

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
NOVEMBER 15, 2023**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on November 15, 2023, 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 DeWayne and Christine High of WET Services, Inc.; Kelly Trebing of Claudia Redden & Associates; Ashlie Whittemore of Wheeler & Associates; and Michael Cole of Michael A Cole, P.C. Arriving later was Eric Johnson of IDS Engineering.

SECURITY REPORT

There was none.

MINUTES

Minutes of the Board's November 1, 2023 meeting were approved on the motion of Director Grace, the second of Director Cemer and the unanimous vote of the Board.

ENGINEERING REPORT

The Attorney complimented Mr. Johnson on his report and the inclusion of the many projects that are underway. Mr. Johnson submitted his report to the Board a copy of which is filed in the District's electronic records. The report reflected that the Sarti project plans had been approved by the County and that the project's award of contract should occur in early December with construction proceeding at the beginning of February. He noted that work continued on the emergency generator replacement by McDonald Municipal & Industrial in the amount of \$348,469 which should be completed within 345 days of September 25, 2023, and that there had been a change order authorized for \$27,469 which netted an increase in the contract amount by \$2,869. **The change order was approved along with the report as a whole on the motion of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.** It was also determined not to pursue any liquidated damages because of

delays since the delays were not really caused by the contractor and would not make matters any better for any party to the agreement.

The Engineer then reported on the rehabilitation of Ground Storage Tank 1, HPT1, HPT2 and the Elevated Storage Tank for which work Nova Paintings, LLC had bid \$848,3251. The Engineer said that the contracts are ready for execution. **The Board acted to approve the award of contract to Nova which was authorized along with the execution.**

The Board then discussed the 420,000 gallon Ground Storage Tank replacement saying that it would be sent out for bids near the end of 2024 and that it would then be replaced with a 48 feet diameter tank of 32 to 36 feet in height with 17 feet of horizontal clearance from the existing CenterPoint electrical lines.

With regards Bammel's Water Plant No. 1 replacement tank the project is soon to be complete in the first half of next year at a price of \$2,770,000 of which Fountainhead MUD's share is \$531,840. Related to this is a project for the Regional Water Authority for \$2,876,000 of which Fountainhead MUD's share is \$240,111 and includes extension of a surface water line to the Bammel UD Water Plant.

With regards Northwest Harris County MUD Nos. 21 and 22, a new Water Well No. 3 is being undertaken which will cost approximately \$4,555,500 of which Fountainhead MUD's share is expected to be \$424,573 and which is supposed to replace Water Well No. 2. While this project is not yet underway it is expected to be done in the next year.

The re-rating of the 109 Plant for which there is no provision in the STP agreement with District 109 is still in process with "Quiddity" Engineering awaiting updated flow data to confirm if the current re-rating study is still "accurate". [For a re-rating for which there is no provision in the agreement between the Districts this should give a reasonable person pause to wonder if this should not be "negotiated" since the parties are not controlled by any contract terms.]

There is a 2022 STP Improvement Project for which Fountainhead's share is \$908,128, which project includes headworks, aeration basin, sludge thickener, digester building improvements and a generator, and for which a contract was apparently let to LEM Construction Company, Inc., but it is not clear given that it is a part of a larger plan of improvements of the STP. The contract amount is \$3,942,800. This is a smaller part of the long term plan for the Plant's development costing \$31,248,000 of which Fountainhead's share is \$8,124,000.

Mention was made of a TexDot sidewalk project of an undetermined amount. Also to be considered is how a tract of land between the two Districts is to be served. It appears

that Bammel UD wants to serve the tract, has plans to do so, and has authorized their engineer and attorney to “coordinate agreements” with the landowner and Fountainhead to accomplish that. The Fountainhead Board discussed the matter and determined its preference that their District counsel (Michael Cole) prepare the agreements for same. At the conclusion of the report **Director Cemer moved its approval including authorization for a change order regarding the electrical service pole and related improvements for a total cost of approximately \$2,869, which motion was seconded by Director Grace and carried unanimously.**

TAX ASSESSOR COLLECTOR REPORT

Ms. Whittemore presented her report which reflected a collection rate for the 2022 levy of 98.97%. **The report and tax bills were then approved by the Board on the motion and second of Directors Cemer and Warwick, respectively, and the unanimous vote of the Board.** Ms. Whittemore was welcomed by the Board.

BOOKKEEPER AND INVESTMENT OFFICER REPORTS

The report was presented which reflected total expenditures of \$262,899 and a TexPool rate on investments of 5.3589%. Following its review by the Board it was **approved on the motion and second of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.**

UTILITY OPERATOR REPORT

The Operator report was delivered by Mr. High. There were no terminations last month though this month 160 are on the list for termination if not paid by the cut-off date. Arrears were reported to be \$27,895, and a request had been made for 5 separate meters for businesses that were in or near the torn down Willie’s Ice House. It was explained that service to this tract was at the street (FM 1960) and that the owner wants separate meters for the 5 distinct businesses that would be served and is happy to pay for the meters and pay monthly on the 5 different meters and any greater amount if that delta is shown on the master meter. This was debated at length with the operator vehemently objecting to any arrangement of anything being metered and paid for unless it is shown as owing by a master meter at the curb beside the street. After a lengthy discussion, the Board agreed to not allow any arrangement other than a meter or master meter set at or near the curb which measured all the water used through the master meter for myriad reasons all of which were persuasive with the Board and consultants. **A motion to this effect was made by Director Cemer, seconded by Director Saunders and carried by unanimous vote. His report and authorization for**

the terminations recommended were approved on the motion of Director Cemer, the second of Director Grace and the unanimous vote of the Board.

ATTORNEY REPORT

The Attorney delivered his report a copy of which is filed in the District's electronic records. The Attorney report, most of which had already been covered, was **approved on the motion and second of Directors Cemer and Grace, respectively, and the unanimous vote of the Board.**

NHCRWA REPORT

Director Saunders said the Regional Water Authority would probably call a bond election for \$171,000,000 authorization. It was also mentioned that the District no longer has to follow the City of Houston in terms of its stages of drought, that the RWA had modified its own drought contingency plan, and finally that the water districts in RWA are behind in terms of converting to surface water ahead of the conversion deadlines.

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

Secretary, Board of Directors

CUMULATIVE COMMITMENTS FOR ACTION
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
MEETING OF NOVEMBER 15, 2023

UTILITY OPERATOR to do a comprehensive valve survey which had been agreed to in a prior meeting.

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. Additionally, prepare for the Sarti project, and move forward on the other projects in his report.* **The Engineer suggested that he should have the elements of a bond application to consider at the second meeting in December.** Engineer to complete the tasks for which he made commitments.

ATTORNEY to prepare draft of agreements for serving and annexing the Irish subdivision.

[commitments that are unchanged are shown in italics.]