

SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING

Minutes of the Southern Montgomery County Municipal  
Utility District Board of Directors Regular Meeting held  
on Wednesday, September 16, 2020 at 6:00 P.M., at the  
Southern Montgomery County Municipal Utility District  
Office (Board Room), 25212 Interstate 45, Spring, Texas

The Meeting of the Southern Montgomery County Municipal Utility District Board of Directors was held at the time and on the date stated above at the Board Room of the Southern Montgomery County Municipal Utility District, 25212 Interstate 45, Spring, Texas. Notice of the meeting had been given by notifying members and posting the Agenda at the Southern Montgomery County Municipal Utility District Office and on the District's website.

In the absence of the President, the Vice President called the meeting to order at 6:00 p.m. The following members were in attendance and constituted a quorum:

Terry Davis	Vice President
Patrick Joseph Atkinson	Secretary
Constance Kaylor	Treasurer
Greg Belanger	Director

Also present were: Rick Moffatt, the District's Utility Systems Manager; Kimberly Wright, General Manager; Tim Gordy and Jorge Avila, District Operators; Ms. Amber Hurd, District Engineer; Sergeant Aaron Sumrall; John Dixon; Cindy Moffatt; Brandon Pickett; Ann Dunn; and Lori G. Aylett, the District's Legal Counsel.

EXECUTION OF CERTIFICATE AS TO POSTING OF NOTICE OF MEETING:

Director Atkinson confirmed that the Certificate as to posting the notice of the meeting was executed. A copy of the Certificate is attached hereto and made a part hereof and to which reference is hereby made for all purposes (Attachment A).

PLEDGE OF ALLEGIANCE, INVOCATION AND MOMENT OF SILENCE:

Director Davis led those present in the Pledge of Allegiance to the United States and to Texas.

Director Belanger led the invocation.

COMMENTS FROM THE PUBLIC (ITEMS NOT INCLUDED ON THE AGENDA):

There were no public comments for the Board's consideration.

RESOLUTION HONORING THE SERVICE OF RICK MOFFATT:

The Board considered the attached Resolution Honoring the Service of Rick Moffatt (Attachment B). The Board reviewed the Resolution in detail and adopted it by acclamation.

MINUTES OF THE AUGUST 19, 2020 REGULAR MEETING AND SEPTEMBER 2, 2020 SPECIAL MEETING:

The minutes of the Regular Meeting held August 19, 2020 were presented for the Board's review and approval. Upon motion made by Director Kaylor, seconded by Director Atkinson, the Board voted unanimously to approve the minutes as presented.

The minutes of the Special Meeting held September 2, 2020 were presented for the Board's review and approval. Upon motion made by Director Kaylor, seconded by Director Belanger, the Board voted unanimously to approve the minutes as presented.

ANNEXATION REQUEST BY MR. JOHN DIXON – 10 ACRE ESTATE AT 24901 BUDDE ROAD:

Mr. John Dixon introduced himself and his proposed contractor, Mr. Brandon Pickett, and provided information on the location of the proposed tract to be annexed. Mr. Dixon asked general questions about the process for annexation. The Board asked Mr. Dixon about his plans for development. Mr. Moffatt located water and sewer lines near the tract. Mr. Dixon stated that he had no current use planned for the property, but he would like for it to be available for future commercial use.

The attorney noted that there was an existing home on the tract, and as a condition of annexation, landowners must execute a certificate indicating there are no inhabitants on the land. Mr. Dixon stated his primary residence was in another state so this would not be an issue. Rick Moffatt advised that the typical procedure would be for an owner to deposit a \$2,500 annexation agreement fee to begin the process. The District would then draft a proposed agreement for consideration of the Board and the landowner. The Board advised Mr. Dixon that they considered annexations based upon the proposed use, so it would be important for him to have firm plans for the development.

SHERIFF'S REPORT:

Sergeant Aaron Sumrall presented the Sheriff's report, a copy of which is attached (Attachment C). In response to a question from the Board, Deputy Sumrall stated that he had still not obtained information about the location of the cars previously purchased by the District and whether they have been sold by Montgomery County. He will continue to press the County for an answer. Upon motion made by Director Belanger, seconded by Director Atkinson, the Board voted unanimously to approve the Sheriff's report as presented.

DISTRICT OPERATOR'S REPORT:

The Board considered the Operations Report, a copy of which is attached (Attachment D). At the wastewater treatment plant, the operator removed a large number of rags from the RAS pumps.

