

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 114

Minutes of Meeting of Board of Directors

October 8, 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 October 8, 2018 in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

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

and being absent:

James P. Sibley, vice president
Stephen R. Feldman, secretary

Also present were Vickey Sullivan of Equi Tax, Inc., Kim Shelnett of Myrtle Cruz, Inc., Mike Plunkett and 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 September 10, 2018 were approved as presented.

PUBLIC HEARING/ADOPT TAX RATE

Board President Fitzgerald announced that one purpose of this board meeting is to conduct a public hearing on the District's proposed tax rate for 2018. The board noted that the District tax assessor has published the required notice for the public hearing and that the public hearing is also noted on the agenda for this board meeting. The board reviewed discussions at the previous meeting leading to the proposed tax rate as reflected in the published notice. President Fitzgerald then declared the public hearing open and invited questions and comments from the public. There were no questions or comments from the public. Upon motion duly made, seconded and unanimously carried, the public hearing was closed.

The board then considered the attached Order Establishing Ad Valorem Tax Rate for 2018, which was reviewed by the board, passed and adopted upon motion duly made, seconded and unanimously carried.

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 99.3% 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.

After discussion, upon motion duly made, seconded and unanimously carried, the board authorized board secretary Sibley to direct reinvestment of funds from a CD maturing on November 11, 2018.

Mike Plunkett of Eagle Water Management, Inc. the District's operators, reported as to District operations and facilities. Mr. Plunkett 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. Plunkett recommended and upon motion duly made, seconded and unanimously carried, the board authorized removal of a dead tree at Lift Station No. 4.

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 Fitzgerald reported as to matters pending before the Kleinwood Joint Powers Board. The phase 1 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. The TCEQ has issued the 210 permits for the project.

The engineers are waiting on direction from Cypress Forest PUD and the Mormon Temple regarding access to the proposed reclaimed water distribution station and reclaimed water line easement, as well as a response from Raveneaux regarding the requested assignment of the existing easement crossing the Flood Control ditch. A representative of Cypress Forest PUD is meeting with Raveneaux later this month to discuss assignment of their easement.

After discussion, upon motion duly made, seconded and unanimously carried, the board adopted the attached Resolution authorizing the District's representative to vote in favor of proceeding with the proposed Electrical Modifications - Phase 2 project at the Kleinwood plant, at an estimated cost to all participants of approximately \$500,000.

PENDING BUSINESS

Board member Robert Robertson reported as to the status of his investigation regarding options to develop and maintain a District website. He plans to present the information he has gathered at the next board meeting.

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

Secretary

Attachments: Order Establishing Ad Valorem Tax Rate
Bookkeeper's Report
Resolution Authorizing Action by Kleinwood Joint Powers Board Member