

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 114
Minutes of Meeting of Board of Directors
September 10, 2018

The Board of Directors of Harris County Water Control and Improvement District No. 114 (the "District") met at the board's regular meeting place on September 10, 2018 in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

Steven D. Fitzgerald, president
James P. Sibley, vice president
Stephen R. Feldman, secretary
Renee Alfaro, assistant secretary
Robert Robertson, assistant secretary

and being absent:

None

Also present were Cindi Oliver Winski of Equi Tax, Inc., Kim Shelnett of Myrtle Cruz, Inc., Loren Morales of RBC Capital Markets, LLC, Denise Blase and Erica Martinez of Eagle Water Management, Inc., Tony Sarman of AEI Engineering, LLC, and Mark W. Brooks of Young & Brooks.

The president called the meeting to order and declared it open for such business as might come before the board.

APPROVAL OF MINUTES

Upon motion duly made, seconded and unanimously carried, the minutes of the prior meeting of August 13, 2018 were approved as presented.

TAX RATE

The board recognized Loren Morales of RBC Capital Markets, LLC, the District's financial advisors, who distributed a memorandum regarding the District's financial requirements to be met with the tax levy for 2018. After discussion, upon motion duly made, seconded, and unanimously carried, the board authorized publication of the District's proposed 2018 tax rate at \$-0- for debt service and \$0.25 for maintenance and operations, for a total proposed 2018 tax rate of \$0.25 per \$100 taxable value. The board will conduct the required public hearing and formally adopt the tax rate at the next regular board meeting.

NHCRWA FEE

The board reviewed a spreadsheet previously distributed by board president Steve Fitzgerald reflecting calculations of the amount of the District subsidy of the customer Regional Water Authority fee if the District continues with the rate that was in effect earlier this year, as compared to increasing the customer Regional Water Authority fee by the same amount (\$.50) as the North Harris County Regional Water Authority fee increase effective April 1, 2018, as also compared to passing the entire Regional Water Authority fee through to the customers. After reviewing and discussing the spreadsheet and the illustrated options, upon motion duly made, seconded and unanimously carried, the board approved continuing the NHCRWA fee for District customers at \$2.40 per 1000 gallons plus 5% to account for water pumped but not billed.

CONSULTANTS MONTHLY REPORTS

Cindi Winski of Equi Tax, Inc., the District's tax assessor, reported as to the status of District tax collections. Ms. Winski reported that the District is 99.3% collected for 2017 taxes. After discussion, upon motion duly made, seconded and unanimously carried, the board approved the tax assessor's monthly report and payment of the tax bills presented.

Kim Shelnett of Myrtle Cruz, Inc., the District's bookkeeper, presented their monthly report. She also presented to the board a list of bills for the approval of payment, a copy of which is attached hereto. After discussion, upon motion duly made, seconded and unanimously carried, the board approved said bills and ordered checks issued on the appropriate District accounts in payment thereof.

Denise Blase of Eagle Water Management, Inc. the District's operators, reported as to District operations and facilities. Ms. Blase presented a list of delinquent accounts that were delinquent by more than 60 days and reported that the customers have been given written notice 10 days prior to this meeting of the opportunity to appear before the board of directors to explain, contest or correct the utility service bill and to show reason why the utility service should not be terminated for nonpayment. None of the customers on the list were present or have presented any statement on the matter. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized the operator to terminate utility service to the unpaid accounts in accordance with standard procedures.

Tony Sarman of AEI Engineering, LLC, (AEI) the District's engineers, distributed a written summary engineer's report for the meeting reflecting the status of various projects that the engineers are working on for the District. Mr. Sarman reviewed their report with the board and responded to questions.

Mr. Sarman reported that AEI is continuing with design work for the lift station no. 1 and no. 2 rehab projects as authorized by the board at the June board meeting.

KLEINWOOD JOINT POWERS REPORT

Board member Steve Feldman reported as to matters pending before the Kleinwood Joint Powers Board. The phase I electrical modifications at the plant are complete.

The Joint Powers Board engineer is working on the site plans and preliminary design for the reclaimed water supply project, including coordination with Cypress Forest PUD for site access to the proposed distribution station. The engineers are waiting on direction from Cypress Forest PUD and the Mormon Temple regarding the proposed access to the distribution station, as well as a response from Raveneaux regarding the requested assignment of the existing ditch crossing easement.

The TCEQ has issued a draft of the Chapter 210 permit for the reclaimed water supply system, which was sent to the engineers for both Cypress Forest PUD and Champions MUD for review.

PENDING BUSINESS

Board member Robert Robertson reported as to the status of his investigation regarding options to develop and maintain a District website.

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

Secretary

Attachments: Bookkeeper's Report