

MINUTES OF THE BOARD OF DIRECTORS

December 1, 2016

The Board of Directors (the "Board") of Bilma Public Utility District (the "District") of Harris County, Texas, met in regular session, open to the public, at the Spring Creek Oaks Clubhouse II, 6002 Bur Oak, Spring, Texas 77379, on Thursday, December 1, 2016, at 5:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

H. Mark Stoebner	President
Dennis E. Winkler	Vice President
F. Anthony Musgrave	Secretary
Cynthia D. Day	Assistant Secretary
Steve Hoffmann	Director

All members of the Board were present, except Director Musgrave, thus constituting a quorum. Also attending the meeting were: Ms. Christina Cole of Myrtle Cruz, Inc., bookkeepers for the District; Ms. Robin Secrest and Mr. Michael Potter of Hays Utility South Corporation ("Hays"), operators for the District; Messrs. Ed Shackelford, P.E., and Justin Abshire, P.E., of Jones Carter Inc. ("Jones Carter"), engineers for the District; Ms. Deval Allums and Mr. Chad Nobels of Siemens Industry, Inc. ("Siemens"), a smart meter consultant service provider; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke Dold and Ms. Alison Miller, paralegals, of Radcliffe Bobbitt Adams Polley PLLC, attorneys for the District.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

REGULAR AGENDA

HEAR PRESENTATION BY SIEMENS REGARDING SMART METER TECHNOLOGY, AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Allums then made a presentation to the Board regarding the Advanced Metering Infrastructure ("AMI") technology offered by Siemens. Ms. Allums explained the different meter types, and how each meter type works to collect data through the AMI technology. Ms. Allums went on to explain that the benefits of AMI include accurate data collection, easier access to usage information and reduction in operational costs associated with traditional meter reading. Ms. Allums also presented a list of projects AMI that have already been successfully completed in Texas.

Mr. Nobels next explained that if the District were to move forward with Siemens, the first step would be to select a meter manufacturer, and then a propagation study would be conducted to determine the coverage required. Mr. Nobels further explained that after the study was conducted, the data would be scrubbed and reviewed to determine the exact Global Positioning System coordinates for each meter. Mr. Nobels noted that in order to proceed with the propagation study, the District would need to execute a notice of intent with Siemens

reflecting a stated dollar amount for the project, and if the District does not move forward with the project after the propagation study is completed, the District will owe Siemens that amount, but that the District will be able to keep the data from the study.

Ms. Bobbitt then asked if Siemens has worked with any other utility districts in the Houston area to implement an AMI program. Mr. Nobels responded that they had not yet worked with any utility districts, but they had worked with a number of city systems and that he did not think implementing an AMI program for utility districts would be any different. Ms. Bobbitt stated that it is likely the procurement and contract process would be different for a utility district.

Extensive discussion ensued regarding the process of implementing an AMI program in the District. Further discussion on the matter was deferred to later in the meeting.

CONSENT AGENDA

Director Stoebner then reviewed with the Board the items reflected on the Consent Agenda. Director Stoebner explained that this portion of the agenda deals with routine matters of the Board, and that no separate discussion of such items will occur unless a Board member or a member of the public requests that an item be moved to the regular portion of the agenda.

Upon motion by Director Winkler, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to approve: 1) the minutes of the regular meeting of November 3, 2016, as written; 2) approve payment of Pay Estimate No. 2 & Final, from Source Point Solutions, LLC in the amount of \$3,070.97 in connection with the Sanitary Sewer Cleaning & Televising – Phase III project; and 3) authorize execution of the construction contract for the Water Plant Nos. 1 and 2 Improvements project to CFG Industries, LLC in the amount of \$25,250.

REGULAR AGENDA, CONTINUED

TAX ASSESSOR/COLLECTOR'S REPORT AND DELINQUENT TAX ATTORNEY'S REPORT

Ms. Bobbitt then reviewed with the Board the Tax Assessor/Collector's Report as of November 30, 2016, a copy of which is attached hereto. Ms. Bobbitt noted that the District has collected 6.07% of its 2016 taxes to date.

Ms. Bobbitt then reviewed the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Ms. Bobbitt reported that the taxpayers related to delinquent tax account nos. 1165920070020, 118147001002 and 1182350010010 and 1150190060046 have paid in full.

Ms. Bobbitt next reported that Lotmakers' Partnership Ltd ("Lotmakers") made a second payment in accordance with their installment payment agreement for delinquent taxes. Regarding the lawsuit against Lotmakers for the recovery of delinquent taxes, Ms. Bobbitt reported that the District intervened in the suit filed by Klein Independent School District to protect the District's interests.

