

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

December 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 December 17, 2018, at 101 Elk Trace Parkway, 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 Directors Scott and McDaniel, thus constituting a quorum.

Also present at the meeting were: Matt Klein of TBG Partners, Inc. ("TBG"); Cobi Barnett representing Woodforest Owners Association, Inc. ("WOA"); Stephen Eustis of Robert W. Baird & Co. ("RW Baird"); Michael Williams of Municipal Operations & Consulting, Inc. ("MOC"); Erin Garcia of Myrtle Cruz, Inc.; Stephen Barrera and Virgil Yoakum of Woodforest Development, Inc. ("WDF"); Victoria Mundie and Vince Salazar of LJA Engineering, Inc. ("LJA"); Cathy Brittain-Drew of Assessments of the Southwest, Inc.; 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 November 19, 2018, regular meeting. After review and discussion, Director Green moved to approve the minutes of November 19, 2018, regular meeting. Director Uzelmeier 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.

LAW ENFORCEMENT REPORT

Sergeant Roberts reviewed the District's Monthly Activity Report, a copy of which is attached.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, a copy of which is attached. She also reviewed an amended budget and discussed the reallocation of funds from the \$8,100,000 Unlimited Tax Road Improvement Bonds, Series 2017 ("Series 2017 Road Bonds"). Following review and discussion, Director Green moved to: (1) approve the bookkeeper's report and authorize payment of the submitted bills; and (2) amend the budget. Director Uzelmeier seconded the motion, which passed unanimously.

SUPPLEMENTAL DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2017 ROAD BONDS

The Board reviewed a supplemental developer reimbursement report in connection with the District's Series 2017 Road Bonds. Following review and discussion, Director Uzelmeier moved to approve the supplemental developer reimbursement report and authorize disbursement of funds in accordance with the report. Director Green seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Brittain-Drew 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 2018 taxes were 6.61% collected as of November 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 Uzelmeier seconded the motion, which passed by unanimous vote.

The Board next considered adopting a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value ("Resolution") to request an estimate of appraised value as of December 1, 2018, from the Montgomery Central Appraisal District. Following review and discussion, Director Green moved to adopt the Resolution. Director Uzelmeier seconded the motion, which passed unanimously.

PREPARATION OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Eustis reported that the District is expected to receive a staff memorandum from the Texas Commission on Environmental Quality prior to the next regular Board meeting and requested authorization to prepare the Preliminary Official Statement and Official Notice of Sale for the \$10,480,000 Unlimited Tax Bonds, Series 2019. Following review and discussion, Director Green moved to authorize RW Baird to prepare the Preliminary Official Statement and Official Notice of Sale for the \$10,480,000 Unlimited Tax Bonds, Series 2019. Director Uzelmeier 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. No Board action was taken.

Director Uzelmeier reported on development in Bonterra. No Board action was taken.

PARKS COMMITTEE REPORT

There was no parks committee report.

PARK MAINTENANCE

Ms. Barnett distributed and reviewed proposals received to repair windscreens at the District's tennis courts, copies of which are attached. Following review and discussion, Director Green moved to authorize the WOA to accept the proposal from MplusC Services, pending verification of the costs. Director Uzelmeier seconded the motion, which passed unanimously.

Ms. Barnett distributed and reviewed proposals received to resurface the District's basketball courts, copies of which are attached. Following review and discussion, Director Green moved to authorize the WOA to accept the proposal from Classic Sports in the amount of \$6,000 to resurface the District's basketball courts. Director Uzelmeier seconded the motion, which passed unanimously.

LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached. He presented a Job Order to design Pine Market Public Realm in the amount of \$165,300, and requested authorization for TBG to advertise and receive bids for the project.

Mr. Klein recommended the Board approve pay applications and change orders for the following projects:

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

Following review and discussion and based on TBG's recommendation, Director Green moved to (1) approve TBG's landscape architect's report; (2) approve Job Order from TBG to design Pine Market Public Realm in the amount of \$165,300 and authorize TBG to advertise and accept bids for the project; and (3) approve pay applications and change orders as highlighted in the report. Director Uzelmeier seconded the motion, which passed unanimously.

SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

Director Uzelmeier reported on sewer, drainage, and road matters. He stated that the San Jacinto River Authority ("SJRA") will hold a public meeting for residents in Woodforest and the surrounding area to talk about operations of the Lake Conroe Dam and Floodplain Administration in Montgomery County and that the sewer, drainage, and road facilities committee will attend on the District's behalf. Mr. Muller requested authorization for MLG to attend this meeting on behalf of the District. Discussion ensued, and the Board concurred to authorize the sewer, drainage, and road facilities committee and MLG to attend the meeting hosted by SJRA on behalf of the District.

