

# MINUTES OF MEETING OF BOARD OF DIRECTORS

June 25, 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, June 25, 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, except Director Pendleton, thus constituting a quorum. Also attending the meeting were: 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 providers for the District; Mr. Ross Madia of Si Environmental, LLC ("SE"), operators for the District; Ms. Rodney Heisch, P.E., of BGE, Inc. ("BGE" or the "Engineer"), engineers for the District; Ms. Amy Symmank of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeepers for the District; Ms. Kristen Scott of Bob Leared Interests, Inc. ("Tax Assessor/Collector"), tax assessor/collectors 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"), 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

There were no comments from the public.

## APPROVAL OF MINUTES

The Board then considered approval of the May 21, 2018 regular meeting minutes, which were previously distributed to the Board. Director Elkins then requested a revision to the Operations Report. Director Elkins noted that the 2017 Consumer Confidence Report was mailed separate from the water bills.

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 May 21, 2018 regular meeting minutes, as revised.

### 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.

### GARBAGE AND RECYCLING REPORT

Mr. Wolff then reviewed the Garbage and Recycling Reports and the Daily Route Sheets, copies of which are attached hereto. Mr. Wolff reported that there were seven (7) complaints during the prior month, one (1) of which was a request for a new recycle bin. Mr. Wolff noted that, in an effort to be consistent with logging such request, the requestor was referred to SE.

Director Elkins then asked if RRRT addressed the garbage collectors backing down the street on Shrub Oak. Mr. Wolff explained that RRRT has addressed such matter and he is also aware the driver reversed the length of two (2) houses because the horn was not working. Director Elkins then stated that the driver reversed the length of three (3) homes. Mr. Wolff explained that he has asked the drivers not to reverse down streets but that RRRT will be investigating why that seems to be reoccurring.

Mr. Wolff then responded to various questions from the Board, including status of complaints that the garbage collectors were digging through garbage. Mr. Wolff explained that the compliant employee had been terminated for such violation. Director Kirby then reported that she saw two (2) additional garbage collectors doing the same thing on June 25<sup>th</sup> and that video of the garbage collector sifting through garbage should be available. Mr. Wolff then stated that he will investigate such matter. Mr. Wolff added that RRRT has a zero tolerance policy regarding such issue and that RRRT has never experienced this situation in the past.

Mr. Wolff then reminded the Board that the District currently pays \$27.49 per ton for RRRT to dispose of recycled materials. Mr. Wolff explained that RRRT is currently paying \$50 per ton to swap, and that RRRT is losing money. Mr. Wolff explained that RRRT would need to raise the recycling rate by an additional \$1.24 per home to meet RRRT's cost. Discussion then ensued regarding this matter and the Directors agreed that they do not want to end the recycling program. Mr. Wolff then stated that he will prepare proposals for recycling services to present at the July 30<sup>th</sup> Board meeting. Director Campbell then noted that he does not see the complaints received from Directors on the list of complaints for the prior month, and requested that future reports include same.

Director Campbell then requested that a detailed list of recyclable items be prepared for distribution to customers either by regular mail or to be included in the District's Newsletter.

The Board requested that an item be added to the July 30<sup>th</sup> agenda for the Board to consider whether the District will continue the recycling program. Ms. Adams suggested that the Board may want to consider including a notice in the District's newsletter on the status of the recycling program. Director Campbell then suggested that surveying the District's residents may

be a good way to determine if they would like to continue the program. Director Kirby then agreed with such idea.

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 the Garbage Report.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Scott then presented the Tax Assessor/Collector's Report for the month of May, a copy of which is attached hereto. Ms. Scott noted that the District has collected 98.0% of its 2017 taxes as of May 31, 2018, compared to 96.994% for this same time last year. Ms. Scott also reported that the District's 2018 preliminary values are \$524,195,210.

Mr. Wolff exited the meeting at this time.

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

Ms. Scott presented the monthly Strategic Partnership Agreement sales tax collection report, a copy of which is attached hereto.

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 Tax Assessor/Collector's Report and authorize payment of the checks reflected therein.

#### DELINQUENT TAX ATTORNEY'S REPORT

Ms. Scott then reviewed the Delinquent Tax Attorney's Report and the uncollectible accounts report with the Board, copies of which are attached hereto. Ms. Scott reported that one (1) delinquent 2016 tax account was paid in full. Ms. Scott also reported that the Harris County Appraisal District has deleted the personal property account for EMA Enterprises located at 10920 Will Clayton Parkway, and no taxes are due.

