

MINUTES OF MEETING OF BOARD OF DIRECTORS  
April 29, 2019

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
TRAIL OF THE LAKES MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or the "Directors") of Trail of the Lakes Municipal Utility District (the "District") met in regular session, open to the public, at the offices of Radcliffe Bobbitt Adams Polley PLLC, 2929 Allen Parkway, Suite 3450, Houston, Harris County, Texas 77019, a place outside the boundaries of the District, on Monday, April 29, 2019, at 12:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

|                 |  |
|-----------------|--|
| Jeff Campbell   | President                              |
| Jo A. Smith     | Vice President/ Tax Compliance Officer |
| Virginia Elkins | Secretary/Treasurer                    |
| Crystal Kirby   | Assistant Secretary                    |
| Kim Pendleton   | Director                               |

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Ms. Keshia Stubblefield and Messrs. James Stubblefield and Troy King, District residents; Mr. Loren Morales of RBC Capital Markets, financial advisor for the District; Mr. Tom Dillard of Champions Hydro-Lawn, Inc. ("Champions"), detention pond maintenance service provider for the District; Mr. Russell Wolff of Residential Recycling & Refuse of Texas, Inc. ("RRRT"), garbage and recycling collection service provider for the District; Mr. Juan Alexander of Si Environmental, LLC ("SE"), operator for the District; Ms. Keli Schroeder, P.E., of BGE, Inc. ("BGE" or the "Engineer"), engineer for the District; Ms. Amy Symmank of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; Ms. Kristen Scott of Bob Leared Interests, Inc. ("Tax Assessor/Collector"), tax assessor/collector for the District; and Ms. Regina D. Adams and Ms. Monica Garza, attorneys, and Ms. Rita R. Rodriguez, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Radcliffe Bobbitt" or the "Attorney"), attorney for the District.

WHEREUPON, the President called the meeting to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PUBLIC COMMENT

There were no public comments.

PUBLIC COMMENT FROM PROPERTY OWNERS ASSOCIATIONS OR HOMEOWNERS ASSOCIATIONS

The Board first recognized Ms. Stubblefield who in her representative capacity as a member of the Board of Directors of Atascocita Forest Community Association ("AFCA"), asked when the next electronic waste and shredding event ("E-Recycling Event") will take place. The Board explained that E-Recycling Events are held two (2) times per year and that the next event will be in the Fall.

Ms. Stubblefield then asked if there can be an additional garbage collection of the dumpster at the AF CAI pool due to excess garbage. Ms. Stubblefield then inquired if there will be an additional cost to do so. The Board stated that there will be a cost for an extra collection from the dumpster and that RRRT will provide the cost for same at the May Board meeting. Ms. Stubblefield then noted that residents appear to be utilizing the dumpster for personal use. The Board then requested that a lock be placed on the dumpster and that an extra key be given to AF CAI, and that a sign be posted to prevent others from utilizing the dumpster. Further discussion then ensued regarding future coordination with AF CAI regarding garbage collection from the dumpster.

#### APPROVAL OF MINUTES

The Board then considered approval of the March 18, 2019 special meeting and March 25, 2019 regular meeting minutes, both of which were previously distributed to the Board. Ms. Adams then responded to questions from the Board regarding such minutes.

Upon motion by Director Smith, seconded by Director Kirby, after full discussion and the question being put to the Board, the Board voted unanimously to approve the March 18, 2019 special meeting minutes, as presented, and March 25, 2019 regular meeting minutes, as presented.

#### SECURITY REPORT

Director Campbell then reviewed with the Board the Constable Security Report for March, a copy of which is attached hereto. Director Campbell requested, that because there has been an excessive number of car break-ins, an article be included in the Summer 2019 edition of *TOTL News*, the District's newsletter, reminding District residents to lock their doors.

#### UPDATE ON STATUS OF DRIVER FEEBACK SIGN

Director Campbell then reported that the Evolution 12 driver feedback sign has been moved from the southbound lanes to the north bound lanes on Woodland Hills Drive. Director Campbell then reported that the SP340 sign has been removed and is being stored at the offices of SE.

