

MINUTES  
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

March 18, 2019

The Board of Directors (“Board”) of Montgomery County Municipal Utility District No. 113 (“District”) met in regular session, open to the public, on March 18, 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
Robert Green	Precinct 1	Vice President
Chris Uzelmeier	Precinct 3	Secretary
Cato McDaniel	Precinct 2	Assistant Secretary
Ryan Wade	Precinct 5	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were: Crystal Horn of McGrath & Co., PLLC; Jan Bartholomew of Robert W. Baird & Co.; Michael Williams of Municipal Operations & Consulting, Inc. (“MOC”); Erin Garcia of Myrtle Cruz, Inc.; Stephen Barrera and Virgil Yoakum of Woodforest Development, Inc. (“WDI”); Victoria Mundie, Shayna Helvey, and Vince Salazar 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 February 18, 2019, regular meeting and the February 20, 2019, special meeting. After review and discussion, Director Uzelmeier moved to approve the minutes of the February 18, 2019, regular meeting and the February 20, 2019, special 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.

## UNLIMITED TAX BONDS, SERIES 2019

The Board reviewed a developer reimbursement report in connection with the District's \$10,480,000 Unlimited Tax Bonds, Series 2019 ("Bonds"). Following review and discussion, Director Green moved to approve the developer reimbursement report and authorize disbursement of funds in accordance with the report once the Bonds are closed. Director Wade seconded the motion, which passed by unanimous vote.

## SERIES 2019 UNLIMITED TAX ROAD BONDS

### PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Bartholomew presented the Preliminary Official Statement and Official Notice of Sale for the District's \$6,780,000 Unlimited Tax Road Bonds, Series 2019 ("Road Bonds"). After review and discussion, Director Wade moved to approve the Preliminary Official Statement and Official Notice of Sale, subject to final comments by District consultants. Director McDaniel seconded the motion, which passed unanimously.

### APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing a Paying Agent/Registrar in connection with the Road Bonds. Following discussion, Director Wade moved to appoint Regions Bank, as the Paying Agent/Registrar. Director McDaniel seconded the motion, which passed by unanimous vote.

### AUTHORIZE ADVERTISEMENT FOR SALE OF THE UNLIMITED TAX ROAD BONDS, SERIES 2019

Ms. Bartholomew distributed and reviewed a tentative financing timetable for the Road Bonds, a copy of which is attached. Discussion ensued regarding the April Board meeting date. The Board concurred to meet on the District's regular meeting day at noon.

### 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 Road Bonds. No Board action was needed.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, a copy of which is attached. She also reviewed an amended annual budget. Director Green requested the date of the amended annual budget be added to the budget report. Following review and discussion, Director Green moved to: (1) approve the bookkeeper's report; (2) authorize payment of the submitted bills; and (3) adopt the amended annual budget. Director Wade 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 95.93% collected as of February 28, 2019. 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 then presented a letter from residents at 118 Prestwick Court requesting the Board to waive the penalty and interest applied to their delinquent tax account due to an error made by their title company at closing. A copy of the letter is attached to the tax assessor/collector's report. Mr. Patterson noted that tax statements were mailed to the homeowners and that he found no error on behalf of the District's tax assessor. Mr. Muller stated that the Property Tax Code does not allow the Board to waive the penalty and interest unless there was an error on the part of the appraisal district or the District's tax assessor/collector. Following discussion, the Board found that no error on part of the appraisal district or the District's tax assessor/collector and denied the request for the waiver of penalty and interest on the tax account for 118 Prestwick Court.

#### ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adopting a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Green moved to adopt the Resolution Concerning Exemptions from Taxation, reflecting a \$10,000 exemption to residents who are disabled or 65 years of age and older and rejecting any exemptions for general residential homesteads. Director Wade 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 presented the parks committee report and stated that Director Wade has agreed to serve on the parks committee. He then requested that MLG review the proposal the District received from TreeScapes and report back, to the parks committee, whether the proposal included mulch for the Fish Creek Thoroughfare median. No Board action was taken.

