

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
AUGUST 17, 2022**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on August 17, 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, Christine and DeWayne High of WET Services, Inc.; Michael Cole of Michael A. Cole, P.C.; Rene Anandel of Wheeler & Associates, Inc.; Derrick Michael of SRI; Eric Johnson of IDS Engineering; and Sara Redden of Claudia Redden and Associates, LLC.

CUSTOMER COMMENTS

There were none.

MINUTES

Director Grace moved the approval of the August 3 minutes, which was seconded by Director Cemer and carried unanimously.

ENGINEER REPORT

The Report was presented by Mr. Johnson which reflected the completion of the UV Disinfection work with Fountainhead's share being \$215,150; the design of the Wastewater Treatment Plant improvements to start after completion of the design work in November, the Fountainhead share of which is estimated to be \$846,659 and to be completed in one year's time or the end of 2023; and the completion of the 10 Year Capital Improvement Plan, of which Fountainhead's share is estimated to be \$8,124,000 but with no time line yet presented on when such work is to be commenced or completed. It was further explained that after the installation of the automatic sampler the Engineer should be able to "create the flow capacity requirements" of the Plant. Quiddity represented that it should be able to re-rate the plant after getting one year's worth of data.

With regard to Fountainhead Section 2 Drainage relief project, the owner of the land offered a counter based upon some valuation of land he thought was material but more suggestive of his just wanting more money. The appraisal was for \$172,000 and the landowner was asking for \$200,000. The attorney observed that what had started out as a friendly just want to help out the District

arrangement seemed to have degenerated into a greed session. Director Cemer said the District should have no further communication unless contacted again by the landowner. The Engineer indicated he would do nothing. With regard to the emergency generator it was stated that the process would be between 9 and 10 months before acquisition, delivery and installation. **Director Cemer indicated his preference for a turn key manufacturing to full installation of 345 days at a price of \$348,469. His motion to this effect was seconded by Director Saunders and carried unanimously.** It was further explained that with a 345 day window it would be possible to have the generator in place before the end of next year's hurricane season. **Director Cemer then moved the approval of the report which was seconded by Director Grace and carried unanimously.**

TAX ASSESSOR-COLLECTOR REPORT

Ms Andel indicated that she anticipates getting the tax roll at the end of the month. She stated that she hopes to have opened an account with Allegiance that will remain in place until April because a certain law firm did not believe it could rework the Depository Pledge Agreement earlier than that and it had concluded the agreement needs to be reworked and apparently no other law firm was competent to do the necessary work. Ms. Andel said she would be present for the first meetings in September and October before returning to the normal times. The SRI report was then received. It was noted that \$396,025 in sales tax revenues had been received by the District for 2021. It was noted that a Management District is being established for much of the 1960 area which had been pushed by Andy Johnson, though Fountainhead was not particularly enthusiastic. The SRI representative said that a lot of small businesses had left the ranks because of the pandemic. No further questions were asked of the representative and his **report was approved on the motion of Director Cemer, the second of Director Grace and the unanimous vote of the Board.**

BOOKKEEPER AND INVESTMENT OFFICER REPORTS

The reports were presented by Ms. Redden at the conclusion of which they were **approved on the motion of Director Cemer, the second of Director Grace and the unanimous vote of the Board.**

UTILITY OPERATOR'S REPORT

Mr. High reported that there had been high water usage again with between 18 and 19 million gallons of water used with a maximum daily usage of 1,149 gallons, with 8,810 gallons of residential usage, and 1,920 single family equivalent residential connections reported to District 109 for commercial usage. It was noted that there had been major water main breaks, 38 terminations for the last month, and 81 shown for the current billing period. The Board was told that the Ground Storage Tank at Water Plant # 2 was now working very well and the Operator was recommending that similar reworking be done at Water Plant #1. Director Cemer suggested waiting on that until the first meeting in September at which time the Board could consider the matter, look at tax rates and before deciding to fix things that are not yet broken. **A motion to approve the report was made by Director Cemer, seconded by Director Grace and carried unanimously.**

ATTORNEY REPORT

The attorney's report was presented. The Attorney observed that the Security Agreement with the County is not on the agenda though it had been received and should be approved at the first meeting in September. Also it was reported that the Insurance Proposal had been received and was up only \$900 from the prior year and he recommended that it be approved. **A motion to approve the insurance proposal was made by Directors Cemer and Grace, respectively, and unanimously approved.** It was noted that Director Saunders would complete the Cyber Security training and provide the certificate of compliance before the end of the month resulting in full compliance by the District. The Board was informed that the executed agreement with the Subsidence District had provided for 130 sponsorships at Kaiser Elementary at \$38 a piece. **Action was taken on the approval of the Subsidence District Agreement to serve Kaiser Elementary School.** The Attorney said that the recent correspondence from P3 made it clear that P3 is going to seek new proposals for power beginning at the outset of 2023, which would hopefully result in lower costs than had been projected. **The report was approved on the motion and second of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.**

SCURITY AGREEMENT

Director Warwick made clear that the County wants the new security agreement signed as soon as possible.

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

Secretary, Board of Directors

CUMULATIVE COMMITMENTS FOR ACTION
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
MEETING OF AUGUST 17, 2022

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; and place item on the APRIL agenda to consider a Depository Pledge Agreement with Frost Bank for moving the tax account from Allegiance Bank to Frost Bank (in April).*
2. **ENGINEER** *to do nothing in response to request of landowner for more money (\$200,000); and prepare schedule for emergency generator replacement; based upon award of contract for same.*
3. **CROTWELL AND ANDEL** to present necessary documentation for September and October meetings to enable adoption of tax rate at October meeting.

[commitments that are unchanged are shown in italics.]