#### GARBAGE AND RECYCLING REPORT

Mr. Wolff then reviewed the Garbage and Recycling Report and Daily Route Sheets, copies of which are attached hereto. Mr. Wolff reported that there were nine (9) customer calls during the prior month.

Mr. Wolff reported that 26 recycling bins were delivered during the prior month, and the District currently has 94 recycling bins in inventory. Mr. Wolff added that the 100 additional recycling bins previously ordered had been delivered.

Director Kirby explained that she had received a complaint from a District resident regarding conflicting information on the responsibility for delivery of the recycling bin and update to customer account information regarding same by SE and RRRT. Director Kirby added that the issue continued for two (2) months. Mr. Russell explained that RRRT is unsure of the process the District would like RRRT to follow and would like clarification because a recycling bin cannot be delivered to a District resident unless RRRT has received confirmation from SE

that the recycling bin deposit has been paid. Further discussion then ensued regarding such matter and Mr. Wolff and Mr. Alexander agreed that RRRT and SE will agree to coordinate better with one another to ensure recycling bins are delivered timely.

Director Campbell then stated that he has received complaints that garbage bins are being left in District residents' driveways and it is an inconvenience to the District residents. Director Campbell then requested that the garbage bins not be placed in the District residents' driveways following collection.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Scott then presented the Tax Assessor/Collector's Report, including the Homestead Payment Plan Report, for the month of March, a copy of which is attached hereto. Ms. Scott noted that the District has collected 97.6% of its 2018 taxes as of March 31, 2019, compared to 97.239% for the same time last year.

Upon motion by Director Smith, seconded by Director Pendleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report.

#### DELINQUENT TAX ATTORNEY'S REPORT

Ms. Scott then reviewed with the Board the Delinquent Tax Attorney's Report, a copy of which is attached hereto. No action was necessary on this matter.

#### BOOKKEEPER'S REPORT

Ms. Symmank next reviewed the District's Bookkeeper's Report and the Quarterly Investment Report, copies of which are attached hereto, including the revenues and expenses of the District, the budget comparison and the checks being presented for payment.

Mr. Wolff exited the meeting at this time.

Ms. Symmank then reviewed the Bookkeeper's Report for the Wastewater Treatment Plant (the "STP"), a copy of which is attached hereto.

Upon motion by Director Pendleton, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Reports, including the Quarterly Investment Report and authorize payment of the checks being presented for payment.

#### OPERATIONS REPORT

Mr. Alexander presented the Operations Report, including the Production Report and Management Report, for the month of March, copies of which are attached hereto. Mr. Alexander reported that the District had a water accountability ratio of 92.95 % for the prior month, and that there are currently 2,878 total connections in the District. Mr. Alexander also reported that there were no excursions at the District's STP.

Mr. Alexander then reviewed the Delinquent Letter Accounts Listing, a copy of which is attached to the Operations Report. Mr. Alexander reported that during the prior month, SE sent 245 termination letters for delinquent accounts, 59 accounts were tagged, 14 accounts had water service terminated due to non-payment of water/sewer services, of which eight (8) accounts have had water service restored. Mr. Alexander also reported that there were 238 delinquent letters mailed on April 17<sup>th</sup> for non-payment of water service and 175 accounts are set to have door tags hung on May 9<sup>th</sup>, for a service disconnection date of May 15<sup>th</sup>.

Mr. Alexander then reported that the District received 415 customer-related telephone calls during the prior month.

Mr. Alexander reported that repair and maintenance items completed during the prior month included: 1) replacing the degasifier media at Water Plant ("WP") Nos. 2 and 4 at a cost of \$27,369; 2) generator load testing at WP No. 4 at a cost of \$2,059; 3) repairing the tapline on Dapple Trail and Landing Brook at a cost of \$2,524; and 4) performing preventative maintenance on all systems at Nos. 2 and 4.

