

## MINUTES OF THE BOARD OF DIRECTORS

June 1, 2017

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 in the upstairs meeting room, 6002 Bur Oak, Spring, Texas 77379, on Thursday, June 1, 2017, 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 Stoebner, thus constituting a quorum. Also attending the meeting were: Ms. Christina Cole of Myrtle Cruz, Inc., bookkeepers for the District; Mr. Michael Potter of Hays Utility South Corporation ("Hays"), operators for the District; Mr. Justin Abshire, P.E., of Jones & Carter Inc. ("Jones & Carter"), engineers for the District; Mr. Ron Brooks of Chesmar Homes, developer of the Country Lake Estates Village (the "CLEV"), Sections 1 and 2; Mr. and Mrs. Gabriel and Sarah Larin, residents of the District; and Ms. Robin S. Bobbitt, attorney, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), 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.

### **CONSENT AGENDA**

Director Winkler first reviewed with the Board the items reflected on the Consent Agenda. Director Winkler 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 Day, seconded by Director Musgrave, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of May 4, 2017, as written.

Director Winkler then reported that a document shredding and e-waste recycling event sponsored and provided by Residential Recycling and Refuse of Texas, Inc., and the District's garbage and recycling service provider, is scheduled to be held in the Spring Creek Oaks Clubhouse II parking lot on Saturday, June 3, 2017, from 10:00 a.m. until 2:00 p.m.

## PUBLIC COMMENT

Mr. Potter then introduced Mr. and Mrs. Larin to the Board, and stated that they are the owners of the house located on the corner of Mountain Grove Court and Forest Bend Creek Way that requires a sanitary sewer line point repair that is located underneath an oak tree that was identified during the Sanitary Sewer Cleaning and Televising – Phase III project. Mr. Larin then explained that removal of the tree will impact his family's life and cause the value of his home to decrease. Mrs. Larin stated that the tree provides shade to the kitchen and the den area of their house, which is where she and her children spend most of their time during the day. Mr. Abshire then reminded the Board that the repair options are to either remove the tree and repair the sanitary sewer line at a cost of approximately \$7,000, or to pipe burst the sanitary sewer line without disturbing the tree at a cost of approximately \$20,000. Mr. Abshire further stated that if the District decides to pipe burst the sanitary sewer line, the tree could still cause problems to the sanitary sewer line in the future and that the tree may still not survive. Director Winkler asked if the cost of a replacement tree was included in the first repair cost scenario. Mr. Abshire stated that a replacement tree was not included in the cost estimate. Director Winkler then suggested that the Board defer making a decision on this matter until the cost of a replacement tree can be obtained. The Board concurred, and this item was deferred until the Board's July meeting.

## REGULAR AGENDA

### DISCUSS PROPOSED ADDITION OF LIGHTING AROUND HIKE & BIKE TRAIL, AND TAKE ANY NECESSARY ACTIONS ON SAME

Director Winkler then stated that he has not heard any additional information regarding the proposed addition of lighting around the Hike & Bike Trail. Ms. Bobbitt reported that Director Stoebner did not have any additional information to provide on the matter when she recently spoke to him. Director Hoffmann asked how the District could quantify the amount of money to contribute to a project like this that primarily serves one subdivision in the District. Ms. Bobbitt explained that the funding of projects like this is up to the Board, but that typically a district tries to treat each subdivision equally and fairly. Ms. Bobbitt further stated that many districts include contributions or fundings for these types of projects in their annual budgets.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bobbitt then reviewed with the Board the Tax Assessor/Collector's Report as of May 31, 2017, a copy of which is attached hereto. Ms. Bobbitt noted that the District has collected 98.6% of its 2016 taxes to date.

Upon motion by Director Musgrave, seconded by Director Hoffmann, 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.

## DELINQUENT TAX ATTORNEY'S REPORT

Ms. Bobbitt next reviewed the Delinquent Tax Attorney's Report with the Board, a copy of which is attached hereto. Ms. Bobbitt reported that delinquent tax account no. 1165920070020 was paid in full as of May 22, 2017. Ms. Bobbitt further reported that delinquent tax account nos. 0461520000030 and 1234300020023 were also recently paid in full. Ms. Bobbitt then stated that the District's 2017 preliminary value has been received, and such value increased to \$462,189,840 (including personal property, but prior to protests) an increase of \$8,044,355 over last year value of \$454,145,485. A copy of the 2017 preliminary value information is attached hereto. Upon motion by Director Musgrave, seconded by Director Hoffmann, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Delinquent Tax Attorney's Report.

## DEVELOPER'S REPORT

Mr. Brooks then reported that there have been five (5) new home sales and eight (8) new starts in CLEV. Mr. Brooks also reported that History Maker Homes will have their model home open in CLEV Section 2 within the next 70-90 days.