Ms. Bobbitt next reviewed delinquent tax account no. 1158850020016 and stated that water service had been terminated and a suit was filed, but the property owner had not yet been served. Ms. Bobbitt noted that the property associated with this account is currently up for sale.

Upon motion by Director Winkler, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report and the checks reflected therein, and the Delinquent Tax Attorney's Report.

DEVELOPER'S REPORT

No Developer's Report was given.

BOOKKEEPER'S REPORT

Ms. Cole next reviewed the Bookkeeper's Report with the Board, a copy of which is attached hereto, including the revenues and expenses of the District, the budget comparison for six (6) months and the investment report for the month.

Upon motion by Director Winkler, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, the checks presented for payment and the investment report.

OPERATOR'S REPORT

Mr. Potter then presented and reviewed the Operator's Report with the Board for the period of October 15, 2016 to November 15, 2016, a copy of which is attached hereto. Mr. Potter reported that currently there are 1,731 connections in the District. Mr. Potter further reported that the District's water accountability for the month was 95.72%, that 93 delinquent notices were mailed during the month, and that two (2) accounts were cut off for non-payment of water/sewer service fees.

Concerning the District's Operations List, Mr. Potter reported that there had been six (6) items over budget during the past month, as follows: 1) \$2,100 to replace a 12" well blow off valve; 2) \$1,500 for a main line repair; 3) \$6,400 to replace blower bearings at the Wastewater Treatment Plant; 4) \$3,500 to replace a lift station auto dialer; 5) \$8,000 to replace a lift pump at the Windy Pines Lift Station; and 6) \$1,400 to replace a transducer at the Windy Pines Lift Station.

Ms. Secrest then reported that Trinity Lutheran Church ("Trinity Lutheran") used 342,000 gallons of water during the month of November. Ms. Secrest noted that the total usage by Trinity Lutheran is not to exceed 560,000 gallons per month.

Mr. Potter then presented a quote in the amount of \$13,400 to install two (2) 12" gate valves on the water main that provides service to Kuehnle Elementary to prevent disruption of service to the school in the event of a water line failure in the future, a copy of which is attached hereto. Mr. Potter noted that this item was discussed at the Board's November meeting in reference to the water main break that had occurred at 5414 Winding Ridge Drive.

Upon motion by Director Hoffmann, seconded by Director Winkler, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Operator's Report; and 2) authorize the termination of service to the delinquent accounts in accordance with the provisions of the District's Rate Order.

ENGINEER'S REPORT

Mr. Abshire then presented the Engineer's Report, a copy of which is attached hereto.

Mr. Abshire first reported that Jones Carter had completed review of the videos of the Sanitary Sewer Cleaning and Televising – Phase III project, and that 13,000 linear feet of sanitary sewer line was televised and four (4) point repairs have been identified. Mr. Abshire further explained that over all, this portion of the sanitary sewer system is in great condition. Mr. Abshire added that the repairs are estimated to cost under \$25,000, and recommended that Hays prepare an estimate for such repairs.

Mr. Abshire next reported that he had recently spoken with Mr. Muhammad Ahmed regarding the 1.024-acre Ahmed Realty tract and explained the options for moving forward with the development, but that Mr. Ahmed has not yet made any decisions.

Mr. Abshire next reported that he had also spoken with Mr. Doug Sebastian, the general manager of the Community Association of Country Lakes Estates, regarding the contract with Environmental Allies for monthly inspections pursuant to the Storm Water Quality Management Plan for the Country Lake Estates ("CLE"), Sections 1-3 detention ponds, that is due to expire in February. Mr. Abshire stated that Mr. Sebastian is in favor of rebidding the contract, and has requested that the CLE Village detention ponds be included in the contract. Mr. Abshire then requested authorization to prepare a bid package for the maintenance contract and stated that bids would be presented for the Board's review at the January meeting.

Upon motion by Director Winkler, seconded by Director Hoffman, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and authorize Jones Carter to prepare a bid package for the Storm Water Quality Management Plan for the CLE, Sections 1-3 and CLE Village detention ponds.

ATTORNEY'S REPORT

Ms. Bobbitt stated she had nothing further to report.

CONTINUED DISCUSSION REGARDING SMART METER TECHNOLOGY

Extensive discussion then ensued regarding implementation of an AMI program in the District, however no decisions were made on such matter.

NEXT MEETING

Director Stuebner then reminded the Board that the next regular meeting will be held on Thursday, January 5, 2017, at the Spring Creek Oaks Clubhouse II, 6002 Bur Oak, Spring, Texas 77379, at 5:00 p.m.

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

PASSED, APPROVED AND ADOPTED this 5th day of January, 2017.




Secretary, Board of Directors