

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
NOVEMBER 17, 2021**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on November 17, 2021, 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, excepting Director Hubbard, thus constituting a quorum.

Persons also present included DeWayne and Christine High of WET Services, Inc.; Rene Andel of Wheeler & Associates; Eric Johnson of IDS Engineering; Sarah Redden of Claudia Redden & Associates, LLC; and Michael Cole of Michael A. Cole, P.C.

CUSTOMER COMMENTS

There were none.

SECURITY REPORT

There was no report.

MINUTES

Consideration of the minutes of the November 3 meeting were moved for **approval on the motions of Directors Grace and Saunders, respectively, and the unanimous vote of the Board.**

ENGINEER REPORT

The written report was delivered by Mr. Johnson with commentary to complete it. It was reported that the Sanitary Sewer Rehabilitation project costing \$489,094 had been completed with a final walkthrough inspection though no final pay application had been submitted timely; that expected delivery of the UV replacement devices for the STP remains December; that the Engineer continues to work with the 109 Engineer on its 10 year Capital Improvement Plan (\$31,248,000 of which \$8,124,000 is attributable to Fountainhead and of which amount \$880,000 is attributable to Fountainhead for the STP rehabilitation); and that IDS had revised the exhibit map for the Sarti Agreement with the County to better show the location of the proposed facilities and better demarcate responsibilities for who is to maintain what and to revise the cost analysis of the project. Mr. Johnson explained that Fountainhead's 50% share was \$242,750, which in his view remained a doable cost for the District. The Board expressed appreciation for this work of the Sarti project. With regard to the generator in response to Director Warwick's query, he stated that delivery time remains 6-8 months. Given the work done by the Engineer on the Agreement, **Director Grace moved its approval, which**

motion was seconded by Director Saunders and carried unanimously.

TAX ASSESSOR COLLECTOR REPORT

The report was delivered by Ms. Anadel and **approved by the Board on the motion and second of Directors Warwick and Saunders, respectively, and the unanimous vote of the Board.**

BOOKKEEPER AND INVESTMENT OFFICER REPORT

The reports were delivered by Ms. Redden. It was noted that there remains banking at both Compass Bank with \$36,000 in fund deposits and the remainder at Capital Bank and TexPool. At the conclusion of the report **Director Grace moved its approval, which was seconded by Director Warwick and carried unanimously.**

UTILITY OPERATOR REPORT

The operator presented his report. The Board was told that there were 1929 single family equivalent connections reported to District 109 for commercial sewage usage for the prior month; that average homeowner usage of water was 7,500 gallons per month; that the water accountability ratio was an acceptable 95%; that most payments were being made by District customers via check; and that there are 57 accounts on the termination list for the current period. It was noted that 10 accounts had to have service terminated in the prior reporting period. Ms. High responded to a Director query that most customers calling in about the new shortened delinquency period were fine with the explanation of what it entailed and that it would be going in to effect January 1. **Director Grace then moved the approval of the report, authorization for termination of accounts and approval of the report. The motion was seconded by Director Warwick and carried unanimously.**

ATTORNEY REPORT

The Attorney presented his written report to the Board. During the presentation of his report, Mr. Johnson quietly conversed with Mr. Cole who then explained that he had been in error in concluding that the Sarti agreement with the County had previously been approved and signed by the Board and that the signature pages executed by the County and the District were for the security agreement and not the Sarti agreement with the County. Accordingly, he said that he would revise his report. The attorney also related that the legislation requiring the posting of data on the District's website does not appear to have any enforcement or penalty provisions if the District is operating in good faith. He said that a review of water district websites showed no uniformity of design and that any effort to determine whether there was or had been compliance was not apparent and probably extremely difficult to achieve. He said he would work to monitor the website periodically and work with the webmaster and operator to maintain compliance in good faith. **A motion to approve the report was made by Director Saunders and Warwick and carried unanimously.**

REGIONAL WATER AUTHORITY REPORT

Director Warwick reported that the meeting had been conducted well and that the budget for operations remained under control with the no escalation seen. It was speculated that this also tied in to why there was not going to be a rate increase in 2022.

INTERLOCAL AGREEMENT WITH HARRIS COUNTY FOR SARTI PROJECT

It was noted by Director Cemer that item 4(b) on the agenda allows for the Board to act at this meeting to approve the Agreement for the Sarti Project and further that cost revisions and a revised exhibit have been done by the Engineer, and that essentially all of pieces have been put in place to allow for the approval of the Agreement. It was noted that the agreement is prepared for the Board President's execution but that it could be revised and the signature page reprinted for execution by Director Cemer and with the addition of the revised Exhibit and any minor clarifications needed submitted to the County fully executed by the Board for the County's approval next week. **Director Saunders then moved the approval of the Agreement for execution, which motion was seconded by Director Grace and carried unanimously.**

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 NOVEMBER 17, 2021

1. **ATTORNEY** to revise his report to accurately reflect status of Sarti Project Agreement with County; prepare minutes and add item on the next or future agenda for semi-annual review of the CIP Budget; add the SRI Report item to next agenda; revise the data sheet for Directors to better reflect changes that would make it more accurate.
2. **OPERATOR**. Nothing.
3. **ENGINEER** pick up Sarti Agreement when executed and transmit to County; complete the Risk Resiliency Assessment and Plan; complete CIP; follow-up on matters shown in Engineer Report.

[commitments that are unchanged are shown in italics.]