At the Water Treatment Plant No. 1, there was a problem with an algae bloom on the well screens, which resulted in discolored water in the ground storage tank. The operator drained the ground storage tank and increased the run time on the well to prevent reoccurrence. The operator repaired several distribution line leaks. Personnel cleared the Basswood ditch, including three trailer loads of debris. Upon motion made by Director Atkinson, seconded by Director Kaylor, the Board voted unanimously to approve the Operations Report as presented.

DISTRICT ENGINEER'S REPORT (INCLUDING BUT NOT LIMITED TO):

Amber Hurd presented the District Engineer's Report, a copy of which is attached (Attachment E). Preconstruction meetings were held for Commitment No. 68R2, a 7-Eleven Gas Station and Convenience

Store reconstruction and for Commitment No. 381, the Oak Ridge Memory Care facility. These commitments will now move to the General Manager's Report for further information.

The District Engineer reported on design projects. The Cathedral Lakes waterline upgrade project was bid on September 9, 2020. The low bidder was G&A Boring Directional with a bid \$136,915. The General Manager expressed concern with the issues that occurred during Phase 4 of the Reclaimed Water System project. The engineer will review the references of the second low bidder, and the Board agreed to table consideration of award of the contract to the next meeting.

Construction of the Elevated Storage Tank No. 2 is underway. Steel has been delivered to the site, and the welding crew has been assembling the tank bowl. The engineer recommended payment of Pay Application No. 7 in the amount of \$89,507.17. The engineer estimates that the tank will be lifted onto the structure the third week of October, weather permitting. After discussion, upon motion made by Director Kaylor, seconded by Director Atkinson, the Board voted unanimously to approve Pay Application No. 7 as presented.

Regarding the Wastewater Treatment Plant Aeration Basin Walkway and Air Header Replacement project, the contractor has been working on the punch list items. Once the punch list is completed, the engineer will recommend release of the check for Pay Estimate No. 3 and Final in the amount \$64,955. Upon motion made by Director Atkinson, seconded by Director Kaylor, the Board voted unanimously to approve Pay Estimate No. 3 and Final, under the condition that the engineer hold the final check until all punch list items have been completed.

The engineer turned to development projects. Regarding the Cathedral Lakes detention pond, the owner is continuing fill operations to raise the bank and grade around the pond. The contractor is preparing maintenance bonds to the outfall to Spring Creek, and the church is designing an addition to its existing church office for a finance office.

Upon motion made by Director Kaylor, seconded by Director Belanger, the Board voted unanimously to approve the Engineer's Report as presented.

GENERAL MANAGER/UTILITY SYSTEMS REPORT:

Kimberly Wright and Rick Moffatt presented the General Manager/Systems Report, a copy of which is attached (Attachment F).

a) Ms. Wright presented Commitment No. 042R1 for the Oaks Building expansion medical office. The commitment will add four single family equivalent connections for water and three for sewer. The property is located within the District. Upon motion made by Director Belanger, seconded by Director Atkinson, the Board voted unanimously to approve the utility commitment as presented.

The General Manager discussed various projects under construction. In particular, she noted that she was having to prompt ZM Commercial Investments for information regarding the status of their plat. The Board noted that the responsibility for informing the District of project status lies with the developer. Continuing, she updated the Board that the preconstruction meeting was held for Commitment No. 339-R1. Montgomery County paid the tap fees for the Sheriff's Office. Regarding the 14-acre Church Project tract on Pruitt Road, the annexation agreement has been fully executed, and the annexation deposit has been paid. The Brown Subdivision plat work is ongoing, with the District Engineer leading the effort to coordinate a path forward. Progress to report included, Mr. Beauchamp executed the Quit Claim Deed, and the staff will be working with the District Engineer to submit all paperwork for recording the platted tracts.

Regarding the completion of the Phase 4 Reclaimed Water project, the District has had approximately 30 applications for service on the newest segment of installed line. Rick Moffatt is working on getting licenses for the ESRI GIS update system for the new General Manager. The District had approximately 50 accounts designated for cut off due to delinquency. This was the first time the District had performed water terminations since the outbreak of COVID-19. Bonita Cheatham continues to work on the backflow prevention assembly non-compliant accounts. There are still approximately 240 backflow prevention device owners that need to complete the periodic inspection. After the District considers and adopts the Rate Order effective October 1, 2020, second and third notices can be sent to non-compliant account holders.

The Board reviewed the Safety and Compliance Report. A draft of the Employee Safety Manual

was provided to the attorney for review, and comments have been received and incorporated. The attorney suggested having an executive session to discuss the Employee Safety Manual in more detail. Stefanie Miller continues to coordinate with the District staff to address findings from a recent a safety assessment. Lone Star Groundwater Conservation District rules were adopted on September 9, 2020.