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 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 reported that she attempted to contact Harris County (the "County") regarding the late fees charged in connection with the monthly payment for security services pursuant to the Interlocal Agreement for Law Enforcement Services with the County, and is awaiting a response.

Mr. Madia then responded to various questions from Director Elkins regarding a charge to the District for termination of service that was performed in error. Director Elkins stated that the District should not be charged if the termination was an error. Mr. Madia responded that SE will credit the District for such charge.

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.

Ms. Scott exited the meeting at this time.

### OPERATIONS REPORT

Mr. Madia presented the Operations Report, including the Production Report and Management Report, for the month of May, copies of which are attached hereto. Mr. Madia reported that the District had a water accountability ratio of 100.78% for the prior month, and that there are currently 2,852 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 204 termination letters for delinquent accounts, 39 accounts were tagged, ten (10) accounts had service terminated for nonpayment and 13 accounts had water service restored, three (3) of which were from previous terminations. Mr. Madia also reported that there were 226 delinquent letters mailed for non-payment of water service and 163 accounts are set to have door tags hung on July 12<sup>th</sup>, for a service disconnection date of July 17<sup>th</sup>.

Mr. Madia then reported that the District received 497 customer-related telephone calls during the prior month.

Mr. Madia reported that repair and maintenance items completed during the prior month included: 1) reinstalling five (5) meters on the new water main on Atascocita Road and Woodland Hills Drive at a cost of \$9,326; 2) replacing the CL2 regulator due to a leak at a cost of \$2,452; and 3) performing preventative maintenance on all systems at Water Plant Nos. 2 and 4.

Mr. Madia added that Water Well No. 3 is still inoperable and repair time will be approximately an additional four (4) weeks.

Mr. Madia then reported that, in connection with the repairs to the return active sludge ("RAS") pump no. 1 at the STP, Ms. Keli Schroeder, P.E., of BGE, received approval from the

engineer for Harris County Municipal Utility District No. 290 ("HCMUD No. 290") regarding the cost for repair/replacement for same without the need of a STP Committee meeting.

Mr. Madia reported that repair and maintenance items at the STP completed during the prior month included vactoring the center well on two (2) clarifiers at a cost of \$1,018.

Mr. Madia then reported that a District resident painted the hydrant in his yard a color that he wanted. Mr. Madia stated that he reviewed the District's records and prior to 2016, the District's hydrants were painted green, and after 2016, the District's hydrants were painted blue. Mr. Madia then inquired if the Board would like all hydrants to be the same color, with bonnets painted the state-required color. Discussion then ensued regarding such matter and Mr. Heisch stated that he will review the contracts for the water line replacement project to determine what was agreed upon, if anything, in such contract.

Mr. Madia next reported that there is an annual consumer price index ("CPI") adjustment clause included in SE's Service Contract with the District and noted that the CPI has increased by 2.3 percent (2.3%).

The Board then discussed the potential purchase and installation of electronic meters and requested that SE obtain proposals and request presentations from electronic meter companies.

Upon motion by Director Kirby, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Operations Report; 2) authorize termination of service to the delinquent accounts, in accordance with the District's Rate Order; and 3) authorize SE to obtain proposals for electronic meters.

#### ADDENDUM TO PROFESSIONAL SERVICE CONTRACT BETWEEN THE DISTRICT AND SE

Mr. Madia then reported that SE is requesting a ten percent (10%) increase on its base fee, grease trap inspection fee and fee in connection with processing delinquent accounts. Mr. Madia explained that the increase will cost the District approximately \$17.89 more per month. Director Campbell then inquired if the District is currently covering its costs with the rates in the District's current Amended Rate Order. Ms. Adams explained that a rate study needs to be performed to determine average water usage and the number of customers falling within that average to help ascertain if the necessary rates in the District's Amended Rate Order. The Board then noted that it will also need to review a comparison of SE charges to the District's Amended Rate Order. Mr. Madia then stated that he can prepare such comparison and distribute same. The Board then discussed the potential for procuring the EVO District Analysis and Metrics Report from Municipal Financial Services and requested an item be added to the July 10<sup>th</sup> agenda to hear a presentation and consider such services.

#### AMENDED RATE ORDER STUDY

The Board deferred this matter until the July 30<sup>th</sup> Board meeting.

## GREENS BAYOU COALITION (THE "COALITION")

Director Elkins reported that the Coalition rescheduled its East Reach meeting due to the Association of Water Board Directors – Texas Annual Conference.

The Board then requested that Ms. Kelly Snook, Executive Director of the Coalition, attend the District's special meetings regarding the parks and trails development.

