

MINUTES OF REGULAR MEETING  
CHIMNEY HILL MUNICIPAL UTILITY DISTRICT  
HARRIS COUNTY, TEXAS

11 September 2019

STATE OF TEXAS  
COUNTY OF HARRIS

The Board of Directors (the "Board") of Chimney Hill Municipal Utility District (the "District") of Harris County, Texas, met in regular session, open to the public, on the 11th day of September, 2019, at the Chimney Hill/Camfield Joint Wastewater Treatment Plant (the "Plant") located at 13450 Traders Village Drive, Houston, Texas, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

W. Jay Szinyei	President
Charley L. Lewis	Vice President
Camille W. Sowells	Secretary/Treasurer and Investment Officer
Tom Woltz, Sr.	Assistant Secretary/Treasurer
Kim McNinch	Asst. Vice President, Asst. Secretary/Treasurer, and Assistant Investment Officer

and all of said persons were present with the exception of Director Sowells, thus constituting a quorum.

Also present were Justin Edwards, P.E, of A&S Engineers, Inc. ("A&S"), the District's Engineer; Dennis Wright of Water District Management Co., Inc., the District's Operator; and Will Yale and David Green of Coats Rose, P.C., the District's Attorney.

Director Szinyei called the meeting to order.

**Public Comments**

The Directors noted that there were no residents of the District in attendance at this meeting who desired to address the Board. Director Woltz reported that Blanca Galvan of SCS Management Services, Inc., was striving to set up a meeting between the directors of the Chimney Hill IV Community Association (the "CH-IV Association"), the directors of the Westbrook Lakes Homeowner Association (the "Westbrook Lakes HOA"), and the directors of the Chimney Hill Community Association, Inc. (the "Association"). He remarked that the Westbrook Lakes HOA was planning its own National Night Out event on 1 October 2019 and was unlikely to participate in the National Night Out event being planned by the Association.

## **Approval of Minutes**

Next, the Board considered approval of the minutes of the meetings of 6 August 2019 and 14 August 2019. Mr. Wright requested a revision to page 7 of the minutes of the meeting of 14 August 2019. After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) approve the minutes of the meeting of 6 August 2019, as written; and (2) approve the minutes of the meeting of 14 August 2019, as amended.

## **Security Patrol Report**

Mr. Yale presented the Board with copies of the Security Patrol Report for August 2019 as prepared by the Harris County Sheriff's Department. A copy of the Security Patrol Report is attached hereto as an exhibit to these minutes. Director Woltz discussed security-related matters with the Board. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Security Patrol Report.

## **Solid Waste Collection Service**

Mr. Yale distributed copies of the monthly Solid Waste Collection Report (the "Collection Report") for the District's solid waste collection service for August 2019 on behalf of Best Trash, LLC ("Best Trash"), the District's Solid Waste Collector. A copy of the Collection Report is attached hereto as an exhibit to these minutes. Director Woltz reviewed the Collection Report with the Board. He remarked that there were several reports of unacceptable materials being placed in either the recycling carts or in the trash receptacles. Director Woltz stated that he would ask the District's Operator to transmit a message to the District's customers via the Blackboard Plus messaging system, requesting them to refrain from placing unacceptable materials in the recycling carts or trash receptacles. Director Szinyei then reported that District customer Pam Flayler had informed him that the Best Trash crews had told her that they would no longer empty her recycling cart unless it was placed at the curbside. Director Woltz stated that he would contact Best Trash regarding the recycling service for Ms. Flayler. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Collection Report.

## **Detention Facilities / Westbrook Lakes Subdivision**

The Board discussed the condition of the storm water detention and drainage facilities serving the Westbrook Lakes Subdivision (the "Detention Facilities"). Mr. Yale reported that the Westbrook Lakes HOA had requested that the District take the following actions with regard to the Detention Facilities: (1) repair eroded areas; and (2) remove wildlife consisting of nutria (collectively, the "Detention Facility Repairs"). He reviewed with the Board an electronic mail message from Tammi Norris of SCS Management Services, Inc., the management company for the Westbrook Lakes HOA, regarding the desired Detention Facility Repairs. A copy of the electronic mail message

is attached hereto. After discussion, the Board directed the District's Attorney to solicit a proposal from Stuckey's, LLC to perform the Detention Facility Repairs.

