

MINUTES OF MEETING OF BOARD OF DIRECTORS  
November 21, 2013

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 132

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The Board of Directors (the "Board") of Harris County Municipal Utility District No. 132 (the "District") met in regular session, open to the public, at the Atascocita Library, 19520 Pinehurst Trail Drive, Humble, Texas, 77346, on November 21, 2013 at 6:00 p.m.; whereupon the roll was called of the Board, to-wit:

Tim Stine, President  
Don House, Vice President  
Jerrel Holder, Secretary  
Lloyd Lentz, Assistant Secretary  
Michael Whitaker, Assistant Secretary

All members of the Board were present. Also attending all or parts of the meeting were Mr. Michael Keefe of Bob Leared Interests, tax assessor and collector for the District; Ms. Karrie Kay of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Larry Jones of Severn Trent Environmental Services, Inc. ("ST"), operator of the District's facilities; Mr. Matt Froehlich of Brown & Gay Engineers, Inc. ("Brown & Gay"), engineer for the District; Ms. Nikki Wynn, Communications Program Consultant; and Ms. Carla Christensen, paralegal, of Fulbright & Jaworski LLP ("F&J"), attorneys for the District.

**Call to Order.** The President called the meeting to order in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit "A," and the following business was transacted:

1. **Minutes.** Proposed minutes of the meeting of October 17, 2013, previously distributed to the Board, were presented for approval. Upon motion by Director House, seconded by Director Lentz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of October 17, 2013, as presented.

2. **Receive comments from the public.** There were no comments from the public at this time.

3. **Approve insurance renewal proposal with SIG/McDonald & Wessendorff Insurance (expires January 24, 2014).** The Board reviewed the insurance renewal proposal from SIG/McDonald & Wessendorff Insurance, a copy of the insurance proposal is attached hereto as Exhibit "B." Upon motion by Director House, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to authorize execution of the renewal insurance proposal with SIG/McDonald & Wessendorff Insurance.

**4. Review Bookkeeper's Report and Investment Report.** Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report for the period ending November 21, 2013 and the Investment Report, copies of which are attached hereto as Exhibit "C."

In response to a question from Director Stine, Mr. Jones would research possible reasons for the higher than normal water revenues for the month.

Upon motion by Director House, seconded by Director Lentz, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report for the period ending November 21, 2013, to approve the Investment Report, and to authorize payment of check numbers 8361 through 8408 from the Operating Account, all as listed in the Bookkeeper's Report.

**5. Review Tax Collector's Report and authorize payment of certain bills.** Mr. Keefe presented to and reviewed with the Board the Tax Assessor and Collector's Report and the Delinquent Tax Attorney's Report for the month of October 2013, copies of which are attached hereto as Exhibit "D." Mr. Keefe noted that 98.44% of the District's 2012 taxes and 3.1% of the District's 2013 taxes had been collected as of October 31, 2013. Upon motion by Director House, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 1091 through 1106 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

**6. Operations Report and Billing and Collections Report.** Mr. Jones presented to and reviewed with the Board the Operations Report for the month of October 2013, a copy of which is attached hereto as Exhibit "E." Mr. Jones reported that 85.34% of the water pumped was billed for the month ending October 24, 2013. Mr. Jones reported that the water accountability was lower than normal due to the timing of meter readings after 317 meters were replaced and due to substantial water line leaks.

In response to a question, Mr. Jones stated that he will research which insurance claim is related to the recent check received in the amount of \$27,004.

Mr. Jones requested permission to turn over five accounts in the aggregate amount of \$643.86 to collections and to write off one account in the amount of \$4.12.

Mr. Jones reported that there are 132 accounts on the delinquent list.

Mr. Jones stated that the District received a letter from a resident requesting an adjustment to her July 2013 water bill due to a substantially higher than normal water usage (for 104,000 gallons) after her water meter was replaced. Discussion ensued. Mr. Jones stated that the residence's average water usage is approximately 45,000 gallons per month. It was the consensus of the Board to deny the request, but to offer the resident a three month installment payment plan to pay off the balance.

Mr. Jones stated that the District received a letter from a resident requesting an adjustment to his water bill due to three substantial water line leaks (pool, irrigation, and house water line) over a three-month period of time. It was the consensus of the Board that ST credit a portion of the sewer charges over the last three months.

Director Stine reported that the District received a request from Life Time Fitness for a refund of the \$297 credit balance on one of their accounts. It was the consensus of the Board to refund the \$297 to Life Time Fitness, as requested.

