

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
OCTOBER 16, 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 October 16, 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, excepting Director Warwick, thus constituting a quorum.

Persons also present included Christine High of WET Services, Inc.; Teague Harris of IDS Engineering Group; Sarah and later Claudia Redden of Claudia Redden & Associates; and Michael Cole of Michael A. Cole, P.C.

CUSTOMER COMMENTS

There were none.

SECURITY REPORT

There was none.

MINUTES

Director Cemer moved the approval of the October 2, 2019 meeting minutes with minor corrections and Director Grace seconded the motion, which carried by unanimous vote.

ENGINEER REPORT

Mr. Harris submitted the report. Among other matters he explained that the power pole dilemma was in part resolved in the past by having higher poles and putting extenders on those poles to move the power lines farther away from the tanks and that he would actively be pursuing the inquiry with Center Point as to what the options are, as well as analyzing in greater details what was the optimal solution in terms of tank configuration; that he would present results at the next meeting; that with regard Water Plant No. 2 tank recoating and roof repairs are warranted and that an expert will be called out to measure the thickness of roof metal to determine the extent of which repairs are warranted for the roof; that an estimate for the cost of televising and cleaning the lines would be

\$112,810 and that bids will be taken for this on November 20; that the estimated cost of the drainage work on the Sarti flooding/drainage is \$1,134,000 and that perhaps the cost of and acquisition could be cut in half if different land was used for acquisition and that in any event more study was needed in order to assess the substantial estimate of cost and determine what is the best option for coming up with a workable project, including whether the small parcel in front of the strip center could be used in lieu of acquiring the used car lot near the elevated storage tank; and it was also explained that this Sarti project would necessarily involve some contribution from the District and that it might involve a 50/50 cost sharing and/or some grant contributions. Mr. Harris noted that the letter announcing this project from the County states that it requires a response within 30 days but that he thinks the deadline can be extended since the deadline would be sometime just after November 1. Without any changes the 50% cost to the District would be \$550,000. Again he told the Board he thought some more time could be obtained for the District since the County bonds for the project had already been sold. Director Cemer strongly expressed the view that the District should not lose this solution by an delays since it appears to be a permanent solution with substantial contribution by the County. It was also noted that the solution proposed would require removal of the 24" storm sewer line the District had constructed since there was insufficient room for two storm sewers between the houses. After considerable discussion **Director Cemer moved that the Engineer be authorized to write a letter asking for more time in which to finalize a solution and to strongly express the District's keen interest in having this project come to fruition and further to have this letter set up for execution by the Board; and further that the Engineer be authorized to pursue issues and solutions associated with power line clearance, including conversation with Marilyn of Center Point. The motion was seconded by Director Grace and carried unanimously.** After the discussion it was noted that the appraisal for the used car lot which equals 1 & ½ acres was \$401,000. Director Cemer observed that there had been an increase in rental homes in the District and reduction in claimed homestead tax exemptions (861 down to 830) which meant that the homestead tax partial tax exemption would be more valuable to resident homeowners in the coming years.

BOOKKEEPER AND INVESTMENT OFFICER REPORT

Ms. Redden submitted her report. The report noted that \$6,825,393 was in the General Fund; that the TexPool rate of return was 2.1635% and that the District appeared to be in excellent financial health. At the conclusion of the report **Director Cemer moved its approval including the investment officers report and the bills, which motion was seconded by Director Hubbard and carried unanimously.** The bills as approved for payment are reflected in the report.

TAX ASSESSOR-COLLECTOR REPORT

There was no report to be given.

UTILITY OPERATOR REPORT

Christine High submitted the written report. Among other facts presented the operator reported the water accountability percentage had been 94% with average gallons per connection being 7,410 gallons. Continuing explanation of the delays in mail service were made with the percentage of payments being down as a consequence. **Director Grace moved that both terminations and penalties be suspended until normal mail services are restored. The motion was seconded by Director Cemer and carried unanimously.**

On the matter of the Regional Water Authority metering and the 10% discrepancy with District readings the Operator suggested the use of the same company as the Authority (Southern Flow Meter, Inc.) to measure or calibrate both Authority and District meters measuring water supplied by the Authority and produced/pumped by the District and at the same time. **A motion to this effect was made by Director Cemer, Seconded by Director Grace and unanimously passed. Director Cemer then moved the approval of the report, which motion was seconded by Director Grace and carried unanimously.**

ATTORNEY REPORT

The attorney noted that most of his report had been covered but that there had been legislation which required Districts with in house staff to have cyber training and though it was not clear any of this applies to Districts like Fountainhead it is likely coming in the future. The Attorney also noted that the District had adopted a cyber policy which Director Cemer had prepared when the notebooks were acquired for Directors.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REPORT

Director Warwick reported that nothing of importance had been reported at the Authority meeting.

P3, PRESIDENT AND DISTRICT 109 REPORTS

Director Hubbard said that 109 would likely commence construction after the first of the year and that 109's Bond Election had passed.

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 OCTOBER 16, 2019

1. **ATTORNEY** no action was required of the Attorney.
2. **OPERATOR** to continue working with Authority to correct or better calculate the metered usage of water being charged to the District as supplied by the Authority and to use the same company as the Authority to calibrate the meters of each.
3. **ENGINEER** inspect and have the roof to No. 2 Ground Storage Tank measured, and continue work on the best solution to the tank and electrical line challenge at Water Plant No. 1.; write a letter to the County seeking more time on the Sarti project decision and expressing keen enthusiasm for it; and prepare to bid for bidding televising and line cleanout for November 20 meeting.

[commitments that are unchanged are shown in italics.]