

TIMBER LANE UTILITY DISTRICT
Minutes of Meeting of Board of Directors
November 10, 2022

The Board of Directors (“Board”) of Timber Lane Utility District (“District”) met at 1904 Naplechase Crest Drive, Spring, Harris County, Texas in the District, on November 10, 2022 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 Bill Russell, Kurt Trauth, Paulette Scott, Brian Toldan, Mark Ivy, Rae Delk, Suzanne Maas, Monica Peña, Mark Cervantes, Jeff Vogler, Perry Miller, Lt. Juan Flores, Sergeant Brian Norton, Captain Vicente Medina, Eric O’Brien, Terry Dulworth, Devin Dugas, Sergeant Lindley, Joshua Read, and Lori G. Aylett.

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

1. Director Langstaff led the recital of the Pledge of Allegiance.
2. The Vice President opened the floor for public comment. Paulette Scott reported that the homeowners’ association is increasing HOA fees by \$36.
3. The Board then considered the minutes of the meeting held on October 13, 2022. Upon motion duly made and seconded, the Board unanimously approved the minutes of the meeting as presented.
4. Brian Toldan gave an audit report for the fiscal year ended June 30, 2022. 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, 2022 and authorized its filing, as required by law.
5. The Board deviated from the regular order of the agenda to discuss an Eagle Scout project. Devin Dugas addressed the Board regarding a bird pond wetland project. He provided a PowerPoint presentation of proposed wetlands plantings that would encourage wetland fowl at the pond in Cypress Creek Park. The cost of the proposed project was \$2,500, and the planting date is November 19. The Board commended Mr. Dugas on a beautifully organized and well-presented project and approved it as presented.
6. Lieutenant Flores presented a law enforcement report, copy attached. The following crime statistics were reported: three burglaries of a habitation, six vehicle thefts, three

assaults, 32 calls for family disturbances, 47 alarms, one reported runaway, five burglaries of a motor vehicle, 19 other thefts, two sexual assaults, three juvenile disturbances, 47 suspicious vehicles, 18 thefts of others, three sexual assaults, three juvenile disturbances, 46 suspicious vehicles, two phone harassments, zero thefts of a habitation, five criminal mischief calls, 87 other disturbances, 44 suspicious persons, and 824 other calls. Upon unanimous vote, the Board approved the law enforcement report as presented.

7. The Board considered a memorandum of understanding with the Precinct 4 Constable regarding Flock Safety. The memorandum of understanding indicates that the Precinct 4 Constable is responsible for assuring that all of the District's obligations under the Flock Safety contract are met, just as if the constable had signed the contract. Upon unanimous vote, the Board approved the memorandum of understanding as presented.

8. Monica Peña presented a tax assessor-collector's report, a copy of which is attached. The District's 2021 taxes are 98.14% collected and 2022 taxes are 0.27% collected. Two wire transfers and 13 checks were presented for the Board's review and approval. Upon unanimous vote, the Board approved the tax assessor-collector's report as presented.

9. The Board considered an engineer's report, copy attached. Mark Cervantes and Jeff Vogler reported on the status of several District engineering matters. Design is continuing of the wastewater treatment plant. The wastewater treatment plant permit renewal has been submitted, and the engineer is awaiting approval for the first publication of notice. At water plant 5, the engineer requested and received authorization to advertise for bids for the construction project. The Board agreed to use a chain-link fence around the plant site due to its location. The engineer is updating the Emergency Preparedness Plan to include information regarding the new operator. The engineer is also coordinating with the operator regarding an inflow and infiltration response plan.

The engineer then discussed the next bond issue. He presented a very preliminary summary of costs. Werrington Section 6 will be eligible for developer reimbursement, and the District has several proposed projects to consider. The engineer will begin work on the bond application. The engineer had no update on the Serrano tract. The engineer had also received no further information regarding proposed annexation of property on Otto Road. The engineer is coordinating transfer of the Arbor Trails in Werrington detention pond storm water quality permits to Harris County.

The engineer next discussed a potential Schultz Gully rehabilitation project. There is no Harris County Flood Control District funding available. The engineer briefly discussed the potential detention pond between I-45 and Hardy Toll Road. Harris County MUD 110 had requested participation in a joint regional drainage project on the east side of I-45 south of Cypresswood and north of FM 1960. The Board agreed to execute a letter of political support regarding the project. Upon unanimous vote, the Board approved the engineer's report as presented.

10. Bill Russell presented a bookkeeper's report, a copy of which is attached. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of the checks listed thereon.

11. The bookkeeper discussed a proposed new contract. He stated that his contract had not been updated since April of 2018. He requested a monthly payment of \$5,300

with \$250 for meeting attendance and \$600 for office expenses. Upon unanimous vote, the Board approved the bookkeeper's contract as presented.

12. 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.

