

**MINUTES OF REGULAR MEETING  
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT  
FEBRUARY 21, 2024**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on February 21, 2024, 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
Lee Joseph Saunders	Assistant Secretary/Treasurer

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

Persons also present included Mike Tracey, resident of the District; Derek Michael with SRI; Christine High and Wesley High of WET Services, Inc.; Kelly Trebing of Claudia Redden & Associates; Ashlie Whittemore of Wheeler & Associates; Eric Johnson and Andrea Garza of IDS Engineering; and Michael Cole and Cindy Nichols of Michael A Cole, P.C.

**SECURITY REPORT**

There was none.

**SALES TAX REPORT AND BUSINESS LIST UPDATE**

Derek Michael of SRI presented and reviewed with the Board the February 2024 Sales and Use Tax Administration Report and business list update.

**RESIDENT COMMENTS**

Mike Tracey reported that garbage collection has been excellent and thanked the Board.

**MINUTES**

**Minutes of the Board's February 7, 2024 meeting were approved with two typos to be corrected on Page 2 on the motion of Director Grace, the second of Director Cemer and the unanimous vote of the Board.**

## ENGINEERING REPORT

Eric Johnson introduced to the Board Andrea Garza with his office. Mr. Johnson presented the engineer's report, a copy of which is filed in the District's electronic records. He reported that the Shaw's have executed the storm sewer easement document and it is with Wells Fargo Bank for signature; the contractor has finished the emergency generator replacement at Water Plant #2 and he expects to present a pay application at the March 20<sup>th</sup> meeting; and excessive pitting was found in the wall of hydropneumatic tank #2 after it was blasted, and the engineer said it is not feasible to repair or patch the tank. The tank will need to be replaced, and the engineer will put together the necessary plans and specifications for replacing it. The engineer recommended approval and payment of Pay Application No. 3 to Nova Paintings, LLC in the amount of \$64,800. He next reported that the groundwater storage tank replacement at Water Plant #1 is still scheduled for this year; the contractor is complete with the tank replacement project at Bammel UD's water plant #1 and is cleaning up; the contractor for the 2022 wastewater treatment plant improvements project is expected to mobilize to the project by the end of the month; he continues to sort out the details of how to structure the wastewater capacity fees and rates for Fountainhead to provide wastewater service to the 10 acre tract at 14124 Stuebner Airline; and a draft bond application is expected for review before the end of March. At the conclusion of the engineer's report, **Director Cemer moved approval of the report and Pay Application No. 3 to Nova Paintings, LLC in the amount of \$64,800. The motion was seconded by Director Saunders and carried by unanimous vote.**

## TAX ASSESSOR-COLLECTOR REPORT

Ms. Whittemore presented the tax assessor-collector's report to the Board, a copy of which is filed in the District's electronic records. She reported tax collections of 87.12% and presented the checks for approval.

Michael Cole reported that it is time for the Board to adopt a resolution authorizing ad valorem tax exemptions for the 2024 tax year. He reported last year the Board adopted a homestead tax exemption of \$35,000 of the appraised value of the homestead residence of persons who are disabled or are sixty-five years or older and a 20% general homestead tax exemption. Mr. Cole presented a resolution to adopt and impose an additional 20% penalty for real property and personal property for delinquent tax collection costs. **Director Cemer then moved approval of the tax assessor-collector's report and tax bills, adoption of ad valorem tax exemptions for 2024 for the same amounts as last year, and adoption of a resolution adopting additional penalty for tax collection costs. The motion was seconded by Director Warwick and carried by unanimous vote.** Copies of the resolutions are filed in the District's electronic records.

## **BOOKKEEPER AND INVESTMENT OFFICER REPORT**

Kelly Trebing presented the bookkeeper and investment officer reports, copies of which are filed in the District's electronic records. She reported that Claudia Redden will email the draft budget to Directors for review prior to the Board's March 20<sup>th</sup> meeting. It was noted that an item will be placed on the March 20<sup>th</sup> meeting agenda for approval of the budget. **Director Cemer then moved approval of the bookkeeper and investment officer reports and bills, which motion was seconded by Director Warwick and carried by unanimous vote.**

Michael Cole then reported that it is time for the District's annual review of its Investment Policy. After a brief discussion, **Director Cemer moved that the Board make no changes to the current Investment Policy, which motion was seconded by Director Saunders and carried by unanimous vote.** A copy of the resolution is filed in the District's electronic records.

## **UTILITY OPERATOR REPORT**

Dewayne High presented the utility operator's report to the Board, a copy of which is filed in the District's electronic records. He reported that there were no water service terminations last month; there are 148 accounts on the service termination list for the Board's approval at tonight's meeting; and the operator has started EPA samples testing for pfas. In response to a query of Director Hubbard, Christine High said that the damaged manhole cover has been repaired at a cost of \$4,703. Discussion was had at the conclusion of which Christine High said that she will prepare a back charge invoice to the contractor for reimbursement to the District along with pictures of the damaged manhole cover, and will email it to the Board and attorney for review before sending to the contractor.

**Director Cemer then moved approval of the utility operator's report and service terminations of the delinquent accounts presented, noting that no one was present to show cause why water service should not be terminated. The motion was seconded by Director Hubbard and carried by unanimous vote.**

## **ATTORNEY REPORT**

Michael Cole presented his attorney's report, a copy of which is filed in the District's electronic records. He reported that there are no opposed candidates for the upcoming May 4, 2024 Directors Election, and Director Grace, as Secretary of the Board, has certified same. **Director Cemer then moved approval of the attorney's report and adoption of an Order Including Declaration of Election to cancel the May 4, 2024 Directors Election in light**

**of there being no opposed candidates. The motion was seconded by Director Grace and carried by unanimous vote.** A copy of the Order is filed in the District's electronic records.

Director Warwick said that the Board should prepare for the upcoming summer and potential extreme weather events. Discussion was had about various components to be included in the Bond Application.

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

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Secretary, Board of Directors

**CUMULATIVE COMMITMENTS FOR ACTION**  
**FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT**  
**MEETING OF FEBRUARY 21, 2024**

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**UTILITY OPERATOR** to continue to work toward completion of the comprehensive valve survey which had been agreed to in a prior meeting; and prepare a back charge invoice to the contractor for reimbursement to the District for damaged manhole cover along with pictures, and email it to the Board and attorney for review before sending to the contractor.

**ENGINEER** to prepare a bond application for the remainder of the authorization and to better prepare an accounting of all the projects to be undertaken by the District, both for the remaining authorization and beyond; and work with attorney on the details of how to structure the wastewater capacity fees and rates for providing wastewater service to the 10 acre tract at 14124 Stuebner Airline

**ATTORNEY** to work with engineer on the details of how to structure the wastewater capacity fees and rates for providing wastewater service to the 10 acre tract at 14124 Stuebner Airline; and place items on upcoming agendas for approval of bond application and approval of budget.

*[commitments that are unchanged are shown in italics.]*