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 six (6) uncollectable accounts totaling \$1,098.87 and forward the accounts to a collection agency. Mr. Williams also reported that measures taken to reduce street flooding in Capriccio and Russet Peak were completed. Following review and discussion, Director Uzelmeier moved to: (1) approve the operator's report; and (2) authorize MOC to write off six accounts totaling \$1,098.87 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.

Director Uzelmeier then discussed disconnection notices that are sent to delinquent customers and requested the Board consider revising the District's penalties for delinquent accounts. Discussion ensued, and the Board concurred to review the District's penalties for delinquent accounts at the next Board meeting and requested MLG to work with MOC on revising the disconnection notice.

WASTEWATER TREATMENT PLANT

Mr. Muller presented and reviewed Brown & Gay's ("B&G") engineering report, a copy of which is attached. No Board action was taken.

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 Stampede Sportsplex, Phase 3.

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 sewer, and drainage facilities to serve Central Pine Street and Pine Market Ave (formerly Main Street)(East of Fish Creek Thoroughfare);
2. paving and appurtenances to serve Commercial Tract 3B-2; and
3. water, sanitary sewer, and drainage facilities to serve Bonterra at Woodforest, Section 8.

Ms. Mundie reviewed bids received for construction of water, sanitary sewer, and drainage facilities to serve Commercial Tract 3B-2 and recommended the contract be awarded to Kenneth Lamb Construction ("Kenneth Lamb") in the amount of \$145,028. 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 then requested the Board approve pay applications and change orders for the following construction projects:

1. paving and appurtenances to serve Deerbourne Ridge Drive (Woodforest, Section 64 to Woodforest, Section 69) and Taylor Crossing Drive;
2. water, sewer, and drainage facilities to serve Bronze Trace Drive Extension (Woodforest, Section 99 to Woodforest, Section 67);

3. paving and appurtenances to serve Bronze Trace Drive Extension (Woodforest, Section 99 to Woodforest, Section 67); and
4. water, sewer, drainage, and paving and appurtenances to serve Woodforest, Section 61.

Ms. Mundie recommended acceptance of the following offsite easements for Central Pine Street & Pine Market Avenue (formerly Main Street):

1. Temporary Access Easement for 0.01 acres;
2. Sanitary Sewer Easement for 0.002 acres;
3. Temporary Access Easement for 0.01 acres;
4. Temporary Storm Sewer Easement for 0.004 acres; and
5. Sanitary Sewer Easement for 0.005 acres.

Ms. Mundie recommended acceptance of the following offsite easements for Intersection Improvements to Fish Creek Thoroughfare (Woodforest Parkway, North to Central Pine Street):

1. Temporary Access Easement for 0.14 acres;
2. Temporary Drainage Easement for 0.02 acres; and
3. Temporary Drainage Easement for 0.03 acres.

Ms. Mundie reported on the construction status of the permanent access road to serve the wastewater treatment plant. She stated that LJA will work with B&G regarding a temporary gate for the wastewater treatment plant.

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 contract contingent on receipt of bonds, insurance, Form 1295s, and final review of bids; and (3) accept the aforementioned easements. Director Uzelmeier seconded the motion, which passed by unanimous vote.

RESIGNATION OF DIRECTOR SCOTT AND RESOLUTION IN RECOGNITION AND APPRECIATION FOR DISTINGUISHED SERVICE

Mr. Muller distributed and reviewed a resignation letter from Director Scott, a copy of which is attached. Discussion ensued, and the Board accepted Director Scott's resignation.

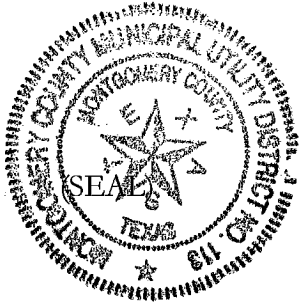
Mr. Muller then reviewed a Resolution of Montgomery County Municipal Utility District No. 113 in Recognition and Appreciation for Distinguished Service of Amy Scott ("Resolution"). Following review and discussion, Director Green moved to adopt the Resolution. Director Uzelmeier seconded the motion, which passed unanimously. Ms. Love stated that MLG will have the Resolution framed and sent to Ms. Scott on behalf of the Board.

PROCESS FOR APPOINTMENT OF DIRECTOR TO FILL UNEXPIRED TERM

The Board discussed the process of appointing a replacement director and asked that a statement be added to the District's website regarding the requirements to be appointed to the Board and for MLG to send the statement to the WOA for distribution to residents. The Board requested that anyone eligible to serve as the Precinct 5 Board member submit a resume or biography prior to the next meeting.

Mr. Wade introduced himself to the Board and stated that he is a resident of Precinct 5 and is interested in being appointed to the Board.

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



Chris Gelmer
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.