

TIMBER LANE UTILITY DISTRICT
Minutes of Meeting of Board of Directors
June 11, 2020

The Board of Directors (“Board”) of Timber Lane Utility District (“District”) met via telephone conference, on June 11, 2020 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, Mark Cervantes, Bill Russell, Jeff Vogler, Greg Lentz, Katie Golzarri, Perry Miller, Amanda England, Harris County Precinct 4 Sergeants Norton and Flores, 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 meeting held on May 14, 2020. Upon motion duly made and seconded, the Board unanimously approved the minutes of the meeting as presented.

3. Harris County Precinct No. 4 Deputy Flores presented a law enforcement report, copy attached. He reported the following crime statistics: three burglaries of a habitation, six vehicle thefts, one assault, 19 calls for family disturbances, 51 alarms, one reported runaway, six burglaries of a motor vehicle, nine other thefts, two sexual assaults, one call for juvenile disturbance, 73 suspicious vehicles, two phone harassments, zero thefts of a habitation, two robberies, seven criminal mischief calls, 103 other disturbances, 35 suspicious persons, and 988 other calls. After discussion, upon motion duly made and seconded, the Board approved the law enforcement report as presented.

4. The Board then considered amendment to the Interlocal Agreement with Harris County for the procurement of an additional deputy to handle the newly-constructed neighborhoods located within the District. Upon motion duly made, seconded, and unanimously carried, the Board approved the amendment to the agreement as presented.

5. Tammy Carby presented a tax assessor/collector’s report, copy attached. The District’s 2019 taxes are 98% collected. Ms. Carby also presented one request for an

installment payment agreement. Upon unanimous vote, the Board approved the installment agreement and the tax assessor's report as presented.

6. Jeff Vogler presented the engineer's report, copy attached. The engineer presented bids for water, sewer, and drainage improvements in Section 6 of Breckenridge West and recommended award of the contract to Dimas Bros. Construction in the amount of \$868,043.10.

The engineer also presented bids for water, sewer, and drainage improvements in Section 7 of Breckenridge West and recommended award of the contract to Fellers & Clark, LLC in the amount of \$670,000.00.

The engineer stated that the bids for water, sewer, and drainage improvements in Sections 8 and 9 of Breckenridge West are still being evaluated.

Mark Cervantes then reported on matters related to Cypress Creek Park Trail. He stated that design is underway.

Construction of the Community Center is nearing completion. The engineer presented Pay Application No. 17 in the amount of \$123,221.25 to A&M Contractors and recommended its payment.

With regard to the Cypress Creek Park trail from the Cypress Creek Bridge to the Cypress Creek pedestrian bridge, the engineer presented Pay Application No. 1 in the amount of \$13,770.00 to Division III and recommended its payment.

In connection with the auxiliary power for facilities at various locations, the engineer stated that he expects delivery of the generator in the next few days. No pay application was submitted for approval.

With regard to Breckenridge West Phase II detention, the engineer presented Pay Application No. 3 in the amount of \$490,956.30 to Sonora and recommended concurrence in its payment by the developer.

As for Breckenridge West, Sections 4, the engineer presented Pay Application No. 2 in the amount of \$51,946.77 to Fellers & Clark and recommended concurrence in its payment by the developer.

With regard to the lift station for Breckenridge West, the engineer presented Pay Application No. 8 in the amount of \$19,570.00 to Jollux and recommended concurrence in its payment by the developer.

With regard to the force main for Breckenridge West, the engineer presented Pay Application No. 2 in the amount of \$18,900.00 to Underground Construction Solutions and recommended concurrence in its payment by the developer.

As for Highland Glen, Section, the engineer presented Change Order No. 2 in the amount of \$73,476.00 and Pay Application No. 3 in the amount of \$143,635.37 to Hyland Construction and recommended concurrence in their payment by the developer.

The engineer also discussed holding a special meeting to discuss the Sandpiper preliminary drainage study performed by the Harris County engineering department. The Board agreed to hold that meeting later this month.

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

7. The Board considered a request for annexation of a 12.85-acre commercial mixed use development at 22711 Aldine Westfield. The engineer stated that it made sense for the District to serve the tract and confirmed that the District has the capacity to do so. The Board also discussed receipt of a deposit from the developer to cover the District's costs associated with the annexation. Upon motion duly made and seconded, the Board agreed to proceed with the annexation.

