

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
SEPTEMBER 4, 2019**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public, at the regular meeting place thereof, on September 4, 2019, and the roll was called of the duly constituted officers of the Board, to-wit:

Sidney A. Hubbard	President
Paul Cemer	Vice President
Bob Grace	Secretary
Norm Warwick	Treasurer
Joseph Lee Saunders	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum.

Persons also present included Officer Melissa Griffin; Christine Crotwell of Masterson Advisors LLC; DeWayne and Christine High of WET Services, Inc.; Rene Anandel of Wheeler & Associates, Inc.; Cindy Nichols of Michael A. Cole. P.C.

CUSTOMER COMMENTS

There were no customer comments.

SECURITY REPORT

Officer Griffin presented the report and reviewed stats for the prior month. Directors thanked Officer Griffin for her work. Director Warwick introduced newly appointed Director Saunders to the Officer.

EFFECTIVE TAX RATE CALCULATIONS

Christine Crotwell reviewed and discussed with the Board tax rate calculations. She explained that because Fountainhead MUD is a “developed district”, SB2 restrictions may impact next year’s tax rate calculations. Ms. Crotwell recommended a \$0.22 per \$100 assessed valuation debt service tax rate. The Board discussed the maintenance and operations tax rate. At the conclusion of discussion, **Director Cemer moved that the tax assessor/collector be directed to publish a proposed tax rate of \$0.56 per \$100 assessed valuation, composed of \$0.22 for debt service plus \$0.34 for maintenance and operations. The motion was seconded by Director Grace and carried by unanimous vote.**

TAX ASSESSOR/COLLECTOR’S REPORT

Rene Anandel presented the tax assessor/collector’s report, noting that 2018 tax collections are 98.55% complete. Ms. Anandel stated that Greg with Perdue Brandon will attend the next meeting to discuss delinquent tax accounts and recommend service terminations for non payment of taxes.

Director Cemer moved approval of the tax assessor/collector's report, which motion was seconded by Director Warwick and carried by unanimous vote. The tax bills as approved for payment are attached.

MINUTES

Director Cemer moved the approval of the August 21, 2019 meeting minutes with the correction in the spelling of the word yet on Page 2, which motion was seconded by Director Grace and carried by unanimous vote.

UTILITY OPERATOR REPORT

DeWayne High presented the utility operator's report. He reported that he and the engineer visited the District's facilities together, and noted that there are some small maintenance items to be done such as painting some pipes. He will work on scheduling a tour for Directors to visit the facilities. Mr. High reported that he is storing the District's generator at lift station #4, and the Board indicated its approval. **Director Cemer moved approval of the utility operator's report, which motion was seconded by Director Grace and carried by unanimous vote.**

ATTORNEY, ENGINEER, NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY, P3, PRESIDENT AND DISTRICT 109 REPORTS

There were none.

ITEMS FOR INCLUSION ON NEXT AGENDA

Directors requested an item to be placed on the next agenda to discuss a capital improvements plan.

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

(SEAL)


Secretary, Board of Directors

CUMULATIVE COMMITMENTS FOR ACTION
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
MEETING OF SEPTEMBER 4, 2019

1. **ATTORNEY** to add items on next agenda regarding delinquent tax matters and capital improvements plan.
2. **OPERATOR** to *replace pump at Elevated Storage Tank*; and schedule a tour for Directors to visit the District's facilities.
3. **TAX ASSESSOR/COLLECTOR** to publish a proposed tax rate of \$0.56 per \$100 assessed valuation, composed of \$0.22 for debt service plus \$0.34 for maintenance and operations.

[commitments that are unchanged are shown in italics.]

