

**SOUTH SHORE HARBOUR MUNICIPAL UTILITY DISTRICT NO. 7  
MINUTES OF MEETING OF BOARD OF DIRECTORS  
NOVEMBER 13, 2018**

The Board of Directors (“Board”) of South Shore Harbour Municipal Utility District No. 7 (“District”) met in regular session at its regular meeting place on November 13, 2018 in accordance with the duly posted notice of meeting, with a quorum of Directors present as follows:

Paul Hopkins, Jr., President - Present  
Gene Hill, Vice President - Present  
R. “Chris” Chuoke, Secretary - Present  
Holly Larsen, Deputy Secretary - Present  
Nghiem V. Doan, Director - Present

Also present were Delia Yanez (Assessments of the Southwest) (“ASW”), tax collector representative; Cindy Grimes (Municipal Accounts & Consulting, L.P.) (“MAC”), bookkeeper representative; Jack Carter (Dannenbaum Engineering), engineer representative; Claudia Foutz, District resident; and Alexis Walker and Paul Philbin, Counsel, of Paul A. Philbin & Assoc., P.C.

First, the President called the meeting to order and declared it open for such business as might regularly come before it.

Next, the Board considered the approval of prior Minutes. Thereupon, on a motion by Director Larsen, seconded by Director Chuoke, the Board unanimously approved the October 9, 2018 Minutes as presented.

Next, Counsel recognized Ms. Foutz to the meeting, and asked if she had any questions and/or comments for the Board at this time. Ms. Foutz confirmed that the annual HOA meeting is scheduled for December 5<sup>th</sup>, and that there are three (3) positions up for election. She also stated that she is aware of three well qualified candidates who are interested in filling those positions. Next, Ms. Foutz discussed the HOA audit that is currently underway, noting that there were some issues regarding mistakes between the HOA’s fiscal year and the calendar year. The Board thanked Ms. Foutz for this information.

Next, the Board considered the Engineer’s Report and the status of the erosion control planting. Mr. Carter reported that the irises have been planted, however, they have not bloomed as

yet. He also noted that he provided a revised invoice to the Bookkeeper from Lynn's Landscaping which shows the District as the entity to be billed. There being no action necessary, the Board accepted the Engineer's report as presented.

Next, the Board considered the Tax Collector's Report. Ms. Yanez then presented the Tax Collector's written report and reviewed the receipts and disbursements for the current period. She noted a beginning balance of \$30,880.84, total collections of \$749.69 and disbursements totaling \$5,593.56, for an ending balance of \$26,036.97, as of October 31, 2018. She then reviewed the Tax Rate and Value Report on page 2, noting the District's 2018 total net taxable value of \$360,152,533. Next, Ms. Yanez reviewed the Receivables Report as of October 31, 2018, noting that 99.91 % of the 2017 taxes have been collected to this point. She noted that there are no 2018 collections to report this month, but that there should be some listed on next month's report. She then presented two (2) checks for the Board's approval. The checks for payment included a transfer to the Operating Fund (\$15.30) and payment of CAD Quarterly/Estimate Certificate fees, leaving a cash balance of \$58,561.07 as of November 13, 2018. Ms. Yanez then presented the delinquent tax roll for review. She noted several business personal property delinquent accounts. There were questions regarding writing off of certain business property accounts, in particular, Baldwin Photography (\$32.44). Counsel noted that the statute of limitations for collections on business personal property is four (4) years and noted that legally, the Baldwin Photography tax account which has been delinquent for four (4) years could be written off. He then recommended that the Board authorize moving this business personal property account from the tax rolls to the uncollectible roll. Lastly, Director Hopkins inquired about the Urgent Clinics Medical Care account and asked if they were still in business. Counsel and the Board responded that they were not aware of the Clinic's operational status. Director Hopkins noted that he would follow up to see if they were still in operation and get back to Counsel's office on the matter. Following due discussion, and on a motion by Director Chuoke, seconded by Director Larsen, the Board unanimously accepted the Tax Collector's Report as presented, approved checks numbered 1400 and 1401 to be paid from the tax

account, and authorized the transfer of the Baldwin Photography business personal property tax account from the District's tax rolls to the uncollectible roll.

Next, Ms. Grimes reviewed the Bookkeeping Report. First, she reviewed the Cash Flow Report for the General Fund Checking Account noting a beginning balance of \$4,241.31, interest earned, maintenance tax collections (\$50.41) and payment by the HOA for its share of the detention system repairs (\$12,000). She then reviewed the checks for approval today including the standard disbursements for Director per diems and consultants' fees. Ms. Grimes noted that check numbered 3323 in the amount of \$4,100.93 is for Lynn's Landscaping for the iris erosion control planting.

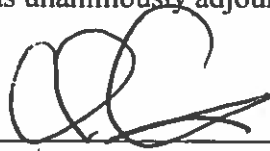
Next, Ms. Grimes reviewed the District's Account Balances for all funds, noting \$487,151.37 in total Operating Funds and \$3,059,310.36 in the Debt Service Fund. She reported a grand total balance across all District funds of \$3,546,461.73, noting that CD interest rates are continuing to rise. Ms. Grimes then reviewed the Actual vs. Budget comparison for October 31, 2018 and the District's Balance Sheet as of October 31, 2018. She then reviewed the Debt Service Schedule and reported that the next debt service payment is due on March 1, 2019 for interest only. Thereupon, on a motion by Director Hill, seconded by Director Doan, the Board unanimously accepted the Bookkeeper's report and approved payment of all of the checks/transfers listed in the attached Bookkeeper's Report, including check numbered 3323 to Lynn's Landscaping.