## DETENTION FACILITIES REPORT

Mr. Dillard reported that the Harris County Flood Control District will be cleaning silt out of Williams Gully.

## ANNUAL TOUR OF DISTRICT'S FACILITIES

The Board then deferred this matter until the July 30<sup>th</sup> Board meeting.

## DEVELOPER'S REPORT

In the absence of Mr. Aaron Alford of Woodmere Development Company, developers in the District, Ms. Adams reviewed the Developer's Report. Ms. Adams then reviewed with the Board proposals from James Coney Island and Events By Kerry for the 2018 National Night Out event ("2018 NNO"). 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 authorize the District's contribution in an amount not to exceed \$1,482 toward 2018 NNO.

## ENGINEER'S REPORT

Mr. Heisch then reviewed the Engineer's Report with the Board, a copy of which is attached hereto. Mr. Heisch reported that Champions has submitted the required documentation for processing the Clayton's Park ("CP") storm water quality permit.

Mr. Heisch then reported that the County and CenterPoint Energy have authorized moving forward with the installation of the gate and bollards along the Rankin Road right-of-way.

Mr. Heisch then reported that, in connection with the waterline rehabilitation project, phase 2 (the "Waterline Project") being performed by Vaca Underground Utilities ("Vaca"), the Texas Commission on Environmental Quality (the "TCEQ") final inspection is scheduled for June 28<sup>th</sup>.

Mr. Heisch then reported that BGE will be preparing plans for: 1) the proposed STP improvements; 2) the waterline connection along Will Clayton Parkway; and 3) CP generator installation.

With regard to the emergency repairs to Water Well No. 3, Mr. Heisch then reported that C&C Water Well has stated that it anticipates receipt of the necessary equipment in mid-or late July, and repairs will begin upon receipt.

The Board then discussed the recent dry conditions and the potential need for implementing voluntary stage 1 of the District's Drought Contingency Plan. The Board then requested that an item to consider same be added to the agenda for the July 10<sup>th</sup> special Board meeting.

Ms. Adams then reported that she received a call from Ms. Jennifer Henrichs of JRH Engineering & Environmental Services, Inc., engineer for the developers of the gas station site near the WalMart Neighborhood Market. Ms. Adams informed the Board that Ms. Henrichs seems to be inquiring about obtaining a capacity commitment from the District. Ms. Adams explained that the Engineer has provided her with the relevant plans to review all of the possible issues with the site and that the next step would be to prepare a feasibility study, however, Ms. Henrichs has requested to meet with the Engineer and Ms. Adams regarding the proposed development. Ms. Adams added that she has informed Ms. Henrichs that a meeting could be held with her and Ms. Schroeder after July 10<sup>th</sup>.

Upon motion by Director Kirby, seconded by Director Smith, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

#### EMERGENCY PREPAREDNESS PLAN ("EPP")

Mr. Heisch reported that Ms. Schroeder is still in the process of working on the EPP. The Board tabled this matter until the July 30<sup>th</sup> Board meeting.

#### DEVELOPMENT OF RECREATIONAL AMENITIES

Ms. Adams then reported that the Park Bond Application for the First (1<sup>st</sup>) Issue of Park Bonds was submitted to the TCEQ on May 22<sup>nd</sup> and was declared administratively complete on May 24<sup>th</sup>. Ms. Adams next reported that there has been no update on the District's Texas Parks & Wildlife Department trails grant application.

The Board then scheduled its special meeting regarding development of recreational amenities for Tuesday, July 10, 2018, at 3:30 p.m. in Room T-16 at Atascocita High School.

#### DRIVER FEEDBACK SIGN

Mr. Madia reported that the second (2<sup>nd</sup>) driver feedback sign on the southbound side of Woodland Hills Drive at Woodland Path has been shipped.

#### DISTRICT COMMUNICATIONS

Ms. Rodriguez then reported that the District's website is being updated, as necessary. Discussion then ensued regarding the issues with the District's email and with the District's website interface. The Board then discussed utilizing social media in an effort to drive traffic to the District's website. Ms. Adams then reminded the Board that it has previously discussed the District's social media presence and that based on Senate Bill 1297, amongst other custodial and control issues and concerns, she recommends against the District's utilization of social media sites.

The Board then requested that an item to consider obtaining proposals for website and email services be added to the July 10<sup>th</sup> agenda.

ATTORNEY'S REPORT

Ms. Adams then stated that she had nothing further to report that was not already discussed under another agenda item.

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 a special meeting has been scheduled for Tuesday, July 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, July 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 30<sup>th</sup> day of July, 2018.



  
Secretary, Board of Directors