13. 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 attorney to prepare and file the necessary continuing disclosure.

14. The Board considered review of the District's investments for compliance with Senate Bill 253. The attorney reminded the Board that Senate Bill 253 prohibits the District from investing with entities that support terrorist organizations. The District's investment officer, Bill Russell, confirmed that he periodically reviews a list of such entities that is prepared by the Texas Comptroller of Public Accounts and made available on their website and confirmed that the District's investments are in compliance with the law.

15. Lori Aylett noted the need to update the Tax Code Section 26.18 and Government Code 2051.202 compliance document, as the Board has approved its audit for the fiscal year that ended on June 30, 2022. The Board authorized the attorney to update the document as required by law.

16. Mark Ivy presented an operator's report, a copy of which is attached. The District served 7,620 active connections. The District's total current billing was \$587,651.32, while total current collections were \$733,066.97. The District had 93.15% water accountability. The sewage treatment plant operated within permit for the month of September. A summary of all of the facilities was included in the report. Mr. Ivy reported that there will be an e-coli violation in the month of October, but in this instance, the operator can understand why. On October 29, there was a significant rainfall event. The District experienced a blower failure and the return activated sludge pumps clogged, causing the violation.

The operator reported that the ultraviolet disinfection system is manufactured in Korea. The operations manual had been translated into English, and some significant omissions have become apparent. There are some expendable items within the system that need to be replaced on a regular basis, and this was not identified in the operations manual. The manufacturer is working with the District on revising the maintenance manual and getting the new materials. The actuator valves at the sewage treatment plant have been repaired and are operational. The bar screen has been ordered.

The operator presented a write-off list with 26 proposed write-offs totaling \$6,278.37. The Board approved the write-off list as presented.

The operator presented a proposal for a water line leak repair by subcontractor Wright Solutions. The line is located under the street and will need to be pipe burst, and Wright

Solutions has the necessary equipment for the job. The Board approved the proposal as presented.

The operator next presented a fire hydrant report. The District has 486 fire hydrants, and the repair priority list was developed for consideration by the Board. Those hydrants listed in green were repaired immediately as they were nonfunctional. Those hydrants listed in yellow are status 1 repairs. These repairs do not affect the functionality of the fire hydrant but do relate to ease of accessibility by the fire department. The fire hydrants listed in red will require excavation. Priority 1 and 2 repairs total \$48,858. After repairs are completed, the operator recommends water blasting and painting them at a cost of \$25,515. Reflectors should be placed. There are 614 reflectors needed at a cost of \$11,052. Thirty-three fire hydrants need raising elevation at \$30,120. Two fire hydrants are listed on the plans but do not exist and need to be added to the system. The Board approved the necessary repairs and authorized painting of the hydrants.

The operator next presented a proposed meter change-out program. There are currently 187 meters that are reading zero usage and need to be changed out. The Board approved meter change-out as presented.

The attorney briefly discussed the status of the enforcement action with the Texas Commission on Environmental Quality. The attorney has been communicating with the enforcement coordinator regarding the continuing corrective efforts, including engagement of the new operator. The Commission appears to be willing to work the District on a schedule for compliance. Upon unanimous vote, the Board approved the operator's report as presented.

17. Perry Miller presented the Champions Hydro-Lawn report, and the Board approved repairs listed thereon.

18. The Board tabled consideration of the request from Highland Glen HOA and CT of Timber Lane CIA for assumption of the street lights accounts. Ms. Seipel is working to have the agreements ready for the December meeting.

19. The Board noted that the City of Houston typically releases the list of businesses for Strategic Partnership Agreement collections in late December, and the District has a limited amount of time to review them. In the past, the District's bookkeeper has performed the analysis on the District's behalf, and the Board agreed to authorize Myrtle Cruz, Inc. to perform the annual review of the list of businesses.

20. The Board considered renewal of insurance coverages. The premium increased by approximately \$4,000, most of which was attributable to property values increasing. After discussion, upon unanimous vote, the Board approved renewal of its property, boiler and machinery, cyber liability, workers' compensation, general liability with law enforcement, pollution, cleanup and excess liability, non-owned automobile liability, directors and officers liability and employment practices liability, directors and officers bond, peace officer bond, public employee blanket bond, business travel and national flood insurance (NFIP) as presented. The Board chose Option B for increased flood coverage.

21. Director Bud Gessel presented a parks and recreational facilities report, a copy of which is attached. The District's community center served as a polling place, and it was open until after 11:00 p.m. on election day. Mr. Gessel reported on various activities, including the Veteran's Day celebration to be conducted the following day.

22. Under pending business, Director Schenck reported receipt of a request from law enforcement for a thermal imaging scope that could be used in the District parks to search for missing children or other items of interest to law enforcement. The Board noted that the item could be placed on the next agenda for further consideration.

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



Secretary