

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 21, 2019

THE STATE OF TEXAS

COUNTY OF HARRIS

TRAIL OF THE LAKES MUNICIPAL UTILITY DISTRICT

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The Board of Directors (the "Board" or the "Directors") of Trail of the Lakes Municipal Utility District (the "District") met in special session, open to the public, at 4139 Forest Rain Lane, Humble, Texas 77346, a meeting place inside the boundaries of the District, on Monday, January 21, 2019, at 3:30 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: Messrs. Rod Gorman and Jim Stubblefield and Ms. Anita Warner, District residents; Mr. Troy King, member of the Board of Directors of Atascocita Forest Community Association, Inc. (the "AF CAI"), a subdivision in the District; Ms. Colleen Ulibarri of the Greens Bayou Coalition (the "Coalition"); Mr. Tom Dillard of Champions Hydro-Lawn, Inc., detention pond maintenance service provider for the District; Mr. Ross Madia of Si Environmental, LLC ("SE"), operator for the District; Ms. Keli Schroeder, P.E., of BGE, Inc. ("BGE" or the "Engineer"), engineers for the District; Ms. Tara Klein of Four and One, LLC, landscape architects for the District; and Ms. Regina D. Adams and Ms. Monica A. Garza, attorneys, and Ms. Rita R. Rodriguez, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Radcliffe Bobbitt"), attorneys 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.

TEXAS PARKS & WILDLIFE DEPARTMENT ("TPWD") PARKS AND TRAILS GRANT APPLICATIONS

Ms. Klein reported that, in connection with the District's application for a 2019 TPWD Local Parks Grant, the District will also need to apply for a Dun & Bradstreet Data Universal Number System ("DUNS") number. Ms. Klein explained that the District may not be able to obtain the DUNS number in enough time to submit the application by the deadline due to the federal government shutdown. Ms. Klein explained that the monies funding the TPWD Local Parks Grant application are federal funds and that the competition will be steeper and the requirements will be different from the previous TPWD grant application. Ms. Klein further explained that such application requires an explanation of how the grant funding would benefit multiple communities. Ms. Klein then stated that she spoke with Ms. Kelly Snook, Executive Director of the Coalition, to inquire if the Coalition would be applying for 2019 TPWD grant for trails that connect to Greens Bayou. Ms. Klein explained that because of the voluntary donations to help fund the Coalition economic development projects through the District's water bills, the District could be included in the Coalition's potential application for TPWD trails grant funding for trails along Greens Bayou. Ms. Klein explained that trails along

Greens Bayou could be connected to the District's walking trails. Ms. Klein added that Ms. Snook has indicated that the Coalition will be looking into potential projects and determine if it would be possible for it to submit an application for the TPWD trails grant.

Ms. Klein then inquired if the Board wanted Four and One to proceed with preparation and submittal of the District's 2019 TPWD grant application. The Board then stated the District has tried several times, and due to the additional requirements and time constraints, the Board did not want to move forward with the 2019 TPWD grant application.

APPROVE CONSTRUCTION CONTRACT FOR LAGO FOREST PARK AND ATASCOCITA FOREST ("AF") AND CLAYTON'S PARK ("CP") DETENTION POND TRAILS

Ms. Klein then reminded the Board that it previously accepted the bid in the amount of \$530,163.65 for the construction of Lago Forest Park and the AF and CP Detention Pond trails from D.L. Meachum. Ms. Klein then presented the construction contracts for the Board's approval and execution. Ms. Klein noted a pre-construction meeting will be held at the construction site within the next two (2) weeks. Ms. Klein then reported that D.L. Meachum will then provide a construction timeline, which will be available at the February 18th special 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 approve and authorize the execution of the contracts in the amount of \$530,163.65 for the construction of Lago Forest Park and the AF and CP Detention Pond trails from D.L. Meachum.

UPDATE ON DEVELOPMENT OF RECREATIONAL AMENITIES

Ms. Schroeder then reported that the plat for the Wastewater Treatment Plant (the "STP") buffer zone site for the District's Community/Dog Park should be recorded in the Harris County Real Property Records by the end of January.

