

MINUTES OF MEETING OF BOARD OF DIRECTORS
JULY 20, 2017

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

§
§
§

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 Overlook, 20114 Pinehurst Drive, Atascocita, Texas, 77346, on July 20, 2017 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
Michael Whitaker, Assistant Secretary
Gregg Mielke, Assistant Secretary

All members of the Board were present, except Director Stine. Also attending all or parts of the meeting were Ms. Lina Loaiza 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 – North America ("ST"), operator of the District's facilities; Mr. Matt Froehlich and Ms. Susana Blausner of BGE, Inc. ("BGE"), engineer for the District; and Ms. Kathleen Ellison and Ms. Brenda Presser of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

Call to Order. The Vice 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 June 15, 2017, previously distributed to the Board, were presented for approval. Director Whitaker requested various corrections in Section 5 on the operations report. Upon motion by Director Whitaker, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of June 15, 2017, as amended.
2. **Receive comments from the public.** There were no comments from the public.
3. **Review Tax Collector's Report and authorize payment of certain bills.** The Vice President recognized Ms. Loaiza, who presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as *Exhibit B*. She noted that 98.8% of the District's 2016 taxes had been collected as of June 30, 2017.

Ms. Loaiza noted the District's delinquent tax attorney submitted a report for the Board's information, a copy of which is attached as *Exhibit B-1*.

Upon motion by Director Holder, seconded by Director Mielke, 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 1266 through 1274 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report.

4. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** The Vice President recognized Ms. Kay, who presented to and reviewed with

the Board the Bookkeeper's Report as of July 20, 2017, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as *Exhibit C*.

The Board discussed the receipt of payment from Life Time Fitness for sinkhole repairs and ST's invoice for performing such repairs. Mr. Jones reported that ST's invoice will be submitted upon completion of the repairs and the District's receipt of payment from the participating entities.

Upon motion by Director Whitaker, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 9720 through 9749 from the Operating Account.

5. Operations Report. Mr. Jones presented to and reviewed with the Board the Operations Report for the month of June, a copy of which is attached hereto as *Exhibit D*.

Mr. Jones reported that 97.33% of the water pumped was billed for the period of May 26, 2017 through June 26, 2017.

Mr. Jones reported there are 33 accounts reflected on the delinquent list and one uncollectible account to submit to collections.

Mr. Jones reported that the contacts in several of the motors at the water plants were found to be in poor condition. He requested the Board's authorization to replace the contacts for a total cost of \$8,830.00.

Mr. Jones reported that ST is now an American owned company and is no longer under a UK parent company. He stated there are currently no plans to make significant changes to the management and structure of the company, except for a name change that will occur early next year.

The Board discussed smart meters. Mr. Jones said ST will meet with each company offering smart meters on August 29. Mr. Froehlich said he would try to attend. Director House instructed ST to stop replacing meters in the interim.

Upon motion by Director Mielke, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to terminate the delinquent accounts in accordance to the District's Rate Order, submit one uncollectible account for collections, and authorize the repair proposals for a total cost of \$8,830.00.

6. 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 E*.

Mr. Froehlich reviewed the Annual Tank Evaluations.

Mr. Froehlich reported on the meeting with Director Whitaker, Director House and the golf course representatives to discuss the drainage channel and culverts within the District's easement through the golf course. He reviewed and discussed photos of four cart path channel crossings that are in different stages of deterioration. Mr. Froehlich stated that the golf course representatives are receptive to coordinating with the District on repairs, maintenance and mowing. The Board

noted that storm water from many residential neighborhoods in the District drains through the District's drainage easement on the golf course and agreed that the District should make repairs within the drainage easement to bring it back to its original design to prevent flooding of those neighborhoods. The Board agreed that the golf course should pay for any beautification beyond the drainage repairs.

Mr. Froehlich reported that Crossings two and three appear to be the most hazardous and discussed prioritizing repairs for these crossings. The Board discussed options for repairs, both long term and temporary. Mr. Froehlich said a long term plan would require a topographical survey for an estimated cost of \$12-13,000 and a drainage study for an estimated cost of \$10-12,000.

The Board discussed temporary repairs on the drainage easement. Director House asked Directors Whitaker and Mielke to meet with Mr. Froehlich and the golf course representatives, as necessary, to determine the best options for temporary repairs. It was the consensus of the Board to delegate to Directors Whitaker and Mielke the authority to authorize temporary repairs on the drainage easement for a cost not to exceed \$24,999.

Mr. Froehlich stated that BGE contacted CenterPoint about installing a proposed waterline within CenterPoint's easement across the Rowland-Ballard property. He reported that CenterPoint requires a pipeline routing analysis for these types of requests. Mr. Froehlich requested the Board's authorization to complete the necessary application and submit the required fee of \$1,500.

Mr. Froehlich reviewed and discussed options for Precinct Two's proposed parking to accommodate future hike and bike trails. Discussion ensued.

Mr. Froehlich reported on a meeting with the Operator and David Neil, of Neil Technical Services, at the lift station to troubleshoot some issues with the pump and check valves believed to be a result of ragging. The Board reviewed and discussed the photos of the pulled pumps reflecting the ragging issues, along with community awareness. Mr. Froehlich discussed increasing cleaning schedules from two times a year to quarterly and monitoring the electricity consumption over the next few months to see if it returns to "normal."

Mr. Froehlich reported on drainage issues along a storm sewer outfall pipe between lots in Kings River Estates, Section 5. Mr. Froehlich said the pipe was in a storm sewer easement. It was the consensus of the Board that the storm sewer should be repaired by the District. Mr. Froehlich said that he will investigate the matter and report back to the Board.

Upon motion by Director Mielke, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, to authorize BGE to prepare a topographical survey at an estimated cost of \$12-13,000 and a drainage study at an estimated cost of \$10-12,000 on the District's drainage easement within the golf course, to authorize temporary repairs within the District's drainage easement on the golf course at a cost not to exceed \$24,999, and to authorize BGE to complete CenterPoint's application and approve payment to CenterPoint in the amount of \$1,500.

7. Review and authorize capacity commitment letters. No new requests were presented to the Board.

8. **Approve Amended and Restated Emergency Water Supply Contract with Harris County MUD No. 153.** Ms. Ellison reported that the gate valve was installed and the proposed contract was revised to reflect the gate valve is on a 12 inch line and will be unlocked. Director Whitaker said the contract should be clarified to require prior notice before a party opens the interconnect.

Upon motion by Director Whitaker, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended and Restated Emergency Water Supply Contract with Harris County MUD No. 153, as discussed.

9. **Discuss potential implementation of Smart Water Meter technology and take appropriate action.** This item was discussed under the operations report.

10. **Consider participation in Library expansion.** Director House reported there are no updates to report to the Board.

11. **Discuss and take any action in connection with District communications.** No action was requested on this item.

12. **Report from Champions Hydro-Lawn.** There was no report.

13. **Report on AWBD summer conference.** Director Holder discussed a water conservation program that he learned about at AWBD.

14. **Other Director and Consultant reports.** No other reports were presented.

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

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on August 17, 2017.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)