#### PARK MAINTENANCE REPORT FROM WOODFOREST OWNERS ASSOCIATION

There was no report on this agenda item.

#### LANDSCAPE ARCHITECT'S REPORT

Mr. Muller reviewed TBG Partners, Inc.'s ("TBG") landscape architect's report, a copy of which is attached. He reviewed bids received for construction of Pine Market Public Realm, Section 3B-1 and stated that TBG recommends the contract be awarded to Earth First Landscapes, LLC ("Earth First") in the amount of \$113,463. After review and discussion, and based on the landscape architect's recommendation, the Board determined that, in their judgment, Earth First 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 Earth First for this project.

The report recommended the Board approve pay application no. 8 in the amount of \$195,782.63 to Landscape Art, Inc. for Christine Allen Nature Park.

The report recommended the Board approve pay application no. 3 and Final in the amount of \$13,616.00 to Earth First for 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) award the contract for Pine Market Public Realm, Section 3B-1 to Earth First contingent on receipt of bonds, insurance, and Form 1295s; and (3) approve pay application no. 8 to Landscape Art, Inc. for Christine Allen Nature Park and pay application no. 3 to Earth First for Cardinal Ridge. Director McDaniel seconded the motion, which passed unanimously.

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

Discussion ensued regarding drainage issues in the District. 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. Director Uzelmeier requested that MOC break down operational costs on the monthly report moving forward. Following review and discussion, Director Uzelmeier moved to approve the operator's report. 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 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 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. Muller presented and reviewed Brown & Gay Engineering, Inc.'s 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 water, sanitary sewer, and drainage facilities to serve Woodforest, Section 70.

Ms. Mundie reviewed bids received for construction of paving and appurtenances to serve Central Pine Street and Pine Market Avenue (formerly Main Street)(East of Fish Creek Thoroughfare) and recommended the contract be awarded to Grava, LLC ("Grava") in the amount of \$700,125.75. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, Grava would be most advantageous to the District and would result in the best and most economical

completion of the District's facilities. Mr. Muller stated that this project will be funded by WDI until the Road Bonds close and presented for execution a Letter Financing Agreement with WDI for the project. He added that MLG is waiting to receive a Form 1295 from WDI and Grava for this project.

Ms. Mundie reviewed bids received for construction of paving and appurtenances to serve Bonterra at Woodforest, Section 8 and recommended the contract be awarded to Lexton Construction, LLC ("Lexton") in the amount of \$429,871.60. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, Lexton 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 to serve Stampede Sportsplex, Phase 3 and recommended the contract be awarded to CSB Contractors, Inc. ("CSB") in the amount of \$236,983.47. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, Lexton 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 CSB for this project.

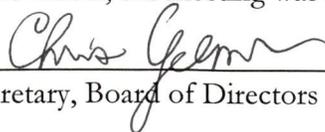
Ms. Mundie then requested the Board approve pay applications and/or change orders for the following construction projects:

1. paving and appurtenances to serve Central Pine Street Extension (Woodforest, Section 71 to Ditch 4P);
2. water, sanitary 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);
4. water, sanitary sewer, and drainage facilities to serve Bonterra at Woodforest, Section 7;
5. paving and appurtenances to serve Kinderwood Park; and
6. paving and appurtenances to serve Commercial Tract 3B-1.

Ms. Mundie reviewed and requested approval of an engineering proposal in the amount of \$9,500, for ground survey points to verify construction improvements in the District.

After review and discussion and based on the engineer's recommendation, Director Wade 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; and (3) approve proposal from LJA for ground survey points to verify construction improvements in the District. Director Green 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



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
attendance sheet.....	1
law enforcement report .....	1
bookkeeper's report .....	2
tax assessor/collector's report.....	2
landscape architect's report.....	3
operator's report.....	4
BGE's engineering report .....	4
engineer's report.....	4

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.