Mr. Alexander then reported that repair and maintenance items at the STP completed during the prior month included: 1) pumping down, hauling waste, and cleaning the chlorine contact chamber at a cost of \$13,101; 2) repairing the return active sludge pump at a cost of \$11,775; 3) repairing and reinstalling blower motor no. 1 at a cost of \$7,491; and 4) performing preventative maintenance.

Mr. Alexander then reviewed with the Board the draft 2018 Consumer Confidence Report (the "CCR"), a copy of which is attached hereto. Mr. Alexander added that the CCR is required to be delivered to the District's customers no later than July 1, 2019 and that a draft will be presented for the Board's review and approval at the May 20<sup>th</sup> Board meeting.

Director Elkins then inquired if SE can tag doors when water has been temporarily shut-off. Mr. Alexander then stated that doors are generally tagged during an expected temporary shut-off.

Director Smith then stated that the water meter and water line at her property was broken when the KETOS test meter was removed, and asked what meters were installed to replace the KETOS electronic smart meters, following the pilot period. Mr. Alexander reported that the meters pulled prior to the pilot should have been put back in service.

Upon motion by Director Smith, seconded by Director Pendleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and authorize termination of service to the delinquent accounts in accordance with the District's Rate Order.

#### PROPOSALS FOR ELECTRONIC SMART METERS

Mr. Alexander then presented to the Board proposals for electronic smart meters from Accurate Meter and Supply ("Accurate Meter"), Core & Main, and Zenner, copies of which are attached hereto. Mr. Alexander reported that Core & Main and Zenner provided the proposals on April 29<sup>th</sup>, and that the proposal from Accurate Meter was previously provided to the Board. Ms. Adams then presented to the Board the Summary Report from the KETOS pilot program, a copy of which is attached hereto. The Board then tabled discussion regarding the proposals until the May Board meeting.

Ms. Adams then reminded the Board that the District originally decided to hold special meetings on an interim basis to discuss development and design of the District's recreational amenities and did not intend to be a permanent special meeting. Ms. Adams then asked the Board if, since the Community/Dog Park is now in the development phase, it would like to hold only one (1) Board meeting each month. Director Campbell then stated that he believed one (1) Board meeting each month will be sufficient. Ms. Adams then reported that a special meeting is scheduled for Wednesday, May 15, 2019 at 12:00 p.m. at the offices of Radcliffe Bobbitt for the Canvassing Authority of the Board to meet to canvass the results of the May 4, 2019 Directors Election (the "Election").

Mr. Stubblefield exited the meeting at this time.

#### DETENTION FACILITIES REPORT

Mr. Dillard reviewed with the Board the Detention Pond Maintenance Report, a copy of which is attached hereto. Mr. Dillard reported that the materials for the gate at the Apple Hollow Detention Pond have been delivered and construction of the fence should be completed by May 20<sup>th</sup>.

Mr. Dillard then reported that there are two (2) sections along the Rankin Road right-of-way that will need to be cleared and that he will calculate the cost estimate for clearing such areas and present same at the May 20<sup>th</sup> Board meeting.

Mr. Dillard also reported that Champions is monitoring the construction of the Lago Forest Park and Clayton's Park ("CP") and AF Detention Ponds Trails Project by D. L. Meacham, contractor for such project.

Director Campbell then requested that a "No Parking" sign be erected at the CP Detention Pond gate because people are parking their cars in front of it and blocking access. Ms. Adams reported that the sign will need to be placed on the District's gate. Mr. Dillard then stated that he will provide the Attorney with the language for such sign for approval prior to printing. Director Campbell then inquired if the curb thereon can be removed and a driveway constructed. Ms. Schroeder explained that a driveway cannot be constructed because it is an extreme event overflow and Harris County (the "County") will not allow the curb to be removed.

#### ENGINEER'S REPORT

Ms. Schroeder then reviewed the Engineer's Report with the Board, a copy of which is attached hereto. Ms. Schroeder first reported that the waterline rehabilitation project, phase 2 (the "Waterline Project") has been completed. Ms. Schroeder then presented the Certificate of Completion for such project and then recommended Board acceptance of the certificate.