8. Bill Russell presented a bookkeeper's report, copy attached. The District's debt service fund balance is \$5,963,908.53, and the capital projects fund balance is \$6,326,455.18. The capital projects park fund balance is \$86,383.08, and the operating fund balance is \$10,323,596.35. Upon unanimous vote, the Board approved the bookkeeper's report as presented.

9. The Board then considered adoption of an operating budget for the fiscal year ending June 30, 2021. After discussion, upon unanimous vote, the Board approved the attached Resolution Adopting Operating Budget for the Fiscal Year Ending June 30, 2021.

10. The attorney noted that with approval of the District's budget, the District is required to update the transparency report required by Tax Code Section 26.18. Upon unanimous vote, the Board authorized the attorney to update the compliance document.

11. The Board confirmed previous engagement of McCall Gibson Swedlund and Barfoot, PLLC to audit the books and records of the District for the fiscal year ending June 30, 2020.

12. The Board reviewed the ethics letter and update by investment officer, Bill Russell. The attorney noted that annually the investment officer is asked to disclose whether he has any personal business relationships (as that term is defined by statute) with anyone offering to engage in an investment transaction with the District. Mr. Russell submitted the required disclosure which indicated that he had no such relationships to disclose. The attorney noted that this document would be filed with the Texas Ethics Commission and in the District's records as required by law. Upon unanimous vote, the Board approved the investment officer disclosure as presented and authorized its necessary filing.

13. Under developers' reports, Amanda England requested that the District begin the process of preparing a bond application to reimburse DR Horton for the water, sewer, and drainage infrastructure it has constructed within the District. The District's financial advisor,

Greg Lentz, stated that he would begin the analysis necessary to begin the process of reimbursing the developer. Jeff Vogler will bring a cost summary to the next board meeting for the Board's consideration. Ms. England thanked the Board for their time.

14. Mike Potter presented an operator's report, copy attached. The District billed 6,430 accounts and had water accountability of 91.73%. The operator mailed 1,046 delinquent notices and terminated services to 0 accounts. The operator took 20 bacteriological tests, and all were acceptable. The operator noted that District's wastewater treatment plant was again experiencing issues with the levels of E.Coli present in its samples. Upon unanimous vote, the Board approved the operator's report as presented.

15. The Board discussed the District's participation in the Harris-Galveston Subsidence District's (the "Subsidence District") water conservation program. Ms. Aylett stated that, with schools having been cancelled for the latter half of the spring semester, the Subsidence District has asked whether the District would still like to receive the water smart packets that it purchased. After discussion, the Board agreed to accept delivery of the packets to distribute at future community events.

16. The Board then discussed the procedures in place during the COVID-19 pandemic and agreed to continue with suspension of water termination for the time being.

17. Perry Miller presented a report from Champions Hydro-Lawn. He noted that repairs at the bridge are now complete, and all other District facilities are in good condition.

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

19. The Board discussed its current contract with Blackboard Connect. After discussion, the Board elected to terminate its agreement.

20. Katie Golzarri then discussed the Veteran's Memorial to be constructed at the Timber Lane Community Center. She received pricing from A&M Contractors regarding a change order for the construction of the memorial. After some discussion regarding pricing, the Board unanimously voted to approve the change order and requested that the attorney to add some language incentivizing its timely completion.

21. Director Gessel presented a report on the District's parks and recreational facilities, a copy attached. The Board discussed the status of the opening ceremony for the Community Center and noted that it would need to be postponed indefinitely. The Board also discussed closure of certain District parks as a result of the COVID-19 pandemic.

22. The Board discussed the Interlocal Contract with Harris County for the construction of trails. Lori Aylett previously provided a draft of the contract to Harris County, and they are reviewing.

23. The Board discussed the previously proposed Lease Agreement for the garage and a portion of the building located at 2806 Trailing Vine, which recently was sold by the District to the Timber Lane Community Improvement Association. Director Gessel stated that the lease is supposedly being rewritten by the attorney for the CIA.

24. There were no Eagle Scout projects for the Board's consideration.
25. There were no rewards for citizen information.

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

[ORIGINAL SIGNED BY JAMES F. MESSER]
Secretary