

MINUTES OF MEETING OF BOARD OF DIRECTORS

November 26, 2018

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, November 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. Jim Stubblefield, 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 providers 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" 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 public comments.

APPROVAL OF MINUTES

The Board then considered approval of the October 29, 2018 regular meeting and November 13, 2018 special meeting minutes, all of which were previously distributed to the Board. Director Pendleton noted that there is a clerical error on page 2 of the November 13, 2018 special meeting minutes.

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 October 29, 2018 regular meeting minutes, as presented, and November 13, 2018 special meeting minutes, as revised.

SECURITY REPORT

Director Campbell then reviewed with the Board the Harris County (the "County") Constable's Office, Precinct No. 4 (the "Constable") Security Report, copy of which is attached hereto.

Discussion then ensued regarding speeding on Woodland Hills Drive and Director Elkins requested that the Constable be more proactive with traffic-related matters.

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 six (6) customer complaints during the prior month.

Mr. Wolff then reported that 21 recycling bins were delivered, and the District currently has three (3) bins in inventory. Mr. Wolff added that the 100 additional recycling bins previously authorized by the Board, have been ordered and RRRT is awaiting delivery.

The Board then discussed the best time for RRRT to collect Christmas trees for the Christmas tree recycling program and Ms. Adams noted that the Board has chosen either December or early January dates in past years. Director Pendleton then made a motion to schedule the Christmas tree recycling program for December 29th. Such motion failed for lack of a second. 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 schedule the Christmas tree recycling program for Saturday, January 5, 2019.

Mr. Wolff reviewed with the Board the available dates for the electronic waste and document shredding services (the "E-Recycling Event"). 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 schedule the E-Recycling Event for Saturday, January 5, 2019.

Ms. Adams suggested the Board choose an alternate date in the event their first (1st) choice is unavailable. 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 select the alternate date for the E-Recycling Event for Saturday, February 23, 2019.

Ms. Adams then reviewed with the Board the Amendment to Agreement for Recycling and Solid Waste Collection and Disposal (the "Garbage Contract Amendment"). Ms. Adams explained that the Garbage Contract Amendment includes the following services provided by RRRT, but not included in the Agreement for Recycling and Solid Waste Collection and Disposal with RRRT: 1) backdoor service to disabled residents and/or any elderly residents unable to bring items to the curb; and 2) conduct of two (2) E-Recycling Events per year. Upon motion by Director Elkins, seconded by Director Pendleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Garbage Contract Amendment, a copy of which is attached hereto.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board discussed the District's annual aerial photo and the Directors agreed to not update the photo at this time.

Ms. Scott then presented the Tax Assessor/Collector's Report for the month of October, a copy of which is attached hereto. Ms. Scott noted that the District has collected 1.6 percent (1.6%) of its 2018 taxes as of October 31, 2018. Ms. Scott noted that the District has collected 99.3% of its 2017 taxes. 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.

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. Ms. Scott reported that six (6) delinquent 2017 tax accounts have been paid.

Ms. Scott also reported that water terminations for delinquent 2017 tax accounts are scheduled for November 27th, as authorized at the October 29th 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 Delinquent Tax Attorney 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 Joint Wastewater Treatment Plant ("STP"), a copy of which is attached hereto.

Ms. Symmank explained a spreadsheet detailing the Frontier Utilities ("Frontier") billing, a copy of which is attached hereto, and noted that the District received a call regarding termination of service due to non-payment. Ms. Symmank explained that she received inconsistent invoices for various electric meter locations. Ms. Symmank reported that Frontier has indicated that it will take approximately two (2) billing cycles to correct the issue, and once the invoices are corrected, she will then correct the late fees on the District's accounts.

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

The Board then reviewed the budget for the fiscal year ending September 30, 2019 (the "Budget"), a copy of which is attached to the Bookkeeper's Report. Ms. Adams noted that the Budget will need to be amended to include the budget for maintenance of the detention ponds, Harris County Flood Control District ("HCFCD") channels, STP fill area and storm water quality

features. 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 amend the Budget, as noted above.

OPERATIONS REPORT

Mr. Madia presented the Operations Report, including the Production Report and Management Report, for the month of October, copies of which are attached hereto. Mr. Madia reported that the District had a water accountability ratio of 98.45% for the prior month, and that there are currently 2,871 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 Listing, a copy of which is attached to the Operations Report. Mr. Madia reported that during the prior month, SE sent 282 termination letters for delinquent accounts, 70 accounts were tagged, 19 had water service terminated and 16 accounts had water service restored. Mr. Madia also reported that there were 277 delinquent letters mailed on November 14th for non-payment of water service and 220 accounts are set to have door tags hung on December 7th, for a service disconnection date of December 12th. Director Campbell then reminded the Board that in the past, the District has decided to not terminate water service during the month of December due to the Christmas and New Year's Day holidays.

Mr. Madia then reported that the District received 377 customer-related telephone calls during the prior month.

