

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

January 21, 2019

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 January 21, 2019, 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
Vacant	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, thus constituting a quorum.

Also present at the meeting were: Bill Kotlan of Brown & Gay Engineering, Inc. ("BGE"); 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 of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Sergeant Kenneth Dunlap 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 December 17, 2018, regular meeting. After review and discussion, Director McDaniel moved to approve the minutes of December 17, 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.

LAW ENFORCEMENT REPORT

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

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

There was no action on this agenda item being that no Board members are attending the Association of Water Board Directors winter conference.

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. 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 McDaniel 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 61.7% collected as of December 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 McDaniel seconded the motion, which passed by unanimous vote.

SERIES 2019 UNLIMITED TAX BONDS

APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing a Paying Agent/Registrar in connection with the \$10,480,000 Unlimited Tax Bonds, Series 2019 ("Bonds"). Following discussion, Director Green moved to appoint Regions Bank, as the Paying Agent/Registrar. Director Uzelmeier seconded the motion, which passed by unanimous vote.

PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Eustis presented the Preliminary Official Statement and Official Notice of Sale for the District's Bonds. After review and discussion, Director Green moved to approve the Preliminary Official Statement and Official Notice of Sale, subject to final comments by District consultants. Director Uzelmeier seconded the motion, which passed unanimously.

AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Mr. Muller stated that the District's current contract with McGrath & Co., PLLC includes preparation of the developer reimbursement report for the Bonds. No Board action was needed.

SCHEDULE DATE FOR FEBRUARY 2019 BOARD MEETING

Mr. Eustis distributed and reviewed a tentative financing timetable for the Bonds, a copy of which is attached. Discussion then ensued regarding the February Board meeting date. The Board concurred to: (1) meet on the District's regular meeting day and time; and (2) hold a special meeting on February 20, 2019, at 12:00 p.m. at the District's regular meeting place.

PREPARATION OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Mr. Eustis distributed and reviewed a tentative financing timetable for the Unlimited Tax Road Improvement Bonds, Series 2019 ("Road Bonds"), a copy of which is attached. He then requested authorization to prepare the Preliminary Official Statement and Official Notice of Sale for the Road Bonds. Following review and discussion, Director Green moved to authorize RW Baird to prepare the Preliminary Official Statement and Official Notice of Sale for the Road Bonds. 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. No Board action was taken.

PARKS COMMITTEE REPORT

Director Green reported that multiple residents have contacted the WOA regarding tennis coaches monopolizing the use of the tennis courts. Discussion ensued, and the Board requested Ms. Barnett work with MLG regarding implementing rules for reserving use of the tennis courts.

PARK MAINTENANCE REPORT FROM WOODFOREST OWNERS ASSOCIATION

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

PROPOSAL FROM LEXTON CONSTRUCTION TO REPAIR DEFECTIVE WORK AT CHRISTINE ALLEN NATURE PARK

Ms. Mundie reported on the status of construction at Christine Allen Nature Park. She stated that the contractor for this project, Monarch Civil Constructors, LLC ("Monarch"), voluntarily defaulted under its contract. Ms. Mundie added that LJA has identified defective work, performed by Monarch, at the driveway tie-in to Woodforest Parkway South and received a proposal from Lexton Construction to repair the defective work in the amount of \$12,648.00, which will be deducted from the final pay estimate to Monarch. Following review and discussion, Director Uzelmeier moved to accept the proposal from Lexton Construction in the amount of \$12,648.00. Director Green 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 requested authorization for TBG to design the following projects:

1. Woodforest 2019 Trails; and
2. Fish Creek Thoroughfare, Phase 2.

Mr. Klein requested the Board approve the plans and specifications and authorize TBG to advertise and receive bids for Pine Market Public Realm, Section 3B-1.

