

MINUTES OF MEETING OF BOARD OF SUPERVISORS
FEBRUARY 5, 2019

THE STATE OF TEXAS §
COUNTY OF HARRIS §
MEMORIAL VILLAGES WATER AUTHORITY §

The Board of Supervisors (the “Board”) of Memorial Villages Water Authority (the “Authority”) met in regular session, open to the public, on February 5, 2019, at the Authority’s office at 8955 Gaylord, Houston, Harris County, Texas at 7:00 p.m., whereupon the roll was called of the members of the Board, to wit:

Grover S. Grimes, President
Gary Schenk, Vice President
Will Wilson, Secretary/Treasurer
Veronica Roa, Supervisor
Chris Gowan, Supervisor
Alan Daughtry, Supervisor
Randolph Ewing, Supervisor

Persons Attending. All members of the Board attended the meeting, except Supervisors Roa and Daughtry. Also attending were Mr. Michael Montgomery, General Manager of the Authority; Mr. John Davis and Mr. Norman Gutierrez of Langford Engineering, Inc. (“Langford”), Engineer for the Authority; and Ms. Shaila Sreedharan, paralegal, of Norton Rose Fulbright US LLP, attorneys for the Authority.

Call to Order. The President called the meeting to order in accordance with notice posted pursuant to law, copies of the Certificates of Posting of which are attached hereto as Exhibit “A,” and the following business was transacted:

1. **Public Comments.** There were no public comments.
2. **Approve minutes of the January 8, 2019 special meeting.** Proposed minutes of the special meeting of January 8, 2019, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Supervisor Wilson, seconded by Supervisor Ewing, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the special meeting of January 8, 2019, as presented.
3. **Status report on the construction of the Creekside Water Plant Improvements project and consideration of Pay Estimate No. 4.** Mr. Gutierrez presented to and reviewed with the Board Pay Estimate No. 4, a copy of which is attached hereto as Exhibit “B.” He reported that the project is 34.19% complete. Mr. Gutierrez provided an update on the status of the project, noting that the construction of the roof is complete and that the tanks will be raised on February 6, 2019. Upon motion by Supervisor Wilson, seconded by Supervisor Schenk, after full discussion and the question being put to the Board, the Board voted unanimously to approve Pay Estimate No. 4 to W.W. Payton Corporation in the amount of \$339,390.

4. Status report on the 2018-2019 Waterline Replacement Project. Mr. Gutierrez reported that the plans for the waterline replacement project have been submitted to Mr. Montgomery. He stated that the bid notice was published on January 30, 2019 and will be published again on February 6, 2019. Mr. Gutierrez reported on the project timeline, stating that the pre-bid meeting is scheduled for February 13, 2019 and the bid opening is February 20, 2019.

Discussion ensued regarding the timeline and work included in the project. Mr. Montgomery reported that the tentative contract period is 120 days. Additional discussion ensued regarding the resident property disruptions that will occur during the project.

5. Status report on LAS Project and consideration of Pay Estimate No. 2. Mr. Gutierrez reported that there is no pay estimate from W.W. Payton Corporation for this period. He provided a status update on the project, noting that the delivery for the chemical feed system has been scheduled.

6. Consider usage of Groundwater Credits to renew water well permits for the 2019-2020 permit term. Mr. Montgomery presented to and reviewed with the Board a memorandum regarding the use of Groundwater Certificates to obtain the Authority's water well permits for the permit period May 1, 2019 through April 30, 2020, a copy of which is attached hereto as Exhibit "C." Discussion ensued regarding the value, expiration, and sale options of the Groundwater "A" and "B" certificates. Upon motion by Supervisor Ewing, seconded by Supervisor Wilson, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize submission of Type B Groundwater Certificates, as specified in the memorandum, for renewal of the Water Well Permits for the 2019-2020 permit period.

7. Manager's Report. Mr. Montgomery presented to and reviewed with the Board the Wastewater Treatment Plant operations report for December 2018, a copy of which is attached hereto as Exhibit "D."

Mr. Montgomery reported on the Texas Commission on Environmental Quality ("TCEQ") inspection, noting that the Authority was cited for missing a "Hazardous" sign outside of the plant. Mr. Montgomery reported that a new sign was purchased and installed and that the TCEQ was informed. Brief discussion ensued regarding the TCEQ citations.

Mr. Montgomery provided the Board with the Financial Notes, including the Authority's monthly investment report, copies of which are attached hereto as Exhibit "E."

Mr. Montgomery presented the Tax Recap Report for January 2019, a copy of which is attached hereto as Exhibit "F."

8. Consider property tax exemptions. Ms. Sreedharan presented to and reviewed with the Board the Order Adopting Exemptions from Taxation, a copy of which is attached hereto as Exhibit "G." Ms. Sreedharan reported that last year the Board granted a 20% homestead property tax exemption and a \$21,400 homestead property tax exemption for owners who are 65 years of age or older or who are disabled. The Board, Ms. Sreedharan, and Mr. Montgomery discussed the

over 65 years of age and resident homestead exemptions. Upon motion by Supervisor Wilson, seconded by Supervisor Gowan, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Adopting Exemptions from Taxation, thereby granting a 20% homestead property tax exemption and a \$21,400 homestead property tax exemption for those who are 65 years of age or older or who are disabled.

9. Consider extension of contract with delinquent tax attorney to enforce the collection of delinquent taxes. Mr. Montgomery reported that the current contract with the delinquent tax attorney does not expire until June 30, 2021. Upon motion by Director Schenk, seconded by Director Wilson, after full discussion and the question being put the Board, the Board voted unanimously to continue the current contract with the delinquent tax attorney.

10. Payment of Bills. Upon motion by Supervisor Ewing, seconded by Supervisor Gowan, after full discussion and the question being put to the Board, the Board voted unanimously to approve payment of the bills, a listing of which is attached hereto as Exhibit "H."

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Supervisors on March 5, 2019.

President, Board of Supervisors

ATTEST:

Secretary, Board of Supervisors

(AUTHORITY SEAL)