Mr. Madia reported that repair and maintenance items completed during the prior month included: 1) performing the valve survey at a cost of \$5,142; 2) replacing the low level probe at Ground Storage Tank no. 2 at a cost of \$1,380; 3) performing a tap line repair on Still Springs Drive at a cost of \$1,103; and 4) performing preventative maintenance on all systems at Water Plant ("WP") Nos. 2 and 4.

Mr. Madia then reviewed with the Board a proposal for the repair or replacement of booster pump no. 4, a copy of which is attached hereto. Mr. Madia reported that the last time booster pump no. 4 was replaced was approximately ten (10) years ago, and recommended replacement of same at a cost of \$8,601.

Mr. Madia then reported that repair and maintenance items at the STP completed during the prior month included: 1) receipt of the spare return active sludge ("RAS") pump for a cost of \$27,862; 2) pre-purchasing parts for the aeration basin cleaning at a cost of \$17,911; and 3) reinstalling the lift pump at a cost of \$6,828.

Director Campbell then reported that District residents inquired through social media regarding the current set-up for Greens Bayou Coalition (the "Coalition") donations on resident water bills. Director Campbell noted that the \$1.00 Coalition donation should be an opt-in on both paper and electronic bills but is currently an opt-out option on electronic bills. Mr. Madia then stated that he will investigate such matter and correct same.

Mr. Madia then reported that SE has provided the Texas Commission on Environmental Quality (the "TCEQ") with the proper documentation to address the Notice of Violation for WP No. 2, dated September 26, 2018.

Mr. Madia updated the Board with regard to the status of the KETOS electronic smart meter pilot program. Mr. Madia reported that KETOS and SE decided to pull all electronic smart meters and restart the pilot program after the holidays. Mr. Madia went on to explain that the issues that have been encountered thus far have not been favorable and KETOS has agreed to redesign the smart meter to ensure they function properly. Mr. Madia further explained that KETOS will be redesigning their meter to: 1) not utilize Wi-Fi, but instead use cellular end points; 2) allow for thresholds on the back-flow preventer sensor because the majority of homes in the District do not have back-flow preventers; and 3) allow for full submersion in water, at all times. Ms. Adams then inquired if KETOS has discussed amending the Evaluation Agreement to reflect the new timeline for the pilot program. Ms. Adams then stated that such agreement should be amended to reflect the updated period for the pilot program.

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: 1) approve the Operations Report; 2) authorize waiving termination of service to the delinquent accounts until after the January 1, 2019; and 3) authorize replacement of booster pump no. 4 at a cost of \$8,601.

THE COALITION

Director Elkins noted that there was no Coalition East Reach meeting in November, and as such, there was no update on this matter.

DETENTION FACILITIES REPORT

Mr. Dillard then reviewed with the Board the Detention Pond Maintenance Report. Mr. Dillard first reported that the locks for the Apple Hollow Detention Pond and Clayton's Park ("CP") Detention Pond gates have been delivered and installed.

Mr. Dillard then reported that a recent customer complaint regarding a foul smell at the CP Detention Pond was received and such smell is believed to have been caused by a fish kill due to the recent freeze.

Mr. Dillard then reported that he has been working with HCFCD and Harris County Precinct No. 2 ("Precinct No. 2") on repairs to the sinkhole on Will Clayton Parkway.

Mr. Dillard added that he has not received an update from Harris County Precinct No. 4 ("Precinct No. 4") on the District's request for a maintenance agreement regarding the cleaning and mowing of the Rankin Road right-of-way.

Director Campbell then noted that in regards to the request by the Atascocita Forest Homeowners Association (the "AF HOA") to maintain the medians located within the boundaries of the AF HOA, such maintenance would be too costly for the District at this time. The Board requested that AF HOA be notified of same.

DEVELOPER'S REPORT

There was no report on this matter.

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 rehabilitation project, phase 2 (the "Waterline Project"), Vaca Underground Utilities ("Vaca"), contractor for the Waterline Project, has completed making repairs to the irrigation system and final inspection is scheduled for Thursday, November 29, 2018 at 10:00 a.m.

Ms. Scott exited the meeting at this time.

Ms. Schroeder then reported that the plans for the waterline connection along Will Clayton Parkway were recently approved and requested authorization to solicit bids for such project.

Ms. Schroeder then reported that BGE is finalizing plans for the proposed STP improvements and BGE plans to advertise for bids for such project in December.

Ms. Schroeder then reported that BGE is preparing plans for the proposed CP generator installation.

Mr. Morales exited the meeting at this time.

Ms. Schroeder then reported that the STP advisory committee representatives for the District and Harris County Municipal Utility District No. 290 ("HCMUD 290") met regarding the District's approval of the proposal for aeration basin clean-out, inspection and repair (the "Aeration Basin Cleaning") in the amount of \$138,253.50 from Magna Flow Environmental ("Magna Flow"). Ms. Schroeder explained that Director Elkins informed HCMUD 290 that Magna Flow is familiar with the District's facilities and that the District had a concern with Source Point Solutions, LLC ("Source Point"), the low bidder, utilizing subcontractors to perform the work. Ms. Schroeder then stated that HCMUD 290 requested that BGE inquire with Source Point if it will be using subcontractors for the Aeration Basin Cleaning and she has confirmed that Source Point would not do so, nor will Source Point use outside equipment. The Board then inquired if a prohibition against using subcontractors could be included in the contract with Source Point. Ms. Schroeder then stated that she can include such requirement in the contract. Extensive discussion then ensued regarding the Aeration Basin cleaning proposals and contractual and legal matters regarding same.

