

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 18, 2019

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 Overlook, 20114 Pinehurst Drive, Atascocita, Texas, 77346, on April 18, 2019 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, thus constituting a quorum. Director Mielke entered the meeting at 6:17 p.m. Also attending all or parts of the meeting were Mr. Matt Froehlich of BGE, Inc., engineer for the District; Ms. Lina Loaiza of Bob Leared Interests, Tax Assessor and Collector for the District; Ms. Karrie Kay of Myrtle Cruz, Inc. ("MCI"), bookkeepers for the District; Mr. Allen Jenkins of Inframark ("Inframark"), operator of the District's facilities; Mr. Shane Stuckey of Stuckey's, LLC; 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. **Public Comments.** There were no comments from the public.
2. **Minutes.** Proposed minutes of the regular meeting of March 21, 2019, previously distributed to the Board, were presented for approval. Director Whitaker asked that the minutes be corrected to state that accountability for the period from January 26, 2019 through February 26, 2019 was 84.3%, not 91.42%. Upon motion by Director Holder, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of March 21, 2019, as corrected.
3. **Review Tax Collector's Report and authorize payment of certain bills.** The Vice President recognized Ms. Loaiza, who presented the Tax Assessor and Collector's Report, previously distributed to the Board, a copy of which is attached hereto as *Exhibit "B."* She reported that 97.7% of the District's 2018 taxes have been collected to date. She noted that delinquent tax statements were distributed last month.

Ms. Loaiza reviewed the delinquent tax attorneys' report and stated that no action is required by the Board.

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 Tax Assessor

and Collector's Report and to authorize payment of check numbers 1419 through 1426 from the Tax Account to the persons, in the amounts, 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 reviewed the Bookkeeper's Report as of April 18, 2019, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit "C."* 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 and to authorize payment of check numbers 10351 through 10377 from the Operating Account.

5. Review Operations Report and authorize District maintenance and termination of delinquent account. Vice President House recognized Mr. Jenkins, who reviewed the Operations Reports for March 2019, a copy of which is attached as *Exhibit "D."* He reported 86.52% accountability for the period February 27, 2019 through March 26, 2019.

Mr. Jenkins reviewed the Major Maintenance Summary for March 2019. Director House asked if water pressure testing is included when inspecting the fire hydrants. Mr. Jenkins reported that pressure is not tested as a part of the inspection. Discussion ensued regarding ISO ratings.

Mr. Jenkins presented proposals for repair and replacement of the manhole at Sunny Shores and Country Club Drive. He reviewed the proposal from South Texas Utilities & Underground for \$47,096.61 and Wright Solutions for \$47,575.00. Discussion ensued regarding the urgency of the repair and the small difference in the price quoted by the contractors.

Mr. Jenkins reviewed the delinquent list. He reported that 67 letters were mailed, 27 delinquent tags were hung, and three accounts were disconnected for non-payment. Mr. Jenkins requested the Board's authorization to transmit two accounts totaling \$736.88 to collections.

Director Whitaker asked why flushing was so high. Mr. Jenkins said he did not have a reason. He said Inframark did find 30 commercial meters which were under-reading.

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 approve termination of the delinquent accounts in accordance with the terms of the District's Rate Order; (3) to send two accounts in the aggregate amount of \$736.88 to collections; and (4) to approve the quote from the contractor who can first repair the manhole located at Sunny Shores and Country Club Drive.

11. Review and approve Drought Contingency Plan. Ms. Ellison reported that the Texas Commission on Environmental Quality (the "TCEQ") is requesting that districts review current Drought Contingency Plans and provide updates, if any, to the TCEQ by May 1, 2019. She stated there are no recommendations to amend the Drought Contingency Plan. Ms. Ellison presented a Resolution Reviewing Drought Contingency Plan and Making any Desirable Changes Thereto for the Board's approval. A copy is attached as *Exhibit "E"*.

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 Resolution Reviewing Drought Contingency Plan and Making any Desirable Changes Thereto, thereby maintaining the current plan.

12. **Review Hurricane Preparedness.** Mr. Jenkins stated that he will bring the Emergency Preparedness report next month.

13. **Review Engineer's Report, authorize necessary capital projects and authorize capacity commitments.** Vice President House recognized Mr. Froehlich, who reviewed the Engineer's Report, a copy of which is attached hereto as *Exhibit "F"*.

Mr. Froehlich provided a Capital Improvements Project Schedule with cash flow and timeline to the Board. Director House asked that the smart meters be added to the schedule.

Mr. Froehlich reported that Water Plant No. 2 West Discharge Line Project was previously advertised and that BGE recommends re-advertising because the bids are stale. He noted the project was delayed pending City of Houston approval, which is now expected next week.

Mr. Froehlich reported on Waterline Replacement, Phase I and requested the Board's authorization to advertise for bids upon receipt of final approval of plans and signatures.

Mr. Froehlich updated the Board on interconnects with Harris County Municipal Utility District No. 151 ("HCMUD 151"). He presented and recommend approval of a proposal from Ninyo & Moore for geotechnical investigation and recommendations for the District/HCMUD 151 interconnects in the amount of \$4,400.00.

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: (1) approve the Engineer's Report; (2) approve the geotechnical investigation contract with Ninyo & Moore for the District/HCMUD 151 interconnects in the amount of \$4,400.00; (3) authorize BGE to re-advertise for bids on the West Discharge Line project pending obtaining all final plan approvals; and (4) authorize BGE to advertise for bids for the Waterline Replacement Phase I project, subject to receipt of final plan approvals and signatures.

14. **Discuss mowing and detention maintenance and authorize any necessary action.** Vice President House recognized Mr. Stuckey, who distributed a revised maintenance proposal for maintenance of the water plants, lift stations and Kings River Ditch, a copy of which is attached as *Exhibit "G."* He said he had given an annual cost based on 21 times a year. He said he was attempting to give the District "one-stop" shopping for all its moving and maintenance services and that he usually did not do regular mowing.

Discussion ensued. Ms. Ellison asked that the matter be deferred until she could review the contract provided by Mr. Stuckey. Mr. Stuckey said he was already doing work under the proposal but he had no objection to proceeding without a contract until next month. The Board deferred action to next month.

15. **Discuss and take action in connection with District communications and website.** No discussion or action was taken by the Board.

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 May 16, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