Ms. Schroeder then reported that the project for the waterline connection along Will Clayton Parkway at Vine Forest is pending submittal of the final pay estimate from Texas Hot Taps, LLC, contractor for such project.

Ms. Schroeder reported that the Notice to Proceed in connection with the proposed STP improvements was issued for April 29<sup>th</sup>, and that T&C Construction, Ltd., contractor for such project, is turning in submittals, as required.

Also in connection with the proposed STP improvements, Ms. Schroeder presented a proposal in the amount of \$5,832 from Ninyo & Moore for construction materials testing. Ms. Schroeder recommended Board acceptance of same.

Ms. Schroeder then reported that the CP generator installation is under design and BGE requests authorization to advertise for bids for such project, upon receipt of comments from the reviewing agencies.

Ms. Schroeder then reminded the Board that it previously discussed the Harris County Flood Control District's ("HCFCD") request to repair the Williams Gully orphan channel P130-020-00. Ms. Schroeder went on to report that BGE is coordinating with the HCFCD on such matter and that BGE proposes to investigate the extent of the repairs involved by performing a drone flyover for review with HCFCD. Ms. Schroeder went on to report that a peripheral walk-through of the area has been performed and some dips and sinkholes were found. Ms. Schroeder reported that after the initial clearing of the area, the District will need to assess and determine how much participation should be requested from Harris County Municipal Utility District ("HCMUD") Nos. 290 and 278 because such districts also drain into the channel. Ms. Adams noted that the District was contacted by HCFCD because the District has a drainage easement over the channel. Ms. Adams added that the weir maintenance agreement with HCMUD Nos. 290 and 278 in the District's records does not contain the exhibit that details the maintenance cost-sharing between the District and HCMUD Nos. 290 and 278.

Director Kirby then inquired if a thorough walk-through is possible to assess the channel. Ms. Schroeder then stated that it was not possible and recommended the drone technology to assist with same curiosity. Director Campbell then asked if there is an estimate on the cost to clean-up the channel. Ms. Schroeder then stated that it depends on the type of work HCFCD is requesting. Ms. Schroeder then informed the Board that the cost for the site investigation utilizing drone technology is an hourly fee, but should not exceed \$1,200.

Ms. Schroeder then reminded the Board that she reviewed the proposed amendments to the District's Capital Improvement Plan at the March 25<sup>th</sup> Board meeting.

Ms. Schroeder then reported that since the repairs to the STP aeration basin have been completed, BGE recommends replacement of the bar screen and modifications to the concrete driveway at the STP. Ms. Schroeder explained that such improvements to the driveway would improve access to the chlorination equipment, which has been requested by the Operator. Ms. Schroeder explained that the District has some remaining surplus bond funds that could be utilized for such projects. Ms. Symmank then reviewed with the Board the amount of remaining surplus bond funds from the Series 2011, 2016A, and 2017 Bond issues. Ms. Adams explained that the majority of issued bonds must be expended within the three (3) year temporary period after issuance, and that general obligation bond surplus funds for water, sewer, and drainage projects cannot be utilized for recreational amenities. Ms. Adams then reported the District will need to apply to the Texas Commission on Environmental Quality to designate such funds as surplus bond funds. Ms. Adams added that an item will be added to the May 20<sup>th</sup> agenda to authorize submittal of same.

Upon motion by Director Pendleton, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve: 1) the Engineer's Report; 2) accept the Certificate of Completion in connection with the Waterline Project; 3) approve the proposal in the amount of \$5,832 from Ninyo & Moore for construction

materials testing in connection with the proposed STP improvements; 4) authorize advertisement for the CP generator installation; 5) approve use of drone technology for the Williams Gully orphan channel P130-020-00 site investigation, in an amount not to exceed \$1,200; 6) authorize design of the replacement bar screen; and 7) authorize design of modifications to the STP concrete driveway.

Ms. Schroeder next requested authorization to update the District's capital asset values for insurance renewal. Upon motion by Director Pendleton, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to authorize updating the District's capital asset values for the insurance renewal.

