

**MINUTES OF REGULAR MEETING  
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT  
JULY 20, 2022**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on July 20, 2022, 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 Wesley, DeWayne and Christine High of WET Services, Inc.; Kelly Trebing of Claudia Redden & Associates, LLC; Michael Cole of Michael A. Cole, P.C.; Eric Johnson of IDS Engineering; and Rene Anadel of Wheeler & Associates, Inc.

**CUSTOMER COMMENTS**

There were none.

**SECURITY REPORT**

There was none.

**MINUTES**

**Director Grace moved the approval of the July 6 minutes which was seconded by Director Cemer and carried unanimously.**

**ENGINEERING REPORT**

The Engineer's report showed that the UV system at the Regional Sewage Treatment Plant had been completed at a cost of \$215,150; that Quiddity Engineering expects to have completed the design of the rehabilitation of the Plant and to take bids on its construction in December, Fountainhead's share of which should be approximately \$846,659, the completion of which should take a year; and that the 10 year Capital Improvement Plan of which Fountainhead's share is estimated to be \$8,124,000, will involve "re-rating" the Plant's capacity once the Plan is finished.

With regard to the Sarti Drainage Project, the Engineer continues his work and thinks survey work will be completed by mid-August; and that the draft offer and contract for the detention site was revised but has not yet been presented to the landowner representative, and an easement will be needed

once a metes and bounds description has been prepared. **Director Cemer moved that the District proceed with the Sarti project and the acquisition of the Detention Basin for a cost of \$172,494 which motion was seconded by Director Warwick.** Before the vote it was noted that the County would pay its half as soon as possible. **The motion carried by unanimous vote.** On another matter it was estimated that the Generator would take 6 to 8 months to complete after an award of contract is let. It was also estimated that the Sarti project could move forward at the end of August.

### **TAX ASSESSOR-COLLECTOR REPORT**

Rene Andel submitted her report to the Board. Collections were shown to be 98.41%, and it was estimated that the tax rolls would be out at the end of August. It was agreed that the office would get to the Attorney the DPA for the bank, Frost. **Director Cemer moved the approval of the DPA used by the Bank subject to the review of the Fountainhead attorney. The motion was seconded by Director Grace and the unanimous vote of the Board. Director Cemer then moved the approval of the report which was seconded by Director Grace and carried unanimously.**

### **BOOKKEEPER, AND INVESTMENT OFFICER REPORT**

Kelly Trebing submitted the Bookkeeper's report which showed a \$26,361 payment by the City of Houston for the share of sales tax revenues; \$272.22 owed the District by a developer of a feasibility study for some apartments, which the Board sought; and the rest of the report. **Approval of the report was made on the motions of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.**

### **UTILITY OPERATOR'S REPORT**

The report reflected usage of water was up significantly from the month before to 20 millions gallons; a 94% water accountability ratio; and 20 accounts still terminated. It was clear that drought conditions and heat are persisting. Terminations were being asked for 20 accounts. It was reported that the usage of water was the highest since 2011. The Operator acknowledged that as the Board had requested it posted on its website the admonition of the Authority. While it had not quite attained the conditions of a Stage 1 Drought, a mistake written in the Attorney's report, the conditions were not favorable for conservation. It was also pointed out that the Authorities, namely the West and the North, are being placed in a difficult position because they are being forced to use wells which increase the risk of subsidence and thwarted its efforts to convert to surface water which was not the problem of water districts like Fountainhead, but which were nonetheless making life for the Authority more challenging. Directors were not unsympathetic to the plight of the Authorities. **The report of the Operator was approved by the motions of Directors Cemer and Grace and the Board's unanimity.**

### **ATTORNEY REPORT**

The report reflected that the Cyber Security Test was posted or put on line for the Directors to take, which had been taken by Directors Warwick and Cemer. The Attorney noted that Directors had until the end of August to complete the test and send him the results. It was noted that refunds and cash

returns of \$354.78 and \$145.50 had been received for savings or repayments by GR SFR Fund Ltd. and Texas Mutual dividends for self insurance; and that the Engineer had persevered in getting TCEQ approval of its circulation pump at the its elevated storage tank notwithstanding the prodigious amount of work to get the approval. The report was approved on the motion and second of Directors Cemer and Grace, and the unanimous vote of the Board. It was noted that the Engineer's submission for approval took 198 pages. Action was also taken on the approval of the Subsidence District Agreement to serve Kaiser Elementary School. The Attorney said that 1200 sponsorships would be done and the agreement with the Subsidence District was approved on the motions and second of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.

### **NORTH REGIONAL WATER AUTHORITY REPORT**

Director Warwick reported that the Authority office had experienced a COVID outbreak and the meeting only lasted 10 minutes.

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

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Secretary, Board of Directors

**CUMULATIVE COMMITMENTS FOR ACTION**  
**FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT**  
**MEETING OF JULY 20, 2022**

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1. **ATTORNEY** *to review the wastewater plant agreement with District 109 regarding changes in capacity occasioned by plant design changes which have the effect of downsizing the plant; follow-up on the cyber security training and if possible the literature from the Subsidence District; and place item on next agenda to consider a Depository Pledge Agreement with Frost Bank for moving the tax account from Allegiance Bank to Frost Bank.*
  
2. **ENGINEER** *to work with real estate attorney to revise Sarti drainage relief contract, and circulate to Directors an Michael Cole for review and comment; and prepare schedule for emergency generator replacement;*

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