

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 114

Minutes of Meeting of Board of Directors

February 11, 2019

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 February 11, 2019 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 Lance Wilson of ESD 16, Michael Willett of Touchstone District Services, Vickey Sullivan of Equi Tax, Inc., Kim Shelnett of Myrtle Cruz, Inc., 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 January 14, 2019 were approved as presented.

ESD 16

The board recognized Lance Wilson of ESD 16 and Michael Willett of Touchstone District Services, a communications consultant to ESD 16. Mr. Wilson briefly reviewed the purposes of and services provided by ESD 16. ESD 16 provides fire fighting services, while ESD 11 provides emergency medical transportation services. The ESD 16 board also serves as the managing board for the Klein VFD. They are in the process of replacing old equipment and updating fire stations. Mr. Wilson invited any interested citizens to attend their board meetings, which are held at 7 p.m. on the second Monday of each month.

DISTRICT WEBSITE

After discussion, upon motion duly made, seconded and unanimously carried, the board approved a website development and services agreement with Off Cinco.

TAX EXEMPTIONS

Vickey Sullivan of Equi-Tax, Inc., the District's tax assessor, advised the board that it would be appropriate for the District to consider any revisions it wishes to make to the District's tax exemptions for purposes of the 2019 tax year. After discussion, it was the consensus of the board to continue the tax exemption for residents of the District who are disabled or 65 years of age or older, in the amount of \$30,000.00, and to make such exemptions applicable to the homesteads of residents within the District for tax year 2019, and continuing thereafter until rescinded or otherwise modified. A proposed resolution adopting these tax exemptions was reviewed. Upon motion duly made, seconded and unanimously carried, the proposed resolution was passed and adopted, and the board president and secretary were authorized to execute same on behalf of the District. A copy of the resolution is attached to these minutes.

TAX COLLECTION PENALTIES

Ms. Sullivan advised the board that it would also now be appropriate to determine whether to continue the authorized implementation of the tax collection penalties, pursuant to Sections 33.07, 33.08 and 33.11 of the Texas Property Tax Code. After discussion, upon motion duly made, seconded and unanimously carried, the board adopted the attached Resolution Authorizing Additional Penalties on Delinquent Taxes. The District's tax assessor/collector was authorized and instructed to issue the necessary notices for implementation of the penalties at the appropriate times.

CONSULTANTS MONTHLY REPORTS

Vickey Sullivan of Equi Tax, Inc., the District's tax assessor, reported as to the status of District tax collections. Ms. Sullivan reported that the District is 99.4% 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.

After discussion, the board unanimously authorized reinvestment of funds from a CD maturing next month in a 1-year CD at an interest rate of not less than 2.5%, or in TexPool if a 1-year CD is not available at an interest rate of 2.5% or more.

Erica Martinez of Eagle Water Management, Inc. the District's operators, reported as to District operations and facilities. Ms. Martinez 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 presented, recommended, and upon motion duly made, seconded and unanimously carried, the board approved Pay Estimate No. 7 and Final to WW Payton Corporation on their contract for the Water Plant No. 1 Rehab project in the amount of \$55,256.50, and a Certificate of Acceptance for the project, which is now complete.

Mr. Sarman recommended and the board unanimously authorized AEI to schedule a hatch inspection of the 480,000 gallon GST at water plant no. 3.

NHCRWA FEES

After discussion, the board deferred consideration of an increase in the NHCRWA Fee to the April board meeting.

ANNEXATION/SERVICE REQUESTS

The board considered a request by the owner of the strip center at 17552 Steubner Airline that the District consent to occupancy in the center by a vape shop, but after discussion upon motion duly made, seconded and unanimously carried, the board declined the request.

KLEINWOOD JOINT POWERS REPORT

Board member Steve Fitzgerald reported as to matters pending before the Kleinwood Joint Powers Board. The Joint Powers Board has approved repairs to lift pump no. 1 at the plant, at a cost of \$15,476. They have also decided to move replacement of the lift station pumps up on the long term capital project plan for the plant.

The plant engineers are proceeding with design work for the phase 2 electrical modifications at the plant, which will include replacement of Motor Control Center A. They plan to advertise for bids on the project next month.

The plant engineers continue work on the site plans and preliminary design for the Reclaimed Water Supply project. They are working on design of the additional length of reclaimed

water force main to the proposed new reclaimed water distribution station location, and on related revised easement descriptions for consideration by Cypress Forest PUD.

In response to a request by Champions Golf Club that the Joint Powers Board consider including the additional costs to increase pumping capacity at the reclaimed water distribution station in the capital costs that will be repaid over 66 months, rather than require they be paid up front, the Joint Powers Board resolved to require that the additional capital costs be paid up front, but that the estimated \$63,000 in increased 20-year life cycle o&m costs be recovered through a \$.05/1000 gallons surcharge to Champions.

PENDING BUSINESS

Board member Steve Feldman reported as to matters covered by the recent AWBD winter conference. The current legislative session is expected to focus on property tax reform, public school funding, and flood control.

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

Secretary

Attachments: Resolution on Residence Homestead Exemption for Persons Disabled or 65 or Older
Resolution Authorizing Additional Penalties on Delinquent Taxes
Bookkeeper's Report