated that BGE is continuing to work with a surveyor to prepare the easements needed for this project.

After review and discussion, Director McDaniel moved to approve BGE's engineering report. Director Uzelmeier seconded the motion, which passed by unanimous vote.

RIDGE LAKE DAM SAFETY ANALYSIS SUMMARY REPORT

Ms. Mundie and Mr. Salazar reported on the Ridge Lake Dam Safety Analysis report. Mr. Salazar stated that LJA sent Ridgelake Shores Property Owners Association ("RSPOA") a letter addressing their concerns regarding any alterations to the dam that may have an impact to the District. Mr. Salazar added that LJA will keep the Board informed on any correspondence received from RSPOA. No Board action was taken.

ENGINEERING MATTERS

Ms. Mundie presented and reviewed the engineer's report, a copy of which is attached. She reviewed bids received for construction of water, sanitary sewer, and drainage facilities to serve Woodforest, Section 103 and recommended the contract be awarded to Kenneth Lamb Construction ("Kenneth Lamb") in the amount of \$250,507.50. 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 to receive a Form 1295 from WDI and Kenneth Lamb for this project.

Ms. Mundie reviewed bids received for construction of paving and appurtenances facilities to serve Commercial Tract 3B-1 and recommended the contract be awarded to Lexton Construction, LLC (“Lexton”) in the amount of \$313,730.00. 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 to receive a Form 1295 from WDI and Lexton for this project.

Ms. Mundie reviewed bids received for construction of paving and appurtenances facilities to serve Bonterra at Woodforest, Section 7 and recommended the contract be awarded to Lobo Paving, Inc. in the amount of \$445,235.05. 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 to receive a Form 1295 from WDI and Lobo Paving, Inc. for this project.

Ms. Mundie reviewed bids received for construction of drainage facilities to serve Woodforest Ditch 6A-1 extension and recommended the contract be awarded to Lexton in the amount of \$146,702.50. 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 to receive a Form 1295 from WDI and Lexton for this project.

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

1. water, sewer, and drainage facilities to serve Woodforest, Section 69 & 73;
2. water, sewer, and drainage facilities to serve Bonterra at Woodforest, Section 6;
3. paving and appurtenances to serve Bonterra at Woodforest, Section 6;
4. water, sewer, drainage, and paving and appurtenances to serve Christine Allen Park; and
5. paving and appurtenances to serve Bonterra Boulevard extension (Bonterra, Section 3 to Bonterra, Section 6).

Ms. Mundie stated that Montgomery County required additional storm sewer items be added to plans for construction of water, sewer, and drainage facilities, which required contractors to submit revised bids. She added that LJA reviewed the revised bids received and recommended the contract be awarded to Kenneth Lamb in the amount of \$40,000.00. 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 to receive a Form 1295 from WDI and Kenneth Lamb for this project.

Ms. Mundie reported that after final review of bids received for paving and appurtenances facilities to serve Kinderwood Park, LJA recommends the project be awarded to Camino Services, LLC in the amount

of \$65,975.00. 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 to receive a Form 1295 from WDI and Camino Services, LLC for this project.

Ms. Mundie recommended acceptance of the following offsite easements for Commercial Tract 3B-1:

1. Temporary Sanitary Sewer Easement for 0.002 acres;
2. Temporary Storm Sewer Easement for 0.02 acres;
3. Temporary Access Easement for 0.02 acres;
4. Storm Sewer Easement for 0.02 acres; and
5. Sanitary Sewer Easement for 0.16 acres.

Ms. Mundie recommended acceptance of the following offsite easements for Woodforest, Section 96:

1. Storm Sewer and Drainage Easement for 0.03 acres; and
2. Abandon portion of existing easement - Storm Sewer and Drainage Easement for 0.068 acres.

Ms. Mundie reported on the construction status of Christine Allen Nature Park and Stamped Park. She stated that LJA is working with the surety company to complete each 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; (2) award the aforementioned contracts contingent on receipt of bonds, insurance, Form 1295s, and final review of bids; and (3) accept the aforementioned easements. Director McDaniel seconded the motion, which passed by unanimous vote.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR USE OF SURPLUS FUNDS

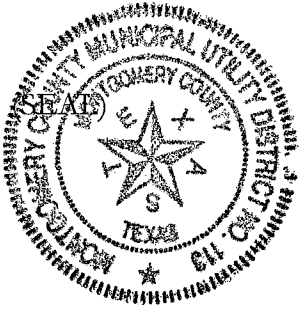
The Board considered adopting a Resolution Authorizing Application to Texas Commission on Environmental Quality ("TCEQ") for Approval of Surplus Funds ("Resolution"), to pay for the construction of Kinderwood Park with surplus funds from the Series 2018 park bond proceeds. Mr. Muller added that prior to disbursement of the surplus funds, the District must receive a facility inspection approval letter from the TCEQ and a reimbursement report from the District's auditor. Following review and discussion, Director McDaniel moved to adopt the Resolution. Director Green seconded the motion, which passed unanimously.

Ms. Mundie then reviewed a proposal from LJA to prepare the surplus funds application at an estimated amount of \$10,000. Following review and discussion, Director McDaniel moved to approve the proposal from LJA. Director Green seconded the motion, which passed unanimously.

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

Chris Gilmer

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.