Mr. Jones reported that he obtained a cost estimate of \$1,220 to repair the gate at water plant no. two. Mr. Jones stated that the repair could cost \$2,000 if the contractor has to hydro excavate the area. It was the consensus of the Board that the gate at water plant no. two be repaired for a cost not to exceed \$2,000.

Upon motion by Director House, seconded by Director Lentz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize termination of service to the delinquent accounts and to authorize turning over five accounts in the aggregate amount of \$643.86 to collections and to write off one account totaling \$4.12.

7. **Engineer's Report.** Mr. Froehlich presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F" and which follows in substantially the form it was presented:

Commercial Plan Reviews:

There were no new commercial plan review submittals this month.

Storm sewer maintenance review summary:

CleanServe submitted and Brown & Gay reviewed video for approximately 9,300 LF of storm sewer. The Operator is currently cleaning and televising approximately 4,000 LF that was submerged and/or had sediment/debris at the time of CleanServe's inspection.

Brown & Gay reviewed and recommends payment of Pay Estimate No. Three and Final in the amount of \$6,404.40. The Pay Estimate includes payment for 717 LF of storm sewer televising and retainage.

Brown & Gay updated the storm sewer ownership exhibit and drafted letters to Harris County Precinct Nos. Two and Four summarizing the District's understanding of maintenance responsibility for the Board's review.

Discussion ensued regarding the possibility of Harris County transferring storm sewer maintenance responsibilities over to municipal utility districts in the future.

Diversion Swale and Berm for Kings River Estates, Section Four -Maintenance Contract (Champions Hydro-Lawn):

Champions Hydro-Lawn previously submitted their maintenance report, a copy of which is attached hereto as Exhibit "G."

Lift Station No. 1 Repairs (shared with Harris County MUD Nos. 151 and 153):

Brown & Gay provided updated connection counts for each district at the July 2013 meeting and will revisit the counts on an annual basis.

Annual Tank Inspections

Brown & Gay continues to coordinate with the Operator for annual Ground Storage Tank (GST) and Hydro-Pneumatic Tank (HPT) inspections. This month Brown & Gay completed the one-year warranty inspection of the welded steel GSTs. The welded GST

at Water Plant No. One is in good condition. The welded GST at Water Plant No. Two had light corrosion on the interior of the top ring and the roof. Brown & Gay notified the contractor and the contractor is currently onsite addressing the warranty items. The fresh coating needs about 10 days to cure and then the tank can be brought back online.

To fully ascertain its condition and identify potential warranty items, the GST at Water Plant No. Two was pressure washed to remove light staining and sediment. Brown & Gay is presenting and recommending payment to A&H Services for Invoice No. 1098 in the amount of \$2,600.00 for pressure washing the welded GST at Water Plant No. Two.

The 5-year internal/external inspections on the three other HPTs will be coordinated with the Operator and performed after the work is completed on the welded GST at Water Plant No. Two and the tank is back online.

Restroom at Water Plant No. 2: No Action

Brown & Gay prepared schematics for two options: (1) adding a restroom without shower inside the existing chlorine room and (2) constructing a new restroom building with shower. Brown & Gay prepared cost estimates and contacted contractors regarding costs.

Mr. Froehlich noted that adding a restroom without a shower inside the chlorine room would cost approximately \$25,000 and constructing a new restroom building with shower would cost approximately \$40,000. Discussion ensued regarding the options and cost estimates. It was the consensus of the Board that the engineer proceed with obtaining bids for constructing a new restroom building.

Capital Improvement Plan ("CIP"):

Brown & Gay previously updated cost information on the CIP as well as the timing for some of the projects.

Atascocita Joint Operations Board:

The Engineer's report for September is attached.

Upon motion by Director House, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, to approve payment of \$2,600.00 to A&H Services, and to approve and authorize payment of Pay Estimate No. Three and Final in connection with the storm sewer televising and cleaning.

**8. Review and authorize capacity commitment letters.** Mr. Froehlich stated that there have been no capacity commitment requests since the last meeting.

**9. Discuss December meeting date.** Director Stine noted that the next Board meeting will be held on January 16, 2014 at the Atascocita Library.

Upon motion by Director Holder, seconded by Director House, after full discussion and the question being put to the Board, the Board voted unanimously to authorize circulation and payment of checks in December to pay bills. Director Holder stated that he will coordinate with Ms. Kay to have the December checks signed.

10. **Discuss and take any action in connection with District communications.** Ms. Wynn reported that the quarterly newsletter was distributed at the beginning of the month. Ms. Wynn discussed ideas for proposed articles for the next newsletter.

11. **Other Matters.** There were no other matters to come before the Board at this time.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Directors on January 16, 2014.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)