#### GREENS BAYOU COALITION (THE "COALITION")

Director Smith then reported that the Coalition's East Reach April meeting was canceled.

#### EVO DISTRICT ANALYSIS AND METRICS REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018 (THE "EVO REPORT")

The Board then reviewed the EVO Report prepared by Municipal Financial Services ("MFS"), a copy of which is attached hereto.

Ms. Scott exited the meeting at this time.

Ms. Adams then responded to various questions from the Board regarding comparisons to other water districts. Ms. Adams further noted that it is difficult to compare water districts because each water district is different from another. Upon motion by Director Smith, seconded by Director Campbell, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor and two (2) votes opposed, with Directors Elkins and Kirby in opposition, to accept the EVO Report.

#### UPDATE ON DEVELOPMENT OF RECREATIONAL FACILITIES

Ms. Schroeder reported that the Community/Dog Park plans have been submitted to the City of Houston for approval. Ms. Schroeder then reported that she is awaiting on plans from Ms. Tara Klein of Four and One, LLC, landscape architects for the District, for the water and sanitary sewer portion of the Community/Dog Park.

Ms. Adams then reported that the Special Warranty Deed (Atascocita Forest, Section 16 – Reserve D – 0.0319 acres) in connection with the acquisition of the AF CAI property on Pinion Court for recreational purposes has been sent to Ms. Pam Valentine of Community Asset Management, Inc., on behalf of AF CAI, who will be providing same to the Board of Directors of the AF CAI for approval. Mr. King confirmed the AFCA is reviewing same.

#### DISTRICT COMMUNICATIONS

Ms. Rodriguez then reviewed with the Board the Analytics Report for the District's website, a copy of which is attached hereto, and reported that the District's website is being updated regularly by Off Cinco.

The Board then discussed the Summer 2019 edition of *TOTL News* and requested such publication include the following topics: 1) Summer safety tips, including the reminder to lock doors, as discussed earlier in the Board meeting; 2) a reminder that school is out for the Summer; 3) information regarding the E-Recycling Event in the Fall; and 4) pictures of the groundbreaking for Lago Forest Park. Upon motion by Director Elkins, seconded by Director Kirby, after full discussion and the question being put to the Board, the Board voted unanimously to authorize preparation of the Summer 2019 *TOTL News*.

ATTORNEY'S REPORT

Ms. Adams provided copies of the Legislative Update of the 86<sup>th</sup> Legislature, a copy of which is attached hereto.

Ms. Adams then explained that the District's current insurance policies expire on June 27, 2019, and, therefore, Board action on the insurance proposals is recommended at the May 20<sup>th</sup> Board meeting. Ms. Adams informed the Board that AquaSurance LLC has been acquired by Arthur J. Gallagher & Co. ("AJG"), the District's current insurance provider. The Board then requested proposals for review at the May 20<sup>th</sup> Board meeting. Upon motion by Director Elkins, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Radcliffe Bobbitt to obtain insurance proposals.

ELECTION AGENDA

Ms. Adams then reported, in connection with the Election being held jointly with the County, Early Voting is ongoing and Election Day is Saturday, May 4, 2019. Ms. Adams also reported that the County is transmitting daily vote updates to the District. Ms. Adams then reiterated that a special meeting for the Canvassing Authority of the Board is scheduled for Wednesday, May 15, 2019 at 12:00 p.m. at the offices of Radcliffe Bobbitt.

REVIEW OF CONSULTANT CONTRACTS

The Board had no comments on the consultant contracts at this time.

MISCELLANEOUS MATTERS

Ms. Adams then reminded the Board that the next special meeting is scheduled for Wednesday, May 15, 2019 at 12:00 p.m. and the next regular meeting is scheduled for Monday, May 20, 2019 at 12:00 p.m., both of which are to be held at the offices of Radcliffe Bobbitt.

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

PASSED, APPROVED and ADOPTED this 20<sup>th</sup> day of May, 2019.



  
Secretary, Board of Directors