### **Strategic Plan / Authorized and Pending Projects**

The Directors then briefly reviewed the status of certain projects in the District's Strategic Plan that either: (1) have received Board approval to proceed; or (2) are pending approval by the Board (the "Pending Projects"). Director Szinyei expressed his view that the listing of the Pending Projects in the Strategic Plan should include the proposed starting date for each project. The Board agreed. Mr. Yale stated that the District's Attorney would confer with the District's Engineer regarding the starting dates for the Pending Projects. The Board discussed possible revisions to the priority for certain Pending Projects, including (1) the proposed cleaning, televised inspection, and repairs to the sanitary sewer lines in Sections 1, 2, and 3 of Chimney Hill Subdivision; and (2) the proposed replacement of the non-potable water system at the Plant (the "Water System Replacement"). After further discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Operator to proceed with the Water System Replacement at the time when said project is deemed to be appropriate.

### **H-GAC Energy Purchasing Corporation / Contract for Electric Service**

Next, the Board briefly discussed matters relating to the District's participation in the Houston-Galveston Area Council's Energy Purchasing Corporation for the aggregate purchase of electricity. Director McNinch reported that, to date, she had not received any price offers from retail electric providers for the renewal of the District's contract for electric service.

### **Proposed Walking Trail**

Director Szinyei presented a brief report on the proposed construction of a walking trail (the "Trail") along certain drainage channels in the District by the Association. He informed the Board that he expected to receive an update the following week regarding the review of the plans for the Trail by Harris County (the "County").

### **Proposed District Office and Community Center**

Then the Board briefly discussed the proposed construction by the District of a structure to be used as a District office and community center (the "District Office") in the tract located at 14000 Smokey Trail Drive (Reserve C of Block 1 in Chimney Hill Subdivision, Section 1). Director Szinyei reported that he had been in discussion with the president of the CH-IV Association regarding a possible financial contribution from the CH-IV Association for the construction of the District Office.

## **Engineer's Report**

Mr. Edwards presented the Engineer's Report, a copy of which is attached hereto as an exhibit to these minutes.

## **Replacement of Blowers and Fine Air Diffusion Conversion / Wastewater Treatment Plant**

The Board discussed the status of the contract with LEM Construction Company, Inc. (called "LEM") for the proposed improvements at the Plant, consisting of (1) the replacement of the blowers with variable frequency drive-controlled blowers; and (2) the conversion to fine air diffusion (collectively, the "Improvements"). Mr. Edwards reported that the District's Engineer was continuing to review the submittals as they are received from LEM. He then reviewed with the Board a memorandum prepared by A&S that lists the key dates in the construction schedule for the Improvements project. A copy of the memorandum is attached hereto as an exhibit to these minutes.

## **Proposed Infrastructure Improvements / Eldridge Parkway**

The Directors discussed the proposed construction by the County of infrastructure improvements consisting of a traffic light and crosswalk at the intersection of Eldridge Parkway and Firebrick Drive (the "Infrastructure Improvements"). Mr. Edwards reported that, to date, the County had not commenced work on the Infrastructure Improvements. Because of the proximity of the District's utility lines, he continued, the District's Operator will monitor the County's work activities related to the Infrastructure Improvements.

## **Request for Service / Deepwater Corrosion Services, Inc. Tract / 13813 F.M. 529**

The Directors discussed matters relating to the request from 529 Eldridge, LLC ("529 Eldridge") for utility service to the 7.6-acre tract located at 13813 F.M. 529 (the "529 Eldridge Tract") in which the Deepwater Corrosion Services, Inc. facility is located. Mr. Edwards reported that the District's Engineer was continuing to work with representatives of 529 Eldridge regarding this matter. He then circulated for the Board's review a draft memorandum from A&S that (1) summarizes the discussion between the Directors and the representatives of 529 Eldridge at the Board's meeting on 14 August 2019 regarding the 529 Eldridge Tract; and (2) outlines the intentions of both parties with regard to the proposed annexation of a certain portion of the 529 Eldridge Tract. Mr. Edwards stated that the final draft of the memorandum would be presented at the Board's meeting on 27 September 2019.

## **Request for Sanitary Sewer Service / LMA Storage**

Then the Board discussed the request for sanitary sewer service that the District's Engineer had received from the owner of the LMA Storage facility located at 13910 Smokey Trail Drive in the District (the "Facility"). Mr. Edwards reported that the

District's Engineer had transmitted to the owner of LMA Storage a utility commitment letter (the "Commitment Letter") stating the conditions that must be met in order for the District to provide sanitary sewer service to the Facility (the "Conditions"). Attached hereto as an exhibit to these minutes is a copy of the Commitment Letter dated 29 August 2019 from A&S to LMA Storage. Mr. Edwards reviewed with the Board the Commitment Letter and the Conditions stated therein. He noted that pursuant to the Commitment Letter, construction of all wastewater facilities for the Facility must be in a location designated by the District's Engineer and shall be inspected by the District's Operator or Engineer to certify to the District that the wastewater facilities have been constructed in accordance with the approved plans and specifications. He pointed out to the Board that food preparation of any nature is prohibited in the Facility tract without the prior consent of the Board. Mr. Edwards remarked that the discharge of gray water or black water from any recreational vehicle on the Facilities tract is strictly prohibited under the Commitment Letter.

