

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 114**  
Minutes of Meeting of Board of Directors  
May 14, 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 May 14, 2018 in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

Steven D. Fitzgerald, president  
Stephen R. Feldman, secretary  
Renee Alfaro, assistant secretary  
Robert Robertson, assistant secretary

and being absent:

James P. Sibley, vice president

Also present were Vickey Sullivan of Equi Tax, Inc., Kim Shelnett of Myrtle Cruz, Inc., Mike Plunkett and Chris Oliver of Eagle Water Management, Inc., Tony Sarman of AEI Engineering, LLC, Mark W. Brooks of Young & Brooks, and Bennett Rowe of Unified Energy.

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 April 9, 2018 were approved as presented.

**RENEW INSURANCE**

The board considered insurance renewal proposals received from Arthur J. Gallagher & Co., the District's insurance agent. The board has been pleased with the service provided by Gallagher, and their premiums and deductibles remain competitive. After discussion, upon motion duly made, seconded and unanimously carried, the board accepted the Gallagher insurance renewal proposals and authorized signature of same on behalf of the District by board president Fitzgerald.

**ELECTRICITY CONTRACT**

The board recognized Bennett Rowe of Unified Energy, who presented updated information on market pricing currently available to the District for the purchase of electricity, the lowest of which is offered by Hudson Energy. The District's present contract is with Hudson Energy and is now on a month-to-month basis. After discussion, upon motion duly made, seconded and

unanimously carried, the board approved contracting with Hudson Energy at a fixed energy rate of \$0.4480/kWh for an additional period of five years.

### **ADOPT BUDGET**

Kim Shelnett of Myrtle Cruz, Inc., the District's bookkeeper, distributed a draft budget for the District's fiscal year ending May 31, 2019. She reviewed the draft budget with the board and responded to questions. The board requested certain revisions. After discussion was concluded, upon motion duly made, seconded and unanimously carried, the board adopted the budget for FYE 2019 with revisions as noted during the discussion.

(Mr. Plunkett excused himself from the meeting at this point in order to attend to another commitment.)

### **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 97.4% 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.

Chris Oliver of Eagle Water Management, Inc. the District's operators, reported as to District operations and facilities. Mr. Oliver 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. 5 to WW Payton Corporation on their contract for the Water Plant No. 1 Rehab project in the amount of \$109,665.00.

Mr. Sarman presented and reviewed a written report and evaluation coming out of the recent inspection of the 400,000 gallon GST at Water Plant No. 1, and the 840,000 gallon GST at Water Plant No. 2. Neither of these tanks are recommended for maintenance at this time. However, AEI will coordinate with the operator for power-tool cleaning and spot recoating on the exterior tank roof, roof vent, base ring, yard pipe valve and fill line coupling at Water Plant No. 3.

### **KLEINWOOD JOINT POWERS REPORT**

Board member Steve Feldman 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 210 Application has been reviewed by the various signing parties and is on the agenda to be executed at each of their meetings this month. Cypress Forest PUD reported that they have approved a Reclaimed Water Provider Agreement with Raveneaux, so they will be added to the 210 Application as a user. Once all parties have executed the permit application, it will be submitted to the TCEQ for review.

Mark W. Brooks of Young & Brooks, the attorneys for the District, reported that final revisions have been made to the Alternative Water Use Incentive Agreement with the North Harris County Regional Water Authority in connection with the Reclaimed Water Supply project, and it is being circulated for signature.

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

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Secretary

Attachments: Bookkeeper's Report