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

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

Following review and discussion and based on TBG's recommendation, Director Green moved to (1) approve TBG's landscape architect's report; (2) authorize TBG to design Woodforest 2019 Trails and Fish Creek Thoroughfare, Phase 2; (3) approve the plans and authorize TBG to advertise and accept bids for the Pine Market Public Realm; and (4) 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. He added that the sewer, drainage, and road facilities committee, MLG, and LJA will attend on the District's behalf. 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 four (4) uncollectable accounts totaling \$719.09 and forward the accounts to a collection agency. Mr. Williams also reported that MOC has started the District's swale inspection.

Mr. Muller reviewed changes to the District's Rate Order.

Following review and discussion, Director Green moved to: (1) approve the operator's report; (2) authorize MOC to write off four accounts totaling \$719.09 and forward those accounts to a collection agency; and (3) adopt an Amended Rate Order. 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.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed BGE's engineering report, a copy of which is attached. He reported that the Texas Commission on Environmental Quality recalculated the flow factor of the

wastewater treatment plant capacity from 200gpd/ESFC to 170gpd/ESFC, which will allow an estimated 500 additional connections.

Director Uzelmeier reported that the wastewater treatment plant is producing an odor. Mr. Williams stated that MOC is working on reducing odors from the wastewater treatment plant. 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 water, sanitary sewer, and drainage facilities to serve Woodforest, Section 60.

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

1. paving and appurtenances facilities to serve Central Pine Street and Pine Market Ave (formerly Main Street)(East of Fish Creek Thoroughfare); and
2. paving and appurtenances facilities to serve Bonterra at Woodforest, Section 8.

Ms. Mundie reviewed bids received for construction of water, sanitary sewer, and drainage facilities to serve Central Pine Street and Pine Market Ave (formerly Main Street)(East of Fish Creek Thoroughfare) and recommended the contract be awarded to Kenneth Lamb Construction ("Kenneth Lamb") in the amount of \$441,448.00, \$397,694.00 of which is the District's share. She stated that the low bidder, AR Turnkey Construction Company withdrew their bid due to a bidding error. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, Kenneth Lamb 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. water, sanitary sewer, and drainage facilities to serve Christine Allen Park, noting that the final pay application will be paid to the surety;
2. paving and appurtenances to serve Central Pine Street Extension (Woodforest, Section 71 to Ditch 4P);
3. paving and appurtenances to serve Bronze Trace Drive Extension (Woodforest, Section 99 to Woodforest, Section 67); and
4. water, sanitary sewer, and drainage facilities to serve Woodforest, Section 100.

Ms. Mundie reported on construction of water, sanitary sewer, and drainage facilities to serve Commercial Tract 3B-2. She stated that the engineer's report last month only stated the District's share of the contract amount. Ms. Mundie added that the complete cost of the contract is \$168,343.00, with \$145,028.00 being the District's share. She then recommended acceptance of the following offsite easements for this project:

1. Temporary 20' Sanitary Sewer Easement for 0.05 acres; and

2. Temporary 20' Storm Sewer Easement for 0.04 acres.

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

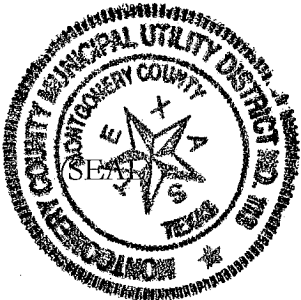
APPOINTMENT OF DIRECTOR

The Board discussed the process of appointing a replacement director and requested MLG provide contact information for each candidate to the Board. Discussion ensued, and the Board concurred to interview candidates individually, with each Board member to recommend a candidate for replacement at the next regular meeting.

FUTURE MEETING LOCATION

Mr. Muller explained that WDI's lease at the Homefinder's Lodge will terminate in June 2019. Discussion ensued regarding places to hold the District's monthly Board meetings. The Board requested MLG reach out to the Woodforest Golf Club to see if they are willing to accommodate the Board meetings.

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



Chris Uzelmeier

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.