

MINUTES OF MEETING OF BOARD OF DIRECTORS  
July 18, 2013

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| 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 Atascocita Library, 19520 Pinehurst Trail Drive, Humble, Texas, 77346, on July 18, 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 except Director Whitaker. 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 and Mr. Rodney Heisch of Brown & Gay Engineers, Inc. ("*Brown & Gay*"), engineer for the District; Ms. Nikki Wynn, Communications Program Consultant; and Ms. Jana Cogburn and Ms. Carla Christensen 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 June 13, 2013, previously distributed to the Board, were presented for approval. 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 minutes of the meeting of June 13, 2013, as presented.

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

3. **Review Bookkeeper's Report and Investment Report.** Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report for the period ending July 18, 2013 and the Investment Report, copies of which are attached hereto as Exhibit "B."

Director Stine requested that Ms. Kay provide copies of the monthly invoices to the Directors by email.



In response to a question from Director Stine, Ms. Kay stated that she will confirm that check no. 8242 in the amount of \$262.97 to K San LLC is the correct deposit refund amount.

Director Stine noted that the budget comparison should be revised to reflect that approximately \$45,000 of the \$51,764.25 shared lift station expenditure should be moved to the wastewater collection expenditures.

Discussion ensued regarding the energy consumption report. Ms. Cogburn noted that such report will no longer be required after September 1, 2013. It was the consensus of the Board to discontinue the Bookkeeper's preparation of the energy consumption report after September 1, 2013.

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 June 13, 2013, to approve the Investment Report, and to authorize payment of check numbers 8223 through 8270 from the Operating Account, all as listed in the Bookkeeper's Report.

**4. 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 June 2013, copies of which are attached hereto as Exhibit "C." Mr. Keefe noted that 99% of the District's 2012 taxes had been collected as of June 30, 2013. 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 approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 1071 through 1073 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

In response to a question, Mr. Keefe noted that the delinquent tax accounts have been turned over to the delinquent tax attorney. Mr. Keefe stated that he will email the Board a list of the delinquent accounts.

**5. Operations Report and Billing and Collections Report.** Mr. Jones presented to and reviewed with the Board the Operations Report for the month of June 2013, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 101.23% of the water pumped was billed for the month ending June 20, 2013.

Mr. Jones requested permission to turn over six accounts in the aggregate amount of \$533.37 to collections and to write off one account in the amount of \$13.37.

Mr. Jones noted that the engineer provided updated information regarding the connection count for the District's shared lift station with Harris County MUD Nos. 151 and 153 ("No. 151" and "No. 153"). Discussion ensued regarding the time period for which the District should bill No. 151 and No. 153 now that the connection count is accurate. It was the consensus of the Board that the Bookkeeper prepare a summary of shared lift station expenses and previous invoices to No. 151 and No. 153.

Mr. Jones recommend that the District's engineer investigate options for upgrading/rehabilitating lift station no. one. Discussion ensued.



Upon motion by Director Lentz, seconded by Director House, 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 six accounts in the aggregate amount of \$533.37 to collections and to write off one account in the amount of \$13.37.

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" and which follows in substantially the form it was presented:

Commercial Plan Reviews:

Brown & Gay received, reviewed and provided comments on plans for U-Swirl Yogurt in the Kroger shopping center. The architect addressed the comments and resubmitted, and Brown & Gay approved the plans.

Clearing Activity at Atascocita Shores Dr. and FM 1960: No Action

Brown & Gay contacted Mr. Todd Womack with Projects Plus and Mr. David Greenberg with Greenberg & Company regarding development at the northeast and northwest corners of Atascocita Shores Drive and FM 1960. Mr. Greenberg owns two small two-acre tracts at either corner. We understand from Mr. Greenberg that the property owner behind him (Dr. Ahmad; M A Family Management LLC) is clearing portions of his land to minimize loitering, but is not currently planning to develop them.

Storm sewer maintenance review summary:

Cleanserve submitted video of approximately 35% of the District's storm sewer. Brown & Gay has reviewed the video provided and is working with Cleanserve to televise the remaining storm sewer. Cleanserve plans to be back on site next week. Brown & Gay will provide a summary of the video inspection once all storm sewer lines have been televised.

Mr. Froehlich stated that he will wait until the televising is complete to submit a revised storm sewer line map to Harris County.

Atascocita Joint Operations Board ("AJOB"):

A copy of the July 2013 AJOB report is attached to the Engineer's Report.

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

There was no report at this time.

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

Brown & Gay received a service area map and connection count from Harris County MUD No. 151's engineer and has counted connections for Harris County MUD No. 153. The connection counts include conversion of commercial connections to equivalent single family connections ("ESFCs"). The breakdown is as follows:

|                                 |             |        |
|---------------------------------|-------------|--------|
| HCMUD 132<br>(currently 56.8%)  | 1,771 ESFCs | 56.26% |
| HCMUD 151<br>(currently 12.50%) | 330 ESFCs   | 10.48% |
| HCMUD 153<br>(currently 30.70%) | 1,047 ESFCs | 33.26% |
| Total                           | 2,891 ESFCs | 100.0% |

Capital Improvement Plan ("CIP"):

Brown & Gay updated the CIP list of potential future projects based on comments received at last month's meeting, a copy of the updated list is attached to the Engineer's Report. Brown & Gay will continue coordination efforts with the Board to identify project priorities.

Water System Modeling:

The existing water system model for the District was prepared in 2006 in Pipe2000 (KYPipe). Both the model and software are outdated. Brown & Gay recommends rebuilding the model using WaterGEMS. Brown & Gay will build and calibrate the model, and analyze historical demands to better evaluate the system. The cost estimate for this project is estimated at \$15,000, but will be billed on an hourly basis.

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 Engineer's Report and to authorize Brown & Gay to rebuild the District's water system model in WaterGEMS.

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

8. **Discuss and take necessary action in connection with providing water service to former Atascocita Country Club and QLS/Lifetime Fitness and take necessary action in connection with annexation of such property.** Ms. Christensen reported that the annexation package was previously submitted to the City of Houston.

9. **Approve and authorize execution of Interlocal Agreement with Subsidence District (Water Wise Program).** The Board reviewed a proposed Interlocal Agreement with the Harris Galveston Coastal Subsidence District for participation in the Water Wise program, a copy of which is attached hereto as Exhibit "F." Discussion ensued. Ms. Wynn stated that she can provide the Board with information in connection with a different water conservation education program. The Board deferred action on this item, pending receipt of additional information from Ms. Wynn.

10. **Discuss and take any action in connection with District communications.** Ms. Wynn reported that she is working on the next quarterly newsletter. Ms. Wynn reviewed with the Board a summary of website statistics and the outline of article ideas for the next newsletter, a copy of which is attached hereto as Exhibit "G."



11. **Other Matters.** It was noted that the next Board meeting will be held on August 15, 2013 at the Atascocita Library.

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 August 15, 2013.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

