MINUTES OF MEETING
MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT NO. 1

February 6, 2020

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

The Board of Directors of Montgomery County Water Control and Improvement District No. 1 of Montgomery County, Texas, met in special session, open to the public, beginning at 7:00 P.M., at the District's office, 25611 Spreading Oaks Lane, Spring, Texas 77380, on Thursday, February 6, 2020, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Wayne Stringer	President
James Jacobs	Vice President
Nancy Loring	Secretary
Janet Young	Treasurer
Christine Rife	Assistant Secretary / Treasurer

All directors were present, thus constituting a quorum.

Other persons present included: Mike Others, McCall Gibson Swedlund Barfoot, PLLC; Mark Galan, MCR; Mike Kurzy, AEI; Ida Schleiermacher, Jack Curtis, District Residents; Jackie Chance, Rick Hughes, Carol Garrett, District Staff.

The meeting was called to order at 7:00 PM

1. **Customer Comments**
No Comment was had

2. **Annual Audit for Fiscal Year 2018-2019**
Mike Others of McCall Gibson Swedlund Barfoot, PLLC presented the preliminary Audit Report for fiscal year 2018-2019 for board approval contingent on a ten day review and a revision on the number of meters reported. Upon board consideration on the matter, Director Jacobs moved to approve the preliminary Fiscal Year Audit for 2018-2019 as the final audit, motion was seconded by Loring and motion carried by unanimous vote.

3. **District Conversion Order as a Water Control and Improvement District / Municipal Utility District**
Discussion was had on a publication provided by the TCEQ for Texas Water Districts which served as a general guide for Municipal Utility Districts, the rulings, requirements and the authorities thereof. On other matters, discussion was had on the influence that took place when the District converted to a Municipal Utility District and still maintains as a Water Control Improvement District. No other discussion was had on the matter.

4. Proposed End of Month Meeting in Consideration of Acquisition of HOA Property

Leslie Hawthorn, President of the TL/TR Homeowners Association was present to inform that under legal advisement, the acquisition of the HOA will have to be removed from the table or postponed at this time. Ms. Hawthorn further advised that the attainment of the property on the East side of the property where the tennis courts were removed, is available for acquisition if the District chooses to proceed with any procurements. On other matters, Ms. Hawthorn advised that the HOA is currently in the process of having the Association's BY-LAWs and Articles of Incorporation reviewed by legal counsel in an effort to update the rulings. No other discussion was had on the matter.

5. District Collections for Waste Discarding

The matter of a past due account for discarding waste into the District's sewer system was discussed. Upon board consideration, it was advised to continue to collect on the account and the matter will be reviewed again at which time it will be determined to proceed to other methods for collections. No action was had at this time.

6. TCEQ -New Rulings Effective October 1, 2019

a. TCEQ Ruling – Network Security

Mark Galan of MCR presented an annual report on the results of a Penetration Test that was performed on all of the District's mainframe software systems. In his report he advised on the vulnerabilities that were found that needed correction to prevent piracy on any of the District's stored information. He advised that EPA Ruling has come into effect that water districts must implement and maintain, a self-prepared plan that will counteract any software infiltration in which will comprise any computer mainframe or data stored on the District's network system. He discussed the expenses of the security upgrades and at which point, Director Loring motioned to approve expenses of $15,000.00 without board approval for the purpose of purchasing security upgrades for compliance. The motion was seconded by Director Young and carried by unanimous vote. No other discussion was had on the matter.

There being no other items to discuss, Director Jacobs motioned for adjournment the meeting at 9:10 PM, seconded by Director Rife and motion carried.

MONTGOMERY COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

Wayne Stringer, President / Board of Director

2/18/2020

Date of Approval