Ms. Adams then presented to the Board the Interlocal Hike and Bike Trail Agreement (the "Interlocal Hike and Bike Trail Agreement") between the District and Harris County Flood Control District ("HCFCD"). Ms. Adams informed the Board that such agreement is necessary in order to move forward with the transfer of property to HCFCD for the construction of trails along HCFCD Unit P-130-02-00 and HCFCD Unit P-130-02-04 between Will Clayton Parkway and Rankin Road right of way. Ms. Adams then recommended approval of such agreement, pending finalization with HCFCD. Upon motion by Director Smith, seconded by Director Elkins, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize the execution of the Interlocal Hike and Bike Trail Agreement.

ADOPT AMENDED RATE ORDER REGARDING THE COALITION'S ECONOMIC DEVELOPMENT PROJECTS AND INITIATIVES

The Board then considered the continuation of the voluntary donations to the Coalition through the District's water bills. Director Campbell explained that it would be costly to change the structure of the current billing system for an opt-in donation option. Ms. Adams then requested clarification on the history of the billing programs. Mr. Madia explained that prior to the District switching to First Billing Services, LLC ("First Billing"), District residents were able to donate by opting-in, but the issue arose through the electronic payment system after transfer to First Billing. Ms. Adams then asked if the First Billing system can reflect the opt-in option, and if so, why it was not done so when the system

was initially set up. Mr. Madia explained that it appeared the opt-in option was set up when in fact, it was not. Mr. Madia further explained that the enhancement to set it up is expensive and time consuming. Director Elkins then stated that she inquired if First Billing was able to offer the opt-in service for the voluntary donations to the Coalition when the transfer to First Billing was presented to the Board. Ms. Adams added that the Board understood that all of the District's requirements were transferrable and First Billing would be able to accommodate the District. Mr. Madia then stated that SE believed that all requirements would be met and did not know how the prior billing software company handled the opt-in donations.

Mr. King then stated that he was under the impression that the issue was resolved a long time ago and that he always rounds his bill off to the highest dollar. Mr. Madia explained that the issue only began in November 2018. Mr. King noted that he has previously contacted SE to have the voluntary donation to the Coalition permanently removed from his bill. Mr. Stubblefield then stated that he has complained to SE since 2016 regarding the opt-in donation. Mr. Madia noted that the voluntary donation to the Coalition has been an opt-in since inception.

The Board then inquired how much District residents have donated to the Coalition. Ms. Ulibarri stated that \$25,473 has been donated since the program began and that there has been an increase in donations recently. Extensive discussion then ensued regarding this matter and the Board agreed that the voluntary donations can be made on an opt-out basis and that District residents can contact SE to have the item permanently removed from their bills. Mr. Madia also stated that District residents can choose to leave it on their bill and pay \$1 less than the total bill. The Board then requested that notification be sent to District residents regarding the opt-out voluntary donation to the Coalition through the website, the water bill, the online bill, information in *TOTL News*, the District's Newsletter, and by text message notification. Ms. Adams then inquired if SE will be generating a notice for the water bill which will show the District residents how to handle this matter when paying their water bills. Mr. Madia then stated that SE will update the "How to Pay Invoice?" section of the water bill. Mr. Madia then stated that he will provide the wording to the Attorney for accuracy. The Board then inquired when the next bill will be distributed and Mr. Madia stated that the next bill will be distributed on February 16th.

UPDATE ON KETOS ELECTRONIC SMART METER PROGRAM

Ms. Adams then asked if there was any feedback on the KETOS electronic smart meters. Mr. Madia reported that ten (10) evaluation meters have been installed and that there is a smart phone application for account holders to see their water usage. Ms. Adams then requested confirmation from Mr. Madia if there is a mechanical back-up in the meter in the event there is an error with the meter or software. Mr. Madia explained that he believed that there is an option for a mechanical reading but he is unsure. Ms. Adams then stated that it needs to be determined if a mechanical back-up is possible.

Ms. Adams also informed the Board that KETOS is interested in attending the District's February 25th Board meeting.

BOOKKEEPER'S REPORT

The Board then reviewed the deposit refunds and checks presented for payment.

Upon motion by Director Smith, seconded by Director Elkins, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the checks presented.

MISCELLANEOUS MATTERS

The Board then noted that the next regular meeting has been scheduled for Monday, January 28, 2019, at 12:00 p.m., 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 25th day of February, 2019.




Secretary, Board of Directors