

MINUTES OF MEETING OF BOARD OF DIRECTORS
DECEMBER 19, 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 December 19, 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. Also attending all or parts of the meeting were Ms. Rebecca Alworth, 8954 Shoreview Lane; Mr. Nick Bailey of BGE, Inc. (“BGE”), engineers 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. Bob Thomas and Mr. Patrick Thomas of ROW Management, LLC; Mr. Allen Jenkins of Inframark (“Inframark”), operator of the District’s facilities; and Ms. Kathleen Ellison and Ms. Jane Maher 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.** The Vice President recognized Ms. Alworth. Ms. Alworth stated that her address is 8954 Shoreview Lane and that she received a \$2,000 water bill. She reported that her bulkhead was flooded in Tropical Storm Imelda, which caused it to bow and damage her irrigation system, with the result that water was dumping into the lake. Mr. Jenkins stated that her bill had a total of 339,000 gallons of water. She requested that the Board consider a substantial reduction in her bill, the waiver of penalties and a payment plan. Ms. Ellison said the District’s rate order stated that in the event of an unusually high water bill caused by an “act of God”, the District may, upon customer request and review of the circumstances, adjust such customer’s bill to the 12-month average rate. 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 lower Ms. Alworth’s bill to the cost of her 12 month average usage, plus the surface water conversion fee, to waive the penalties and to authorize a payment plan of six months.

2. **Minutes.** Proposed minutes of the regular meeting of November 21, 2019, previously distributed to the Board, were presented for approval. Upon motion by Director Mielke, 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 November 21, 2019, as presented.

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 9.3% of the District's 2019 taxes has been collected to date.

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 1489 through 1493 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report.

4. **Resolution Approving Additional Meeting Place.** The Vice President recognized Ms. Ellison, who presented to and reviewed with the Board the Resolution approving Additional Meeting Place (the "Resolution"), a copy of which is attached hereto as *Exhibit C*. She stated that the Resolution adds BGE's Woodlands location as an additional meeting place for 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 Resolution.

5. **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 December 19, 2019, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit D*.

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 and to authorize payment of check numbers 10578 through 10601 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

6. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The Vice President recognized Mr. Jenkins, who reviewed the Operations Reports for November 2019, a copy of which is attached as *Exhibit E*. He reported a 89.86% accountability for the period October 26, 2019 through November 25, 2019. Mr. Jenkins reviewed the Major Maintenance Summary for November 2019.

Mr. Jenkins reviewed the delinquent list. He reported that 133 letters were mailed, 42 delinquent tags were hung, and 15 accounts were disconnected for non-payment. He requested authorization to write off one account in the total amount of \$12.58.

Mr. Jenkins reviewed the revised proposal for the material and installation for the smart meters, a copy of which is attached hereto as *Exhibit F*. Discussion ensued. Mr. Jenkins noted that the 1 ½ inch and 2 inch meters will be installed by Accurate Meter. Ms. Ellison reviewed the Badger Meter Beacon AMA Managed Solution Master Agreement (the "Agreement"), a copy of which is attached hereto as *Exhibit G*. 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 purchase of AMR Badger meters from Accurate Meter, the distributor, with no mark-up from Inframark, to approve the revised proposal from Inframark for installation of the meters, and to approve the Agreement. Mr. Jenkins said he would order the smart meters.

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; and (3) to write off one account totaling \$12.58.

7. **Consider FM 1960 Widening issues, including engagement of condemnation attorney, acquisition agent.** The Vice President recognized Mr. Bailey, who presented a map of the locations and information on the easements, a copy of which is attached hereto as *Exhibit H*. Mr. Bob Thomas provided an update to the Board on the status of the easements. He stated that there are between 26 and 29 easements.

8. **Review Engineer's Report, authorize necessary capital projects and authorize capacity commitments.** The Vice President recognized Mr. Bailey, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit I.

Mr. Bailey reported that there is mild corrosion at HPT1 at Water Plant No. 2 and that BGE obtained a proposal from K2 Contract Services in the amount of \$1,990.00. He stated that BGE recommends the approval of the proposal.

Mr. Bailey reported that the contractor has completed construction for the Water Plant No. 2 West Discharge Line and that the final inspection was held last Friday. He presented and recommended payment of an invoice from Ninyo & Moore in the amount of \$1,119.25 for construction materials testing services.

Mr. Bailey reported that the contractor for the Water Plant No. 2 HPT addition has completed all work except for the installation of the new fence and gate, which should be done in January.

Mr. Bailey stated that BGE held a preconstruction meeting with the contractor (McKinney Construction) for the Waterline Replacement, Phase I. He stated that BGE would like to start work on the project on January 6, 2020.

Mr. Bailey reported that bids were received for the interconnects with Harris County Municipal Utility District No. 151 ("HCMUD No. 151") and that the lowest bid was submitted by D.L. Elliott Enterprises, Inc. in the amount of \$115,841.00. He stated that BGE recommends awarding the contract to D.L. Elliott Enterprises, Inc. and recommends approving the proposal from Ninyo & Moore in the amount of \$9,300.00 for construction materials testing and observation services.

Mr. Bailey stated that the drainage areas south of Rebawood Drive and west of Atascocita Shores Drive are being cleared out pursuant to the Stuckey's proposals that were approved last month. The Board discussed revisions to the proposal for the Point #5 pipe additions to add concrete slope paving and extend the pipes. 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 a revised proposal for the Point #5 pipe additions for an amount not to exceed \$4,800.00.

Mr. Bailey stated that he and Director House walked the drainage areas behind the homes on Kings Crown Ct and stated BGE will be reviewing the details on the existing topo and swales to make recommendations on improving the drainage. Director Whitaker asked BGE to begin design of phase 2 of the water line replacement project. He said he had reviewed the well tests and they looked good.

Mr. Bailey stated that BGE recommends payment of an invoice from ROW Management in the amount of \$59,400.00 for work related to the acquisition of the easements.

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: (1) approve the Engineer's Report; (2) approve the proposal from K2 Contract Services in the amount of \$1,990.00; (3) approve the invoice from Ninyo & Moore for construction materials testing services for Water Plant No. 2 West Discharge Line in the amount of \$1,119.25; (4) approve the bid and award the contract for the Interconnects with HCMUD No. 151 to D.L. Elliott Enterprises, Inc. in the amount of \$115,841.00; (5) approve the proposal from Ninyo & Moore for construction materials testing services for the Interconnects with HCMUD No. 151 in the amount of \$9,300.00; and (6) approve the invoice from ROW Management for easement acquisition services in the amount of \$59,400.00.

9. **Report on mowing and detention maintenance services.** This item was addressed under the previous item.

10. **Renew District Insurance Policy (expires 1/24/2020).** The Board reviewed the insurance renewal proposal from McDonald & Wessendorff, a copy of which is attached hereto as *Exhibit J*. Upon motion by Director Mielke, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the insurance renewal proposal from McDonald & Wessendorff.

11. **Review status and take action on Smart Meter project including Badger Meter Beacon AMA Managed Solution Master Agreement.** This item was addressed under the Operator's Report.

12. **Discuss and take action in connection with District communications and website and such other matters as may properly come before it.** There was no report.

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, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)