

TIMBER LANE UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 12, 2019

The Board of Directors (“Board”) of Timber Lane Utility District (“District”) met at 2615 Ciderwood, Spring, Harris County, Texas in the District, on September 12, 2019 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

Robert B. Schenck, Vice President
James F. Messer, Secretary
A. F. “Bud” Gessel, Assistant Secretary
Eric Langstaff, Director

and the following was absent:

Daniel M. Meacham, President.

Also present were Michelle Blevins, Perry Miller, Tammy Carby, Paulette Scott, Curt Trauth, Chad Luellen, Perry Miller, Mark Cervantes, Bill Russell, Jeff Vogler, Greg Lentz, Harris County Precinct 4 Deputy Flores and Deputy Norton, Jennifer B. Seipel and Lori G. Aylett.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. There were no public comments.
2. The Board considered the minutes of the meetings held on August 8, 2019 and August 15, 2019. Upon motion duly made and seconded, the Board unanimously approved the minutes of the meetings as presented.
3. Harris County Precinct No. 4 Deputy Flores presented a law enforcement report, copy attached. There was one burglary of a habitation, three vehicle thefts, three assaults, 22 calls for family disturbances, 66 alarms, three reported runaways, seven burglaries of a motor vehicle, six other thefts, zero sexual assaults, three calls for juvenile disturbance, 45 suspicious vehicles, two phone harassments, zero thefts of a habitation, three robberies, six criminal mischief calls, 63 other disturbances, 27 suspicious persons and 1028 other calls. Deputy Flores also discussed a recent homicide that is being investigated. After discussion, upon motion duly made and seconded, the Board approved the law enforcement report as presented.
4. Tammy Carby presented a tax assessor/collector’s report, copy attached. The District’s 2018 taxes are 99% collected. One wire transfer and four checks were presented for the Board’s review and approval. Upon unanimous vote, the Board approved the tax assessor’s report as presented.

5. Jeff Vogler presented the engineer's report, copy attached. The engineer confirmed that design with respect to Breckenridge West Sections 3, 4 and 5 is ongoing. On the lift station force main, the engineer submitted the plans to Harris County for approval.

With regard to the provision of auxiliary power to various District facilities, the engineer reviewed the bids received with the Board. The low bidder was W.W. Payton Corporation with a bid amount of 1,600,000.00 and a contract duration of 360 calendar days. The second lowest bid was McDonald Municipal and Industrial with a bid amount of \$1,613.469.00 and a contract duration of 235 calendar days. It was noted that the Texas Water Code does not require the Board to accept the lowest bid, and that the contract duration for W.W. Payton Corporation is significantly longer. The Board noted that the completion contract time offered by McDonald would enable all the auxiliary power facilities to be complete and operational before the start of the next hurricane season, which would be of significant benefit to the District. Considering the large difference in contract days and the small difference in the bid amounts, the Board approved award of the contract to McDonald Municipal and Industrial in the amount of \$1,613,469.00.

The engineer then reported that he is addressing the attorney's comments on Bond Application No. 22.

Mark Cervantes reported on matters related to Cypress Creek Park and the Cypress Creek bridge to Cypress Creek Park pedestrian bridge. Construction is substantially complete. The engineer presented Pay Application No. 5 and Final in the amount of \$17,690.00 to Division III + Constructors and recommended its payment.

Construction of the Community Center continues. The engineer presented Pay Application No. 8 in the amount of \$137,360.25 and Change Order No. 5 in the amount of \$62,500.00 to A&M Contractors and recommended their payment.

As for the sanitary sewer rehabilitation project for Sections 2, 3, and 5 of Timber Lane, the engineer presented Pay Application No. 1 in the amount of \$80,067.90 to T Construction and recommended its payment.

With regard to the trail and canopy structures adjacent to the Union Pacific Railroad ("UPRR") property, the engineer stated that the contractor has taken issue with costs associated with hiring flaggers, which was a contract specification. The engineer will keep the Board apprised of the situation.

In connection with the clearing of Breckenridge West, the engineer presented Pay Application No. 2 in the amount of \$167,400.00 to K&K Earthworks and recommended its payment.

