

MINUTES OF MEETING OF BOARD OF DIRECTORS

March 26, 2018

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

The Board of Directors (the "Board") 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, March 26, 2018, 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
Virginia Elkins	Secretary
Crystal Kirby	Assistant Secretary
Kim Pendleton	Director

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Troy King, District resident; Messrs. Russell Wolff and Ken Farrar of Residential Recycling & Refuse of Texas, Inc. ("RRRT"), garbage and recycling collection service providers for the District; Mr. Tom Dillard of Champions Hydro-Lawn, Inc. ("Champions"), detention pond maintenance service provider for the District; Mr. Ross Madia of Si Environmental, LLC ("SE"), operators for the District; Ms. Keli Schroeder, P.E., of BGE, Inc. ("BGE" or the "Engineer"), engineers for the District; Ms. Amy Symmank of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeepers for the District; Ms. Robin Goin of Bob Leared Interests, Inc. ("Tax Assessor/Collector"), tax assessor/collectors for the District; and Mr. Elliot M. Barner, attorney, and Ms. Rita R. Rodriguez, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("Radcliffe Bobbitt" or the "Attorney"), 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.

PUBLIC COMMENT

The Board first recognized Mr. King who reviewed with the Board a report of landscape damages in the District as a result of the waterline rehabilitation project, phase 2 ("Waterline Project"), a copy of which is attached hereto. Mr. King requested that either the District make such repairs, or, in the alternative, the Atascocita Forest ("AF") Homeowners Association ("AF HOA") make the repairs and be reimbursed by the District for same. Ms. Schroeder then stated that she will be reviewing the requested repairs.

Mr. King then requested that the Board consider reduced rates for water for the AF HOA because it will be refilling its swimming pool. Director Campbell stated that the Board will be reviewing its Amended Rate Order later in the meeting to consider same.

Mr. King then asked if the Board had any information regarding the timing of the turning lane that would be constructed on Will Clayton Parkway at Woodland Hills Drive. Ms. Schroeder then stated that she was aware of the construction of the turning lane, but that she does not have exact details.

APPROVAL OF MINUTES

The Board then considered approval of the February 26, 2018 regular meeting minutes, which were previously distributed to the Board.

Mr. Barner then reported that the March 13, 2018 special meeting minutes were not yet available for consideration.

Upon motion by Director Pendleton, seconded by Director Elkins, after full discussion and the question being put to the Board, the Board voted unanimously to approve the February 26, 2018 regular meeting minutes, as presented.

SECURITY REPORT

Director Campbell reviewed with the Board the Harris County Constable's Office, Precinct No. 4 Report, a copy of which is attached hereto. No action was necessary on this item.

GARBAGE AND RECYCLING REPORT

Mr. Farrar then reviewed the Garbage and Recycling Reports, including additional information provided in such reports, copies of which are attached hereto. Mr. Farrar reported that there were three (3) complaints during the prior month.

Mr. Wolff then reviewed with the Board the Daily Route Sheet, a copy of which is attached to the Garbage Report. Mr. Wolff reminded the Board that RRRT previously indicated that it would be tracking the start and finish collection times for the four (4) trucks operating in the District.

Mr. Wolff then reviewed with the Board a list of residents who have been provided with recycling bins, a copy of which is attached hereto. Mr. Wolff explained that such list was provided by SE, and that RRRT is distributing recycling bins the same week. Mr. Wolff added that the District is short two (2) recycling bins and that the additional 100 bins authorized for purchase at the February 26th Board meeting have been ordered.

Mr. Wolff then reminded the Board that it previously complained about RRRT garbage trucks backing down streets. Mr. Wolff explained that backing down streets is against RRRT's policy, but that there are a few circumstances when backing down streets is necessary. Mr. Wolff went on to explain that RRRT drivers are trained to only do so when it is necessary, such as when the cul-de-sacs are full or when the garbage truck is not able to drive forward down the street.

Mr. Wolff then addressed the complaints for spills and debris on the streets and explained that dogs are tearing bags and that RRRT will not always be able to catch all debris. Mr. Wolff

then requested that the Board provide examples of spills or debris and advise RRRT when it happens so that RRRT may review the videos and clean the affected areas.

Director Campbell then informed RRRT that he complained to RRRT on March 19th because leaves and clippings were not collected. Director Campbell went on to report that he left a message at RRRT with the location information and that the issue still had not been resolved. Mr. Wolff explained that RRRT has a live receptionist, and he will investigate such matter. Director Campbell noted that he called during normal business hours.

