

MINUTES OF MEETING  
EAST PLANTATION UTILITY DISTRICT  
JANUARY 16, 2019

THE STATE OF TEXAS §  
COUNTY OF MONTGOMERY §  
EAST PLANTATION UTILITY DISTRICT §

The Board of Directors (the "Board") of East Plantation Utility District (the "District") noticed a regular session, open to the public, to be held on Wednesday, January 16, 2019, at 3:30 p.m., at 447 Cumberland Trail, Conroe Texas, a designated meeting place of the District. Whereupon, at 3:30 p.m. the meeting was called to order and the roll was called of the members of the Board of Directors, to-wit:

William B. Knapp	-	President
C. Marshall Loosier, Jr.	-	Vice President
Eugene C. Arnold, Jr.	-	Secretary
W. Preston Humphreys	-	Assistant Secretary
Roger Bartel	-	Treasurer

At the time the meeting was called to order, Directors Loosier, Humphreys, and Bartel were present, thus constituting a quorum. Directors Knapp and Arnold entered the meeting shortly thereafter. Copies of the meeting notices are attached hereto.

Also present at the meeting were Franklin Gallegos, a District employee; and Deidra Daniels (paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District.

## **HEAR FROM PUBLIC**

The Board noted that no public was present.

## **MINUTES OF MEETING OF DECEMBER 19, 2018**

The Board reviewed the minutes from the meeting of December 19, 2018, previously distributed to the Board.

Upon motion duly made and seconded, and after full discussion, the Board unanimously approved the minutes of the meeting of December 19, 2018, as presented.

## **RIVER PLANTATION MUD REPORT**

The Board recognized Director Loosier, who presented to and reviewed with the Board the River Plantation Municipal Utility District Report for the month of December 2018. Director Loosier noted that expenses were slightly higher because it was determined the District owed additional monies on the previous relining of the sewer line. A copy of the Report is on file in the official records of the District.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the River Plantation MUD Report.

## **OPERATOR'S REPORT**

### **District Facilities and Operations**

The Board recognized Mr. Gallegos, who reviewed with the Board the Operations Report. A copy of the Report is on file in the official records of the District. Mr. Gallegos noted that the District is still experiencing a high percentage

of water loss (15% in December), and noted that Director Humphreys would address the issue later in the meeting. Mr. Franklin also reported on a sewer line which was repaired at 730 Holly Springs, and advised that the sewer line would also need to be repaired at 726 Holly Springs, noting that due to the depth of the line, soil type, and recent rains, it may not be possible for the line to be repaired by the Operator, and that Director Humphreys is obtaining prices for an outside vendor to repair the line, if necessary.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Operations Report.

#### **BOOKKEEPER'S REPORT**

The Board recognized Director Humphreys, who presented to and reviewed with the Board the Bookkeeper's Report, the Investment Report for the December 2018, and the request for payment of checks.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Bookkeeper's Report, Investment Report, payment of checks presented, and the proposed budget for fiscal year ending December 31, 2019.

#### **TAX ASSESSOR'S REPORT**

The Board recognized Director Humphreys, who presented to and reviewed with the Board the Tax Report.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the Tax Report.

**DELINQUENT TAX ATTORNEY’S REPORT**

No report was offered.

**ATTORNEY’S REPORT**

**Order Calling Directors Election**

Consideration was then given to a proposed Order Calling Directors Election. The Board noted that the terms of Directors Humphreys, Loosier, and Arnold will expire on May 4, 2019.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to adopt the Order Calling Directors Election thereby calling an election for May 4, 2019, for the purpose of electing three (3) directors to the Board. A copy of said Order is on file in the official records of the District.

**Joint Election Agreement**

The Board next considered entering into a Joint Election Agreement and Contract for Election Services with Montgomery County for the Directors Election. Ms. Daniels explained that such contract would allow the District to hold a joint election with Montgomery County on May 4, 2019.

Upon motion duly made and seconded, and after full discussion, the Board by unanimous vote approved the Joint Election Agreement and Contract for Election Services with Montgomery County, and to authorize the President to execute the Agreement as submitted.

### **Appoint Agent for May 4, 2019, Directors Election**

The Board next considered appointing a designated agent for the May 4, 2019, Directors Election. Ms. Daniels noted that SK Law can serve as the designated agent for such election.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to designate SK Law as the District's agent for the May 4, 2019, Directors Election.

### **Insurance Renewal**

The Board recognized Mr. Humphreys who (1) stated the District's insurance policy will expire February 15, 2019, and (2) presented a renewal policy from the District's current insurance provider, SIG/McDonald & Wessendorff Insurance, which renewal provided the same coverage as the District currently has in place, noting however, that the deductible the for District's flood insurance had increased from \$25,000 to \$50,000.

Upon a motion duly made and seconded, and after full discussion, the Board voted unanimously to renew the District's insurance policy with SIG/McDonald & Wessendorff Insurance.

### **GENERAL MANAGER REPORT**

The Board recognized Director Humphreys, who updated the Board as follows:

1. Credit card payments are being accepted by the District and that he is working with RVS Software, Inc. to implement the procedure for

accepting online payments through the District's website, noting that the software will also allow residents to opt-in for electronic billing rather than receiving a bill via the U.S. Mail.

2. There has been no progress yet on amending the Tri-Party Agreement. Mr. Humphreys met with RPMUD representative Julie Gilmer. Mr. Humphreys and Ms. Gilmer will meet again on February 4, 2019. Mr. Humphreys also advised that it is unlikely that an agreement will be ready for Board approval prior to the expiration of the current Tri-Party Agreement, and requested that, if necessary, the Board authorize extending the terms of the current Tri-Party Agreement by 90 days to enable the parties to finalize a new Agreement.
3. Regarding the litigation with Mr. Blackburn and his entities, there is currently an agreement in place to allow the parties additional time to work on reconciliation.
4. Regarding the District's continued water loss, Mr. Humphreys reminded the Board that it had authorized him to expend up to \$25,000 to determine the source(s) of water loss. Mr. Humphreys advised that he is considering the purchase of a ground penetrating radar with which the Operators can walk the entirety of the District's water lines (approximately 7 miles) and determine if there are any leaks. Mr. Humphreys advised that the cost of the detector is \$4,000,

with an additional \$1,500 for a full day of training for the District's Operators.

5. Mr. Humphreys next reminded the Board that, at a previous meeting, the Board had authorized him to obtain District credit cards from Woodforest Bank, which credit cards could be used by the General Manager and Operator for purchases at stores with which the District does not have an account. Mr. Humphreys advised that Woodforest is no longer issuing credit cards and that he is researching additional banks from which to obtain the credit cards.

Upon motion duly made and seconded, and after full discussion the Board voted unanimously to extend the term of the current Tri-Party Agreement by 90 days, if necessary, to enable the parties to finalize a new Agreement.

### **DIRECTOR COMMENTS**

The Board recognized Director Loosier, who advised that he is working on a list of the Board's accomplishments to post on the District website, and invited the other Directors to contribute their ideas.

### **ADJOURNMENT**

There being no further business to come before the Board, upon motion made, seconded, and approved unanimously, the meeting was adjourned.

PASSED, APPROVED, AND ADOPTED, this 20<sup>th</sup> day of February, 2019.



Secretary, Board of Directors

(DISTRICT SEAL)

