

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 14, 2018

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 June 14, 2018 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 House, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Karrie Kay of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Allen Jenkins of Inframark ("Inframark"), operator of the District's facilities; Mr. Matt Froehlich 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 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. **Public Comments.** There were no comments from the public.
2. **Minutes.** Proposed minutes of the meeting on May 17, 2018, previously distributed to the Board, were presented for approval. 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 May 17, 2018, as presented.
3. **Review Tax Collector's Report and authorize payment of certain bills.** The President reviewed the Tax Assessor and Collector's Report, previously distributed to the Board and attached hereto as *Exhibit B*. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1341 through 1350 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 President recognized Ms. Kay, who presented to and reviewed with the Board the Bookkeeper's Report as of June 14, 2018, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as *Exhibit C*.

Ms. Kay noted receipt of three checks from K-Sans, LLC for a total of \$1,500.00 related to its pro-rata share of the sinkhole repairs at the golf course. She reported that three additional

checks totaling \$1,500.00 had been received and will be noted on the bookkeeper's report next month.

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 accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 10061 through 10090 from the Operating Account.

5. **Authorize retention of attorney and commencement of a lawsuit against Traf-Tex.** The President recognized Ms. Ellison, who reported that Traf-Tex has not responded to the District's letter demanding payment of the outstanding balance due for repairs caused by a main waterline break on FM 1960. Ms. Ellison recommended that the District retain an attorney to pursue collection of the outstanding debt. Discussion ensued and Ms. Ellison stated that she will explore options to bring before the Board next month. No action was taken by the Board.

6. **Operations Report.** President Stine recognized Mr. Jenkins, who presented and reviewed the Operations Report for the month of May, a copy of which is attached hereto as *Exhibit D*.

Mr. Jenkins reported that 93.01% of the water pumped was billed for the period from April 25, 2018 through May 25, 2018.

Mr. Jenkins reported there Inframark mailed 91 delinquent letters and disconnected five accounts for non-payment on May 29, 2018. He requested the Board's authorization to send one account to collections.

Mr. Jenkins reviewed the monthly maintenance report.

Mr. Jenkins reported that the vegetation on and around fence lines at the District's Water Plant No. 1, Lift Station No. 1, and Lift Station No. 3 was overgrown. He presented and requested approval of a proposal from Champions Hydro-Lawn for \$2,850.00 to remove the vegetation at these locations, including mowing the front area along the roadside at 1960. A copy of the proposal is attached to the Operations Report.

Mr. Jenkins reported that Inframark anticipates delivery of the generators in July. Discussion ensued regarding what elevation to place the new generators. The Board directed Mr. Jenkins to place the generators at the same elevation as the generators being replaced.

Mr. Jenkins presented a proposal for replacement of the District's current meters with smart meter technology, a copy of which is attached as *Exhibit D-1*. Discussion ensued. Director Whitaker asked for a cost benefit analysis.

Mr. Jenkins reported on a request for a waiver of late fees on multiple commercial accounts. Discussion ensued and it was the consensus of the Board to decline the request for the waiver.

Upon motion by Director Holder, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously: (1) to approve the Operations Report; (2) to terminate delinquent accounts in accordance with the terms of the District's Rate Order; (3) to authorize the submission of one delinquent account to collections; and (4) to approve

the proposal from Champions Hydro-Lawn for \$2,850 for removal of vegetation and mowing at Water Plant No. 1, Lift Station No. 1, and Lift Station No. 3.

7. **Policy regarding reconnection related to FM 1960 widening project.** The President recognized Mr. Froehlich, who said TxDOT was preparing appraisals for land acquisition on FM 1960 and he had been asked what costs private owners would bear for water meter relocations. Following a detailed discussion, it was the consensus of the Board that the District will assume responsibility for relocating its lines and meters and that each property owner should be responsible for relocating its internal line and reconnecting the line to the meter.

8. **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 reported that work is near completion on the rehabilitation of Water Plant No. 1 GST Nos. 1 and 2. He requested approval of Pay Estimate No. 5 from D&M Tanks for \$28,836.50.

Mr. Froehlich updated the Board on the Water Plant No. 2 West Discharge Line. He said BGE is waiting for TCEQ approval of the plans and CenterPoint approval of the Grant to Others application.

Mr. Froehlich said design was underway on the Water Plant No. 2 HPT addition. He suggested adding an access gate and concrete apron to provide additional access to the District's facilities. Mr. Froehlich requested approval of a proposal from Ninyo & Moore for a geotechnical evaluation for the Water Plant No. 2 HPT addition and the Waterline Replacement, Phase I projects in the amount of \$22,400.00. A copy of the proposal is attached to the Engineer's Report.

With respect to the golf course drainage, Mr. Froehlich reported that a survey is underway in the area in between Pinehurst Hole Nos. 7,8, and 9 to better understand the drainage patterns. Director Whitaker suggested the Board adopt a uniform policy on appropriate repairs and volunteered to prepare a draft.

Upon motion by Director House, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Engineer's Report; 2) approve Pay Estimate No. 5 from D&M Tanks for \$28,836.50; and 3) approve a proposal from Ninyo & Moore for geotechnical evaluation for the Water Plant No. 2 Hydro-pneumatic Tank addition and the Waterline Replacement, Phase I project in the amount of \$22,400.00.

9. **Review and authorize capacity commitments.** There were no capacity commitments presented for consideration.

10. **Discuss and take action in connection with District communications and website.** No action was taken.

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 July 19, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors



[Faint handwritten text]

[Faint handwritten text]