## 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 12 months and the investment report for the month.

Director Winkler asked if any revisions had been made to items that were previously incorrectly categorized in the District's budget. Mr. Potter stated that the Capital Improvement Project ("CIP") items will be put in a different category and that Hays' invoices will be broken out accordingly in the Operator's Report starting next month.

Director Winkler then stated that Trinity Lutheran Church ("Trinity Lutheran") is currently showing an outstanding balance on the developer project tracking sheet. Director Winkler asked if Trinity Lutheran had been notified of the amount that they owe to the District. Ms. Cole stated that Trinity Lutheran has been invoiced several times about the outstanding balance. Ms. Bobbitt stated that RBAP will prepare a letter to Trinity Lutheran on behalf of the District notifying them of the past due balance.

Upon motion by Director Day, seconded by Director Hoffmann, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, authorize execution and payment of the checks reflected therein and authorize RBAP to prepare and transmit a letter to Trinity Lutheran regarding the past due balance.

## OPERATOR'S REPORT

Mr. Potter then presented and reviewed the Operator's Report with the Board for the period of April 15, 2017 to May 16, 2017, a copy of which is attached hereto. Mr. Potter reported that currently, there are 1,754 connections in the District. Mr. Potter further reported that the District's water accountability for the month was 98.84%, that 96 delinquent notices

were mailed during the month, and that five (5) 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 four (4) items over budget during the past month, including: 1) \$2,600 for repair of the scum trough; 2) \$1,000 for the lift station auto dialer repair; 3) \$1,000 for a digital switch at one of the lift stations; and 4) \$1,500 for the repair of the fence around the Windy Pines Lift Station.

Mr. Potter next reported that one (1) 3/4-inch (3/4") meter and one (1) one-inch (1") meter were due for replacement during the next month.

Mr. Potter then noted that Trinity Lutheran used 203,000 gallons of water during the month of May.

Mr. Potter next presented the District's 2016 Consumer Confidence Report ("CCR"), a copy of which is attached to the Operator's Report, and noted that the CCR would need to be approved at tonight's meeting in order to distribute the CCR to District residents in their water/sewer service bills prior to July 1<sup>st</sup>.

Mr. Potter next reported that an email had been received from a District resident regarding the online bill pay system, a copy of which is attached hereto. Mr. Potter reminded the Board that Hays is in the process of changing over to an electronic payment system, and that Ms. Robin Secrest has responded to the resident.

#### ENGINEER'S REPORT

Mr. Abshire then presented the Engineer's Report, a copy of which is attached hereto. Mr. Abshire first reported that inspections are in the process of being scheduled for the District's Wastewater Treatment Plant and Lift Stations. Mr. Abshire further explained that the last inspections were conducted in 2015, which resulted in recommended improvements which have been included in the District's CIP for 2017-2018. Mr. Abshire added that the cost estimates for the recommended improvements will be updated after the upcoming inspections are completed.

Mr. Abshire next explained that as discussed earlier in the meeting, Jones & Carter will obtain cost estimates for removal and replacement of the tree on Mountain Grove Court, as well as a cost estimate for hydroexcavation of the area. Director Musgrave suggested that the District adopt a policy regarding sanitary sewer repairs in order to better address this kind of issue in the future.

Mr. Abshire went on to report that he is currently attempting to schedule a meeting with the Terranova West Municipal Utility District engineer and director regarding a potential reclaimed water study.

Mr. Abshire also reported that a new set of plans was received from Waffle House, but they have not yet been reviewed.

Upon motion by Director Musgrave, seconded by Director Day, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

ATTORNEY'S REPORT

Ms. Bobbitt then stated that the 85<sup>th</sup> Legislative Session has adjourned, and then briefly reviewed several bills with the Board. Ms. Bobbitt stated that RBAP would be preparing a final Legislative Update Memorandum that would summarize the entire 85<sup>th</sup> Legislative Session.

Ms. Bobbitt next reported that registration is now open for the Association of Water Board Directors ("AWBD") Summer Directors Seminar to be held on July 14, 2017, at the Humble Civic Center.

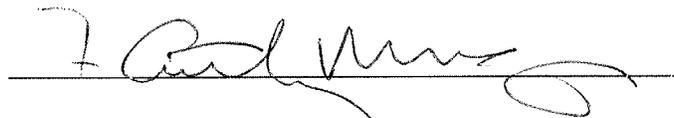
Ms. Bobbitt then reminded the Board that RBAP would be having a party at the AWBD Annual Conference in Corpus Christi on Friday, June 23, 2017, at the Corpus Christi Yacht Club and that the Board should have received invitations to such event.

NEXT MEETING

Director Winkler then reminded the Board that the next regular meeting will be held on Thursday, July 6, 2017, at the Spring Creek Oaks Clubhouse II, 6002 Bur Oak, Spring, Texas 77379, at 5:00 p.m. Director Winkler noted that he will not be in attendance at the Board's July meeting.

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

PASSED, APPROVED AND ADOPTED this 6<sup>th</sup> day of July, 2017.

  
Secretary, Board of Directors