Director Campbell then noted that, because RRRT is represented by counsel, Radcliffe Bobbitt has an ethical and legal obligation to not communicate directly with RRRT and must communicate with RRRT's attorney. Mr. Wolff then stated that he was unaware of such issue.

Director Elkins then reviewed with the Board the photographs of her garbage cans that were damaged during garbage collection. Director Elkins also reported that garbage trucks back down Shrub Oak and it is not a cul-de-sac. Mr. Wolff then stated that he will address such matter with the garbage collectors.

Mr. Barner then stated that Radcliffe Bobbitt will further discuss its ability to contact RRRT with RRRT's attorney.

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 Garbage and Recycling Report.

Mr. Wolff exited the meeting at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Goin then presented the Tax Assessor/Collector's Report for the month of February, a copy of which is attached hereto. Ms. Goin noted that the District has collected 96.2% of its 2017 taxes as of February 28, 2018, compared to 96.283% for this same time last year.

Ms. Goin then reviewed with the Board the Homestead Payment Plan Report, a copy of which is attached to the Tax Assessor/Collector's Report.

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 and authorize payment of the checks reflected therein.

DELINQUENT TAX ATTORNEY'S REPORT

Ms. Goin then reviewed the Delinquent Tax Attorney's Report with the Board, a copy of which is attached hereto. Ms. Goin noted that one (1) delinquent tax account has been paid in full and that one (1) lawsuit has been filed. 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 Delinquent Tax Attorney's Report.

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.

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

Ms. Symmank then reviewed with the Board the proposed amended budget for the fiscal year ending September 30, 2018 (the "2018 Budget"), a copy of which is attached to the Bookkeeper's Report.

Mr. Madia then responded to various questions from Director Elkins regarding work orders.

Further discussion then ensued regarding the proposed amended 2018 Budget and the Board noted the proposed revisions including: 1) social security withholdings; 2) travel expenses due to joining the American Water Works Association ("AWWA"); 3) decrease in lab expenses from \$18,000 to \$8,500; 4) detention pond maintenance; 5) Texas Commission on Environmental Quality ("TCEQ") fees; and 6) recycling bins. The Board then inquired the cost per recycling bin, and Mr. Farrar replied that it is \$18. The Board then deferred further discussion regarding the Bookkeeper's Report and 2018 Budget until after review of the Detention Pond Maintenance Report.

Director Pendleton then inquired about the status of the replacement of the bollards at the Apple Hollow Detention Pond removed by AT&T. Mr. Dillard explained that such work has been completed. Director Pendleton then stated that she did not receive a letter from the Attorney regarding backbilling AT&T for such work. Ms. Rodriguez explained that an invoice has not yet been provided to Radcliffe Bobbitt. Mr. Dillard then stated that Champions is still preparing the invoice for the removal of the bollards on Apple Hollow and will provide the Attorney with same.

Mr. Dillard then reminded the Board that it will need to include mowing of the Harris County Flood Control District's ("HCFCD") P130-02-04, P130-02-00 and P130-02-02 channels (the "HCFCD Units") pursuant to the Service Contract between Champions and the District in connection with the mowing of the HCFCD Units.

The Board then tabled approval of the proposed amended 2018 Budget until the April 30th Board meeting.

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 Bookkeeper's Reports, including the Quarterly Investment Report, and authorize payment of the checks being presented for payment.

AMENDED RATE ORDER REGARDING HOMEOWNERS' ASSOCIATIONS, WATER AND SEWER RATES

The Board then considered a proposed amendment to the District's Amended Rate Order to consider water rates for homeowners' associations. Mr. Madia then reviewed with the Board a calculation for the cost to fill a pool at the District's current rates. The Board then discussed the current tiered structure and current District water rates and agreed that the water rates for homeowners' associations should be as follows:

First 8,000 gals.	\$16.00 (minimum)
8,001 to 12,000 gals.	\$1.00 per 1,000 gals.
12,001 to 16,000 gals.	\$1.25 per 1,000 gals.
All over 16,001 gals.	\$1.50 per 1,000 gals.

Further discussion then ensued regarding the District's current water rates and Director Campbell then noted that the District has not performed a rate study in approximately five (5) years and the last time water rates were reviewed was in 2012. The Board then requested that a Rate Order study be performed.

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 adopt the Amended Rate Order, to be effective April 1, 2018 as described above.