Upon motion by Director Smith, seconded by Director Kirby, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor, one (1) vote opposed and one (1) abstention, with Director Pendleton in opposition and Director Campbell abstaining, to accept the bid in the amount of \$106,575 from Source Point, in connection with the Aeration Basin Cleaning.

Ms. Schroeder also reported that BGE has submitted a request for a maintenance agreement regarding the cleaning and mowing of the Rankin Road right-of-way to Precinct No. 4.

Ms. Schroeder next reported that BGE has submitted the application package to the County for approval of the permit of the northbound driver feedback sign on Woodland Hills Drive. Ms. Schroeder further reported that the County provided comments regarding maintenance requirements for the sign. Ms. Schroeder then noted that Radcliffe Bobbitt is coordinating with AFCAI regarding its approval of the Letter of Responsibility with the County and the Letter Agreement between the District and the AFCAI regarding their agreement to execute the Letter of

Responsibility with the County. Ms. Adams added that Radcliffe Bobbitt has contacted AFCAI to confirm its receipt of same for consideration.

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: 1) approve the Engineer's Report; and 2) authorize the Engineer to advertise for bids for the waterline connection along Will Clayton Parkway.

DEVELOPMENT OF RECREATIONAL AMENITIES

Ms. Schroeder then reported that, in connection with the walking trail along Williams Gully, HCFCD directed the District to Precinct No. 2 because it intended to construct trails in that location. Ms. Schroeder went on to explain that Ms. Tara Klein of Four and One, LLC, landscape architects for the District, contacted Precinct No. 2, and Mr. Kyle Kelley of Precinct No. 2 informed her that Precinct No. 2 is not constructing trails but will consider working with the District on maintenance. Ms. Adams then stated that the District will continue to work on conveyance of the property for construction of the trails.

Director Elkins then inquired about the status of the Parks Rules and Regulations Policies. Ms. Adams stated that Radcliffe Bobbitt is still working on them and that such rules and policies will be ready for the Board's review at the January 2019 parks meeting.

Ms. Schroeder reported that the replatting of the community dog park is in progress.

The Board then discussed scheduling the December special meeting regarding parks and recreation amenities. Director Campbell stated that he will no longer be able to attend special meetings on Tuesdays and that he will only be available on Mondays. The Board then agreed that matters regarding parks and recreation amenities will be discussed at the Board's regular December meeting. The Board then rescheduled the December meeting for Monday, December 17, 2018, at 12:00 p.m., at the offices of Radcliffe Bobbitt.

DISTRICT COMMUNICATIONS

Ms. Rodriguez then reviewed with the Board the District's proposed new website format. The Board requested the following changes: 1) include the District's logo; 2) reorganize consultants so that District residents can easily find contact information for SE and RRRT; 3) revise the Frequently Asked Question regarding charges on the water bills, including adding a link to the West Harris County Regional Water Authority; and 4) resolve issues with translations on the Elections page. 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 District's new website, subject to revisions as noted above.

Ms. Rodriguez then reviewed with the Board the Winter 2018 edition of *TOTL News*, the District's newsletter. The Board requested revisions to and reorganization of articles. 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 distribution of the Winter 2018 edition of *TOTL News*.

ATTORNEY'S REPORT

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

ELECTION AGENDA

Ms. Adams reminded the Board that 2019 is a general election year for the District and that Directors Campbell and Pendleton are up for re-election at the Director's Election to be held on Saturday, May 4, 2019 (the "Election"). Ms. Adams explained that the County has previously indicated that it would conduct joint elections in May 2019, but would not lease equipment to local jurisdictions. Ms. Adams went on to explain that because a new Harris County Clerk will take office in January 2019, she is uncertain if the County will still choose to conduct joint elections in May 2019. Ms. Adams noted that Radcliffe Bobbitt will further update the Board regarding this matter when the County releases additional information.

Ms. Adams then explained that the District must post the Notice of Deadline to File Applications for Place on the Ballot by no later than Monday, December 17, 2018. Ms. Adams then informed the Board that the first day to file an application for a place on the ballot is Wednesday, January 16, 2019, and the last day to file an application for a place on the ballot is Friday, February 15, 2019 by 5:00 p.m.

APPOINTMENT OF DESIGNATED AGENT FOR THE ELECTION

Ms. Adams then discussed appointment of a designated agent for the Election, and recommended that the District appoint Radcliffe Bobbitt. 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 appoint Radcliffe Bobbitt as its designated agent for the Election.

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 regular meeting is scheduled for Monday, December 17, 2018, 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 17th day of December, 2018.





Secretary, Board of Directors