WHEELER & ASSOCIATES, INC.
 THE TAX ASSESSOR COLLECTORS™

FOUNTAINHEAD MUD - JUR 175

MONTHLY CHECK REGISTER AS OF SEPTEMBER 2019

CHECK #	DATE	PAYEE	DESCRIPTION	AMOUNT
3037	9/1/2019	Wheeler & Assoc, Inc.- Cathy Wheeler -Tax A/C	Sep 2019 Billing - Fee	\$2,385.95
3038	9/1/2019	Wheeler & Assoc, Inc.- Cathy Wheeler -Tax A/C	Sep 2019 Billing - Expenses	\$830.88
3039	9/1/2019	Harris County Appraisal District	4th Quarterly Assessment 2018 - 2019	\$2,974.00
3040	9/1/2019	Arthur J. Gallagher & Co.	Tax AC Bond	\$236.00
3041	9/1/2019	Perdue,Brandon,Fielder,Collins & Mott	Attorney Fee Delinquent Coll - Aug 2019	\$622.25
3042	9/1/2019	Houston Coca Cola Bottling	O/P Ref KR # 8	\$254.03
3043	9/1/2019	Fountainhead M.U.D. Operating Fund	Maintenance Collected	\$204.44
TOTAL (7 Transactions)				\$7,507.55
NET TOTAL:				\$7,507.55



2019 DEBT SERVICE TAX RATE RECOMMENDATION

Fountainhead Municipal Utility District

Tax Year	Projected Assessed Valuation	Projected Debt Service Tax Rate	Cldr Year	Beginning Fund Balance **	Tax Collections 97%	Interest Income 2.0%	Total Funds Available	Outstanding Debt Service	Ending Fund Balance	Percent of Next Year's Debt Service
2014	208,964,319	0.300								
2015	232,117,929	0.300								
2016	251,973,339	0.290								
2017	272,140,114	0.260								
2018	287,843,277	0.240								
2019	305,947,906 *	0.220	2020	268,524	652,893	5,370	926,788	720,944	205,844	31.76%
2020	305,947,906	0.220	2021	205,844	652,893	4,117	862,854	648,206	214,647	33.56%
2021	305,947,906	0.220	2022	214,647	652,893		867,540	639,656	227,884	36.22%
2022	305,947,906	0.220	2023	227,884	652,893		880,777	629,156	251,621	40.67%
2023	305,947,906	0.220	2024	251,621	652,893		904,513	618,656	285,857	47.00%
2024	305,947,906	0.220	2025	285,857	652,893		938,750	608,156	330,594	55.32%
2025	305,947,906	0.220	2026	330,594	652,893		983,487	597,656	385,830	65.71%
2026	305,947,906	0.220	2027	385,830	652,893		1,038,723	587,156	451,567	78.38%
2027	305,947,906	0.220	2028	451,567	652,893		1,104,460	576,094	528,366	93.62%
2028	305,947,906	0.220	2029	528,366	652,893		1,181,259	564,375	616,884	111.75%
2029	305,947,906	0.220	2030	616,884	652,893		1,269,777	552,000	717,777	300.95%
2030	305,947,906	0.220	2031	717,777	652,893		1,370,670	238,500	1,132,170	488.53%
2031	305,947,906	0.220	2032	1,132,170	652,893		1,785,062	231,750	1,553,312	
Total				8,487,607		9,487	7,212,306			

* Certified value, including owners' opinion of uncertified value.

**** Beginning Debt Service Fund Balance:**

Fund balance as of 7/17/19	\$932,803
Less: Debt payments due on 8/1/19	(664,278)
Projected fund balance on 8/2/19	\$268,524

***** Maintenance Tax (M&O) Information:**

Maximum M&O Tax Rate Authorization	\$0.35
Each \$0.01 M&O tax generates (97%):	\$29,677
2018 M&O tax generates (97%):	\$949,662

Analysis of General Fund:

General Fund Balance	\$6,830,335	Months of Reserve	30.8
Budgeted Expenditures	\$2,657,012	3/31/20 Budget	
Budgeted Surplus	\$634,804	Tax Rate Equivalent (97%)	\$0.28
Budgeted M&O Tax Revenue	\$825,000		

Change in Value (%)	
AV	6.3%
HS	6.5%

2018 Tax Rate:	
Debt Service	\$0.2400
M&O ***	0.3200
Total	\$0.5600

2018 avg HS	\$114,089
2019 avg HS	\$121,534
2018 avg tax bill	\$639

2019 Tax Rate Calculations:

Parity	\$0.5257
Rollback (Petition Election)	\$0.5678
M&O Rollback (Voter)	\$0.3244

Estimated 2020 Calculations:

"Developed District" Parity	\$0.5257
Rollback (Mandatory Election)	\$0.5441
M&O Rollback (Voter)	\$0.3109