Next, the Board considered agenda item numbered 6, regarding the approval of a Contract with Alliance Payroll Services, Inc., and appropriate action. Counsel stated that this was an option to provide direct deposit to the Directors which would cost an additional \$40.00 dollars each month and an additional \$60.00 at the end of the year. Counsel inquired as to if the Board was satisfied with their current payroll services and the Board unanimously replied yes. No action was taken.

Next, the Board considered agenda item numbered 7 regarding approval of the Annual Eminent Domain Reporting and appropriate action. Counsel said that his office is in the

process of preparing the required filing with the Texas State Comptroller's Office. He noted that a few years ago the law was changed, requiring Governmental Entities with condemnation powers to file a report with the Comptroller's Office to maintain their eminent domain authority. Thereupon, on a motion by Director Larsen, seconded by Director Doan, the Board unanimously authorized Counsel to file the required Annual Eminent Domain Report with the Texas Comptroller of Public Accounts prior to the February 1, 2019 deadline.

There being no further business to come before the Board, and on a motion made by Director Chuoke, seconded by Director Larsen, the meeting was unanimously adjourned.

  
Secretary

South Shore Harbour MUD 7 - GOF  
**Cash Flow Report - Checking Account**  
 As of November 13, 2018

Num	Name	Memo	Amount	Balance
<b>BALANCE AS OF 10/10/2018</b>				<b>\$4,241.31</b>
<b>Receipts</b>				
	Maintenance Tax Collections		50.41	
	HOA payment		12,000.00	
	Interest on Checking		0.64	
<b>Total Receipts</b>			<u>12,051.05</u>	12,051.05
<b>Disbursements</b>				
3315	Gene Hill	Fees of Office - 11/13/2018	(138.52)	
3316	Holly Larsen	Fees of Office - 11/13/2018	(138.52)	
3317	Nghiem Doan	Fees of Office - 11/13/2018	(138.53)	
3318	Paul Hopkins, Jr.	Fees of Office - 11/13/2018	(138.53)	
3319	Robert C Chuoke III	Fees of Office - 11/13/2018	(138.53)	
3320	Dannenbaum Engineering Corporation	Engineering Fees	(1,437.75)	
3321	Municipal Accounts & Consulting, LP	Bookkeeping Fees	(1,850.06)	
3322	Paul A. Philbin & Assoc., P.C.	Legal Fees	(3,571.75)	
SVC CHG	Compass Bank	Service Charge	(0.64)	
<b>Total Disbursements</b>			<u>(7,552.83)</u>	<u>(7,552.83)</u>
<b>BALANCE AS OF 11/13/2018</b>				<b><u><u>\$8,739.53</u></u></b>

**South Shore Harbour Municipal Utility District No. 7**

**Account Balances**

As of November 13, 2018

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund: Operating</b>					
<b>Certificates of Deposit</b>					
CADENCE BANK (XXXX1612)	07/24/2018	07/27/2019	2.40 %	120,000.00	
THIRD COAST BANK, SSB (XXXX9253)	10/30/2018	10/30/2019	2.60 %	120,000.00	
<b>Money Market Funds</b>					
TEXAS CLASS (XXXX0001)	04/14/2016		2.33 %	238,411.84	
<b>Checking Account(s)</b>					
COMPASS BANK-CHECKING (XXXX8767)			0.15 %	8,739.53	Checking Account
<b>Totals for Operating Fund:</b>				<b>\$487,151.37</b>	
<b>Fund: Debt Service</b>					
<b>Certificates of Deposit</b>					
ICON BANK - DEBT (XXXX5136)	02/02/2018	02/01/2019	1.25 %	240,000.00	
SPIRIT OF TX BANK - DEBT (XXXX3745)	02/07/2018	02/07/2019	1.25 %	245,000.00	
THIRD COAST BANK-DEBT (XXXX2696)	02/15/2018	02/15/2019	1.30 %	245,000.00	
COMPASS BANK-DEBT (XXXX6307)	02/16/2018	02/19/2019	1.30 %	245,000.00	
GREEN BANK - DEBT (XXXX4410)	09/21/2018	09/20/2019	2.40 %	245,000.00	
FRONTIER BANK - DEBT (XXXX2114)	09/21/2018	09/21/2019	2.40 %	245,000.00	
PIONEER BANK-DEBT (XXXX1506)	09/21/2018	09/21/2019	2.40 %	245,000.00	
PLAINS STATE BANK - DEBT (XXXX0092)	09/21/2018	09/21/2019	2.45 %	245,000.00	
<b>Money Market Funds</b>					
COMPASS BANK-DEBT (XXXX4504)	09/01/2013		0.25 %	2,703.84	
TEXAS CLASS (XXXX0002)	04/14/2016		2.33 %	1,101,606.52	
<b>Totals for Debt Service Fund:</b>				<b>\$3,059,310.36</b>	
<b>Grand total for South Shore Harbour Municipal Utility District No. 7:</b>				<b>\$3,546,461.73</b>	