The Board declined to vote for any representative to Texas Municipal League.

Upon motion made by Director Atkinson, seconded by Director Kaylor, the Board voted unanimously to approve the General Manager's Report as presented.

OPTION FOR TECHNICAL SERVICES:

The Board considered an option for technical services from Moffatt Consulting Services. Rick Moffatt confirmed that he had submitted his DBA and applicable Form 1295. Mr. Moffatt requested that he be allowed to continue using a District tablet with connectivity, that the District provide for a service plan for the tablet, and that he be allowed to use a monitor. The Board had already previously agreed that the cellular phone would be retained by Mr. Moffatt, and he would begin paying for service on the phone. It was agreed that the tablet and monitor would be returned to the District at a time to be determined in the future, along with the termination of connectivity service on the tablet. Upon motion made by Director Kaylor, seconded by Director Atkinson, the Board voted unanimously to approve the technical services agreement, including to provide temporary use of a tablet and connectivity services and a monitor.

ENGAGE AUDITOR:

The Board considered engagement of Mark C. Eyring CPA, PLLC to audit the books and records of the District. The Board noted that this was the second of a two-year engagement. Upon motion made by Director Belanger, seconded by Director Atkinson, the Board voted unanimously to confirm the second year engagement of Mark C. Eyring, CPA, PLLC.

RESOLUTION ADOPTING SYSTEMS AND WWTP BUDGETS FOR FISCAL YEAR 2020-2021:

Ms. Wright presented the attached Resolution Adopting Systems and WWP Budgets for Fiscal Year Ending September 30, 2021 (Attachment G). Upon motion made by Director Atkinson, seconded by Director Kaylor, the Board voted unanimously to adopt the Resolution as presented.

RATE ORDER REVISIONS AND UPDATES:

There was presented the attached Order by Southern Montgomery County Municipal Utility District Establishing Utility Rates and Adopting Rules and Regulations Relating to the Administration of Its Utility Services and Establishing Penalties for Violation of Those Rules and Regulations (Attachment H). The Board discussed the Rate Order in detail. Upon motion made Director Kaylor, seconded by Director Belanger, the Board voted unanimously to adopt the Rate Order as presented. The adopted Rate Order will be effective October 1, 2020.

EXECUTIVE SESSION:

At 8:25 p.m., the Board convened in executive session pursuant to Texas Government Code §551.074 to discuss personnel matters. At 8:45 p.m., the Board reconvened in regular session. Upon unanimous vote, the Board agreed to table consideration of the Employee Safety Manual for one month.

COMMITTEE MEMBER REPORTS:

The Board discussed committee member reports. Director Atkinson reported that he attended the DD6 meeting and received news about the development about a portion of the Bahr Tract as expanded detention. Director Atkinson also attended today's GMA14 meeting via Zoom, and he stated that the Board and Montgomery County residents should become more involved in regional water planning activities. Their next meeting will be in November, and they will be discussing private property rights versus public purpose.

Director Kaylor discussed meal ideas and working with District staff regarding meals to provided to Directors and consultants at Board meetings.

BOOKKEEPER'S REPORT:

The Board reviewed invoices and bills of the District. A bookkeeper's report and a list of the bills and checks is attached (Attachment I). Upon motion made by Director Kaylor, seconded by Director Atkinson, the Board voted unanimously to approve payment of the bills.

ADJOURN:

There being no further business for the consideration of the Board, upon motion made by Director

Kaylor, seconded by Director Atkinson, and unanimously carried, the meeting was adjourned at 9:20 p.m.

APPROVED this the 21<sup>st</sup> day of October, A.D., 2020.

  
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Bruce Harrison VICE President

SEAL: .

  
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Patrick Joseph Atkinson Secretary

- Attachment A: Certificate of Posting of Notice of Meeting
- Attachment B: Resolution Honoring the Service of Rick Moffatt
- Attachment C: Sheriff's Report
- Attachment D: Operator's Report
- Attachment E: Engineer's Report
- Attachment F: General Manager/Utility Systems Report
- Attachment G: Resolution Adopting Systems and WWTP Budgets for Fiscal Year Ending September 30, 2021
- Attachment H: Order by Southern Montgomery County Municipal Utility District Establishing Utility Rates and Adopting Rules and Regulations Relating to the Administration of Its Utility Services and Establishing Penalties for Violation of Those Rules and Regulations
- Attachment I: Bookkeeper's Report