OPERATIONS REPORT

Mr. Madia then presented the Operations Report, including the Production Report and Management Report, for the month of February, copies of which are attached to the Operations Report. Mr. Madia reported that the District had a water accountability ratio of 96.42% for the prior month, and that there are currently 2,835 total connections in the District. Mr. Madia also reported that there were no excursions at the District's STP.

Mr. Madia then reviewed the Delinquent Letter Accounts List, a copy of which is attached to the Operations Report. Mr. Madia reported that during the prior month, SE sent 220 termination letters for delinquent accounts, 29 accounts were tagged, terminated service to nine (9) accounts and five (5) accounts had water service restored. Mr. Madia also reported that there were 204 delinquent letters mailed for non-payment of water service and 153 accounts are set to have door tags hung on April 5th, for a service disconnection date of April 10th.

Mr. Madia then reported that the District received 335 customer-related telephone calls during the prior month.

Mr. Madia reported that repair and maintenance items completed during the prior month included: 1) performing annual commercial meter testing at a cost of \$5,180; 2) repairing and then replacing booster pump no. 4 at a cost of \$4,979; 3) programming the radio between water well ("WW") nos. 2 and 3 at a cost of \$3,344; 4) installing a fire line tap on Beckett Ridge at a cost of \$2,135; and 5) performing preventative maintenance on all systems at Water Plant ("WP") nos. 2 and 4.

Mr. Madia reported that repair and maintenance items at the STP completed during the prior month included: 1) reinstalling lift pump no. 4 at a cost of \$7,281; 2) reinstalling blower motor at a cost of \$6,609; 4) auto-washing valves and piping at a cost of \$6,390; and 5) performing preventative maintenance.

Mr. Madia informed the Board that the District did receive a tap fee for the fire line installation on Beckett Ridge.

The Board then inquired about the status of the transition to First Billing Services, LLC ("First Billing") for electronic payment services. Mr. Madia explained that the District's information has been submitted to First Billing and the transition will be effective April 1st.

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.

GREENS BAYOU COALITION ("GBC")

Director Elkins reminded the Board that GBC will be holding the 2018 Annual Meeting on March 29, 2018 at the Greer and Lowdermilk Conference Center located at 4225 Interwood North Parkway, Houston, Texas 77032.

Director Elkins then reported that the GBC's National Trails Day clean-up is June 2nd. The Board then discussed contributing bottled water to such event and requested that Radcliffe Bobbitt obtain a quote to purchase eight (8) ounce bottles of water with the District's logo.

DETENTION FACILITIES REPORT

Mr. Dillard then reviewed the Detention Facilities Report. Mr. Dillard reported that the following work was performed during the prior month: 1) Clayton's Park ("CP") gate has been installed; and 2) chalk graffiti has been removed from the ramp at the CP Detention Pond.

Mr. Dillard then, in connection with the installation of the east gate and bollards at the Apple Hollow Detention Pond on the property owned by Harris County Precinct No. 4 ("Precinct No. 4"), reported that he still working with Precinct No. 4 to obtain permission to perform such work. Ms. Schroeder added that since the District had previous authorization to install the gate, the District is now awaiting permission to re-install it.

Ms. Schroeder then reported that BGE prepared the topographic survey of the CP Detention Pond and she is still reviewing same to determine if there is enough detention capacity within the pond with the static water surface to continue conversations with Harris County Storm Water Quality Permitting for permit renewal. Mr. Dillard added that the HCFCD will be performing an assessment on drainage systems within HCFCD and prioritizing repairs. Mr. Dillard added that Williams Gully is on HCFCD's repair list.

DEVELOPER'S REPORT

Due to the absence of Mr. Aaron Alford of Woodmere Development Company ("Woodmere"), developers in the District, there was no Developer's Report.

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, in connection with the Waterline Project being performed by Vaca Underground Utilities ("Vaca"), SE is working on completion of meter installations. Ms. Schroeder also reported that Vaca is currently working on landscaping restorations throughout the project site and BGE will have a full inspection once all restorations are complete.

Ms. Schroeder then reported that BGE has received Pay Estimate No. 4 and Final in the amount of \$5,777.78 from Lischka Utilities, LLC ("Lischka") for the construction of the water, sanitary sewer and drainage facilities for CP East, Section 2 ("CP 2 Project"), a copy of which is attached to the Engineer's Report. Ms. Schroeder then recommended Board approval for such pay estimate. Ms. Schroeder added that such project has been completed. Ms. Schroeder added that BGE will be replatting the boundary on behalf of Woodmere.

