

TIMBER LANE UTILITY DISTRICT
Minutes of Meeting of Board of Directors
October 10, 2019

The Board of Directors (“Board”) of Timber Lane Utility District (“District”) met at 2615 Ciderwood, Spring, Harris County, Texas in the District, on October 10, 2019 in accordance with the duly posted notice of the meeting, with a quorum of Directors present, as follows:

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

and the following was absent:

None.

Also present were Mike Potter, Michelle Blevins, Tammy Carby, Paulette Scott, Curt Trauth, Eric O’Brian, Mark Cervantes, Bill Russell, Jeff Vogler, Tim Applewhite, Harris County Precinct 4 Deputy Medina 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. Under public comments, Paulette Scott discussed the upcoming 2020 census and the employment of individuals to assist with its administration. She asked whether the District would be agreeable to placing signs on District property indicating that the census is hiring workers. After a brief discussion, the Board agreed to her request.

2. The Board considered the minutes of the meeting held on September 12, 2019. Upon motion duly made and seconded, the Board unanimously approved the minutes of the meeting as presented.

3. Harris County Precinct No. 4 Deputy Medina presented a law enforcement report, copy attached. There were five burglaries of a habitation, one vehicle theft, two assaults, 23 calls for family disturbances, 51 alarms, six reported runaways, eight burglaries of a motor vehicle, four other thefts, zero sexual assaults, four calls for juvenile disturbance, 42 suspicious vehicles, two phone harassments, one theft of a habitation, one robbery, twelve criminal mischief calls, 74 other disturbances, 30 suspicious persons and 1016 other calls. 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. 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 continues.

With regard to the provision of auxiliary power to various District facilities, the engineer presented the contract with W.W. Payton Corporation for execution.

The engineer then reported that Bond Application No. 22 has been submitted to the Texas Commission on Environmental Quality for expedited review.

Mark Cervantes then reported on matters related to Cypress Creek Park and the Cypress Creek bridge to Cypress Creek Park pedestrian bridge. He stated that plans are being reviewed.

Construction of the Community Center continues. The engineer presented Pay Application No. 9 in the amount of \$228,458.39 to A&M Contractors and recommended its payment.

As for the sanitary sewer rehabilitation project for Sections 2, 3, and 5 of Timber Lane, the engineer stated that construction continues.

With regard to the trail and canopy structures adjacent to the Union Pacific Railroad ("UPRR") property, the engineer presented Pay Application No. 2 in the amount of \$30,696.91 to Division III and recommended its payment.

In connection with the clearing of Breckenridge West, the engineer presented Pay Application No. 3 in the amount of \$720,006.30 to K&K Earthworks and recommended its payment.

As for the Breckenridge West outfall channel and detention, the engineer reported that construction continues.

With regard to Breckenridge West, Section One, the engineer presented Pay Application No. 2 in the amount of \$784,656.78 to Fellers & Clark and recommended its payment.

With regard to Breckenridge West, Section Two, the engineer presented Pay Application No. 1 in the amount of \$423,862.20 to Clearwater and recommended its payment.

The engineer also reported that the new contractor for the Highland Glen, Section 5 project has yet to begin construction.

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

6. Bill Russell presented a bookkeeper's report, copy attached. The District's debt service fund balance is \$2,577,926.09, and the capital projects fund balance is \$6,907,012.40. The capital projects park fund balance is \$1,127,020.95, and the operating fund

balance is \$8,173,502.49. Upon unanimous vote, the Board approved the bookkeeper's report as presented.

7. There were no developers present.

8. Mike Potter presented an operator's report, copy attached. The District billed 6,156 accounts and had water accountability of 91.36%. The operator mailed 1,324 delinquent notices, and terminated services to 83 accounts. The operator took 22 bacteriological tests, and all were acceptable.

The operator then reported that the District's wastewater treatment plant was again experiencing issues with the levels of E.Coli present in its samples. The operator believes that the UV light treatment system is still failing to remove E.Coli from the system. The Board talked at length about the problem and possible solutions. The operator stated that he will continue to work with the engineer and the company who made the UV light treatment system to address the matter.

Michelle Blevins also noted a recent situation involving the possible theft of water by a District resident. Her office is closely monitoring the situation.

Michelle Blevins noted that she received and processed three requests for routine payment plans. Upon unanimous vote, the Board approved the operator's report as presented.

9. The Board confirmed that the tax assessor/collector properly and timely advertised the District's proposed 2019 tax rate in the *Spring Observer*, and the President called the public hearing on the proposed tax rate open. After soliciting comments, the Board declared the public meeting closed. Upon motion duly made, seconded and unanimously carried, the Board voted to adopt the attached Order Setting Tax Rate, Approving Tax Roll, and Levying Debt Service Tax and Maintenance and Operation Tax for the Year 2019, which order levies a maintenance and operations tax rate of \$0.39 per \$100 assessed valuation and a debt service tax rate of \$0.51 per \$100 assessed valuation for a total combined tax levy of \$0.90 per \$100 assessed valuation for the 2019 tax year.

There was then presented the Amendment to Statement of Directors Furnishing Information Required by Section 49.455(b), Texas Water Code, as Amended. The attorney noted that the Amendment to Statement of Directors is filed in the real property records of Harris County and informs property owners in the District that they are located in a water district and what the current tax rate is. Upon motion duly made, seconded and unanimously carried, the Board voted to adopt the amendment as presented, authorized its execution by all directors present, and authorized the attorney to file the document as required by law.

10. Tim Applewhite gave an audit report for the fiscal year ended June 30, 2019. The auditor noted that his firm was issuing an unmodified or "clean" opinion; in other words, the financial statements present fairly, in all material respects, the respective financial position of the District's funds and governmental activities. The Board reviewed the audit in some detail. Upon unanimous vote, the Board approved the audit of the District's books and records for the fiscal year ended June 30, 2019 and authorized its filing, as required by law.

11. There was presented the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives. The attorney noted that pursuant to the Public Funds Investment Act, the District is annually required to review its investment policy to assure its compliance with Texas law. The attorney recommended no revisions at this time to the investment policy, and the auditor's report noted no deficiencies with respect to how the District's investments are handled. Upon unanimous vote, the Board adopted the resolution as presented.

12. The Board noted the necessity to authorize preparation of continuing disclosure documents. The attorney noted that the District is required by federal securities law to update certain financial information that would be of interest to bondholders of the District. Upon unanimous vote, the Board authorized the attorneys to prepare and file the necessary continuing disclosure.

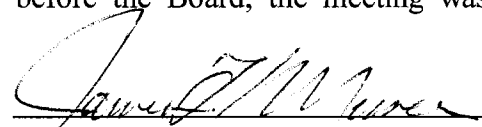
13. There was no hearing on violation of District rules.

14. Director Gessel presented a report on the District's parks and recreational facilities, a copy attached. Director Gessel reported that the big lake has recently been restocked, and a senior fishing event is scheduled for November 4, 2019. He also reported that the survey of the Liberty Building site is pending. Director Gessel discussed several community service projects. Finally, he noted that the environmental sampling for the UPRR site is scheduled for October 16, 2019. Upon unanimous vote, the Board approved Mr. Gessel's report as presented.

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

16. There were no rewards for citizen information.

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


Secretary