

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 114

Minutes of Meeting of Board of Directors

February 12, 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 February 12, 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 Vickey Sullivan of Equi Tax, Inc., Kim Shelnett of Myrtle Cruz, Inc., Tracy Riley 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 8, 2018 were approved as presented.

TAX EXEMPTIONS

Vicky 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 2018 tax year. After discussion, it was the consensus of the board to establish a 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applicable to the homesteads of residents within the District for tax year 2018, and continuing thereafter until rescinded or otherwise modified.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 99.2% collected for 2016 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.

Tracy Riley of Eagle Water Management, Inc. the District's operators, reported as to District operations and facilities. Mr. Riley 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.

Mr. Riley recommended and after discussion the board unanimously authorized him to solicit proposals for the rehabilitation of lift station no. 5 on Woodbark.

Mr. Riley reported the total collections of the voluntary customer donations for the Grow Northwest program during 2017 were \$49.77. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized termination of the agreement with the Houston Northwest Chamber of Commerce to include voluntary donations for the Grow Northwest program on District customer billings, as participation has been too low to justify continuing.

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 the following in connection with pending construction contracts:

- Pay Estimate No. 2 to WW Payton Corporation on their contract for the Water Plant No. 1 Rehab project in the amount of \$55,597.50.
- A Certificate of Acceptance for the Water Plant No. 2 Hydro Tank Recoating project recently completed by CFG Industries, LLC.

Mr. Sarman presented a draft of an educational flyer regarding damages and costs that are caused by flushing improper materials down drains and toilets. After review and discussion, the board ask that the flyer be shortened and that a revised draft be distributed for review.

After discussion, the board agreed to schedule a tour of District facilities starting with Water Plant No. 3 on the morning of April 13, 2018 at 8 a.m.

Mr. Sarman reported as to an inquiry they received regarding the possibility of the District providing service for a proposed project at the northwest corner of Spring Cypress and Valka Road, to be developed for up to 120 single-family homes and commercial use.

KLEINWOOD JOINT POWERS REPORT

Board member Steve Fitzgerald reported as to matters pending before the Kleinwood Joint Powers Board. The Joint Powers Board engineer is working on preliminary design for the Reclaimed Water Supply project as well as the related Chapter 210 permit application. The attorneys for the North Harris County Regional Water Authority are working on the Alternative Water Use Agreement in connection with the Reclaimed Water Supply project.

Mr. Fitzgerald noted that the bi-annual Kleinwood Regional Wastewater Treatment Plant tour for participating district board members and consultants has been scheduled for the evening of Wednesday, April 11, 2018 at 6 p.m.

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