Ms. Schroeder then reported that she has received the District's Certificate of Estimated Appraised Value from the Harris County Appraisal District ("HCAD"). Ms. Schroeder then reviewed with the Board a revised Park Bond cost estimate, a copy of which is attached to the Engineer's Report. Ms. Schroeder added that she has provided same to Ms. Tara Klein of Four and One, LLC, landscape architects for the District.

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: 1) the Engineer's Report; and 2) Pay Estimate No. 4 and Final in the amount of \$5,777.78 from Lischka, in connection with the CP 2 Project.

RIGHT OF ENTRY AGREEMENT WITH THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Mr. Barner then presented the Right of Entry Agreement from the WHCRWA for access to the District's water well sites for Board approval and execution. 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 and authorize execution of the Right of Entry Agreement between the District and WHCRWA.

DEVELOPMENT OF RECREATIONAL AMENITIES

Ms. Schroeder reiterated that the District received the Certificate of Estimated Appraised Value from HCAD and that she is preparing the Park Bond Application for the First (1st) Issue of Park Bonds based on the preliminary values of \$5,105,000. Ms. Schroeder added that she will forward a draft to the District's consultants for their review.

Mr. Barner then reported that the Resolution Authorizing Application to the TCEQ for Approval of Project and First (1st) Issue of Park Bonds will be presented at the next Board meeting for approval.

Ms. Schroeder further reported that an additional area was surveyed and the results have been distributed to Ms. Klein.

Extensive discussion then ensued regarding dirt left at the STP buffer zone at the site utilized by Harris County during construction of Woodland Hills Drive South ("Woodland Hills South Expansion") and the Board requested Mr. Dillard obtain proposals to re-stabilize such area. Ms. Schroeder then stated that she will investigate whether the area should have been maintained and whether it is the responsibility of ISI Contracting, Inc. ("ISI"), contractors for the Woodland Hills South Expansion, to perform any necessary repairs pursuant to the Temporary Access Easement between the District and ISI.

Director Smith then reported that Ms. Klein had contacted various other architectural firms for the design of the pavilion at the dog park and that all other firms have declined the opportunity to work with the District. Director Smith added that Ms. Klein will further report on this matter at the District's Parks meeting on Tuesday, April 10, 2018, at 3:00 p.m.

DRIVER FEEDBACK SIGN

Ms. Rodriguez reported that the order has been placed for the driver feedback sign. Director Campbell then requested that Radcliffe Bobbitt obtain the expected date of delivery for same.

ADDITIONAL DISTRICT SIGN FOR WOODLAND HILLS DRIVE SOUTH

Mr. Madia reported that the District TCEQ-required sign on Woodland Hills Drive South should be installed by March 30th.

SEMI-ANNUAL REVIEW OF DISTRICT'S RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY (THE "REIMBURSEMENT POLICY")

Mr. Barner then reviewed the Reimbursement Policy with the Board, and noted that the review of same serves as a semi-annual reminder of acceptable reimbursable expenses in light of the upcoming American Water Works Association Texas Section Annual Conference in San Antonio, Texas. The Board then noted that no changes to the Reimbursement Policy were necessary.

DISTRICT COMMUNICATIONS

Ms. Rodriguez then reported that the District's website is being updated, as necessary.

Director Pendleton reported that she is still having issues with her trailofthelakesmud.com email not being forwarded to her personal email address. Director Pendleton then requested that Mr. Don Dulin of MyWaterBoard.com contact her regarding same.

Director Elkins then reported that there was an error in the March 2018 Newsletter. Director Elkins stated that the GBC East Reach meetings are held on the third (3rd) Wednesday of each month and not the third (3rd) Thursday of each month. Ms. Rodriguez then stated that she will note a correction on the District's website, as well as update the March 2018 Newsletter on the website.

ATTORNEY'S REPORT

Mr. Barner then stated that there was nothing further to report that had not already been discussed under a different agenda item.

REVIEW OF CONSULTANT CONTRACTS

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

MISCELLANEOUS MATTERS

Ms. Rodriguez then reminded the Board that a special meeting has been scheduled for Tuesday, April 10, 2018, at 3:30 p.m. in Room T-16 at Atascocita High School, and the next regular meeting has been scheduled for Monday, April 30, 2018, at 12:00 p.m., 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 30th day of April, 2018.




Secretary, Board of Directors