### **Telecommunications Pole / Jackrabbit Road and Smokey Trail Drive**

Next, Mr. Edwards reported that the District's Engineer had been contacted by a telecommunications contractor regarding the proposed installation of a pole for a wireless communications network (the "Pole") at the northeast corner of Jackrabbit Road and Smokey Trail Drive. He stated that the telecommunications contractor was provided with information regarding the location of a District water line in the area where the Pole is to be installed.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report.

### **Operator's Report**

Mr. Wright presented the Operator's Report, a copy of which is attached hereto as an exhibit to these minutes. Mr. Wright directed the Board's attention to the Water Distribution System Report for the month of August 2019, a copy of which is included with the Operator's Report. He stated that the District pumped 7,119,000 gallons of water during the month and purchased 15,172,000 gallons of water from the City of Houston (the "City"), representing an overage of 1,312,000 gallons from the District's Monthly Allotment (13,860,000 gallons). Mr. Wright noted that the District's water accountability rate for the reporting period was 96.2% with a supplied vs. billed ratio of 92.8%. He informed the Board that all seven water samples collected from the District's water distribution system during August 2019 had tested negative for coliform indicators. Mr. Wright noted that the District had 1,800 active service connections.

The Board then reviewed the Monthly Operating Summary and the Texas Commission on Environmental Quality Effluent Report for the month of August 2019, copies of which are included with the Operator's Report. Mr. Wright stated that the Plant treated an average daily flow of 513,000 gallons during the month, representing a flow equal to 42.8% of the design capacity for the Plant. Mr. Wright then reviewed with the

Board a sampling and analysis report as prepared by Eastex Environmental Laboratory, Inc., a copy of which is included with the Operator's Report. He then directed the Board's attention to a table comparing the quantity of wastewater flow at the Plant with rainfall events during August 2019. A copy of the table is included in the Operator's Report.

Mr. Wright reviewed with the Board the Facility Status Report, a copy of which is included with the Operator's Report, and discussed the condition of the District's facilities, as follows:

- City of Houston Water Supply: The City is currently providing the District with surface water.
- Water Interconnections: The District provided Camfield Municipal Utility District with 895,000 gallons of water during the reporting period.
- Mayard Road Lift Station: The facility has been top-cleaned.
- Jackrabbit Road Lift Station: The facility has been top-cleaned.

### **Wastewater Treatment Plant / Blowers**

The Board discussed the condition of the Plant. Mr. Wright reported that earlier this date blower Nos. 1 and 2 at the Plant (the "Blowers") had gone out of service, possibly as the result of an electrical surge during a thunderstorm. He stated that an electrician had been contacted and was on site to inspect the Blowers.

### **Electronic Water Meters / Mueller Systems**

The Board discussed matters relating to the electronic water meters on the residential and commercial connections in the District (the "Electronic Meters"). Mr. Wright called the Board's attention to the Mueller Meter Change Out Report as prepared by the District's Operator, a copy of which is included with the Operator's Report. He pointed out that, to date, 113 of the 1,816 Electronic Meters had been changed out, accounting for 6.22% of the Electronic Meters that were installed in the District.

### **Smoke Testing of Sanitary Sewer Lines**

Mr. Wright reported on matters relating to the smoke testing (the "Smoke Testing") performed by Magna-Flow Environmental, Inc. on the sanitary sewer lines that feed into the Jackrabbit Road Lift Station (the "Sewer Lines"). He remarked that the repairs to the Sewer Lines in response to the Smoke Testing were approximately 75% complete.

## **Termination of Service**

Consideration was then given to the termination of water service to certain delinquent accounts. The President recognized Mr. Wright, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time, and place of the Board meeting which they could attend to discuss termination of service. The Board noted that there were no customers present to protest the utility billings. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report.

## **Attorney's Report**

Mr. Yale stated that there were no additional items to be discussed under the Attorneys Report.

## **Executive Session**

The Board went into executive session, pursuant to the Open Meetings Act, Section 551.071, Government Code, at 8:12 p.m. to discuss matters relating to pending litigation. The Board returned to open session at 8:16 p.m.

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



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Secretary, Board of Directors

Chimney Hill Municipal Utility District  
Meeting of 11 September 2019  
Attachments

1. Security Patrol Report;
2. Solid Waste Collection Report;
3. Email from SCS Management Services, Inc.;
4. Engineer's Report;
5. Memo from A&S Engineers / Key Dates for WWTP Blower project;
6. Letter from A&S Engineers to LMA Storage; and
7. Operator's Report.