As for the Breckenridge West outfall channel and detention, the engineer presented Pay Application No. 2 in the amount of \$828,983.97 to Liscka and recommended its approval. The engineer also recommended District expenditure of \$24,350.00 for the installation of additional water main valves, which will benefit the District in isolating its main line.

With regard to Breckenridge West, Section One, the engineer presented Pay Application No. 1 in the amount of \$385,662.66 to Fellers & Clark and recommended its payment.

The engineer also reported that the surety company involved in the Highland Glen, Section 5 utility construction dispute selected a new contractor to finish the job.

After discussion, upon unanimous vote, the Board approved the engineer's report, including all pay applications and change orders listed thereon.

6. Bill Russell presented a bookkeeper's report, copy attached. The District's debt service fund balance is \$2,576,160.13, and the capital projects fund balance is \$6,934,350.16. The capital projects park fund balance is \$1,506,552.78, and the operating fund balance is \$8,320,906.50. Upon unanimous vote, the Board approved the bookkeeper's report as presented.

7. There were no developers present.

8. Michelle Blevins presented an operator's report, copy attached. The District billed 6,156 accounts and had water accountability of 91.36%. The operator mailed 1,208 delinquent notices, and terminated services to 69 accounts. The operator took 20 bacteriological tests, and all were acceptable. The sewage treatment plant operated within all permitted parameters.

Michelle Blevins noted that she received and processed one request for a routine payment plan. She also presented for the Board's consideration a request for waiver of fees assessed in connection with a late payment. After consideration, the Board denied the request. Upon unanimous vote, the Board approved the operator's report as presented.

9. The Board then considered District tax rate matters. Greg Lentz presented an analysis regarding the District's proposed 2019 tax rate and recommended a reduction in the debt service tax rate. The financial advisor also presented options for the District's maintenance and operations tax rate. After in-depth discussion and review of Mr. Lentz's analysis, upon motion duly made and seconded, the Board unanimously authorized publication of a proposed \$0.89 tax rate comprised of \$0.38 for maintenance and operating and \$0.51 for debt service and called for a public hearing to be held at the District's regularly scheduled October Board of Directors meeting.

10. There was no hearing on violation of District rules.

11. Director Gessel presented a report on the District's parks and recreational facilities, a copy attached. Director Gessel reported that the Purchase and Sale Agreement for the UPRR property has been executed and the earnest money deposited. Director Gessel also reviewed with the Board the quote presented by Champions Hydro-Lawn for certain sprinkler work at Liberty Park in an amount not to exceed \$9,800.00. The Board approved the quote as presented. The Board then discussed the status of selling the Liberty Building to the Timber Lane HOA. Such sale is pending survey work and execution of a purchase and sale agreement. Director Gessel noted that the District was applying for a park award from the Houston-

Galveston Area Council. The Board discussed the recent Labor Day parade, which was a great success. Upon unanimous vote, the Board approved Mr. Gessel's report as presented.

12. There were no Eagle Scout projects for the Board's consideration.

13. The attorney reported that a draft of the interlocal agreement with Harris County for construction of the trail has been sent to Director Gessel for his review.

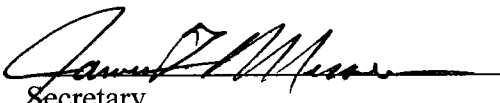
14. There were no rewards for citizen information.

15. The Board reviewed the annual maintenance report from Municipal Risk Management Group concerning the District's compliance with federal arbitrage and rebate regulations. The District appeared to be in compliance with all current regulations.

16. Ms. Aylett presented a proposal from Arbitrage Compliance Specialists to conduct five-year arbitrage rebate report on the District's Series 2015 bond issue. After a brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the proposal as presented.

17. Under pending business, Perry Miller with Champions Hydro-Lawn presented two proposals to de-silt a pilot channel and perform other work on District facilities in the amounts of \$15,500 and \$6,800. After discussion, the Board unanimously approved the proposals as presented.

There being no further business to come before the Board, the meeting was adjourned.


Secretary