

MINUTES OF MEETING OF BOARD OF DIRECTORS
MAY 21, 2020

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*”) convened for its regular session on May 21, 2020 at 3:00 p.m. via videoconference and teleconference in compliance with guidelines promulgated by the Texas Attorney General for use during the COVID-19 statewide disaster in connection with the temporary suspension of certain provisions of the Open Meetings Laws approved by the Office of the Governor of Texas. The President conducted a roll call and determined the following persons were present:

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. Also attending all or parts of the meeting were 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. Allen Jenkins of Inframark (“Inframark”), operator of the District’s facilities; Mr. Bill Rose of the Atascocita Community Improvement Association (“ACIA”); Mr. Bob Thomas of ROW Management, LLC; and Ms. Kathleen Ellison, Ms. Barbara Motter and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. A certificate of such posting is attached hereto as *Exhibit A*. The agenda packet was posted on the website as items became available in compliance with the guidelines issued by the Texas Attorney General.

Call to Order. The President called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. The President then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** The President asked for public comments. He recognized Mr. Rose, who requested the Board’s consideration to take the waste management contract over from the ACIA due to the ACIA’s budget cap. The President advised this subject had been requested and considered previously by the Board. Discussion ensued. The boundaries of the District are not consistent with the boundaries of ACIA, and notably City of Houston residents are not in the

District. It was the consensus of the Board not to consider taking over the waste management contract from ACIA.

2. **Minutes.** Proposed minutes of the meetings of April 16, 2020, and April 28, 2020 previously distributed to the Board, were presented for approval. 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 approve the minutes of the meetings of April 16, 2020 and April 28, 2020, as presented.

3. **Election of officers.** The President opened discussion to election of officers. Upon motion by Director House, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to retain the current slate of officers.

4. **Authorize auditor to prepare audit for fiscal year ending May 31, 2020.** The Board reviewed the Auditor Engagement Continuance Letter, a copy of which is attached hereto as *Exhibit B*. 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 authorize McCall Gibson Swedlund Barfoot PLLC to prepare the audit for the fiscal year ending May 31, 2020.

5. **Review Tax Collector's Report and authorize payment of certain bills.** The 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 C*. She reported that 97.9% of the District's 2019 taxes had been collected to date.

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 approve the Tax Assessor and Collector's Report, to authorize payment of check numbers 1533 through 1542 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report, and to move the designated accounts to the uncollectible roll.

6. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** The President recognized Ms. Kay, who reviewed the Bookkeeper's Report as of May 21, 2020, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit D*. She stated that she will verify the expense for check no. 10751 regarding the District's website.

Ms. Kay reported that the Certificate of Deposit ("CD") from Cadence Bank matured and the funds were transferred into TexStar.

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 accept the Bookkeeper's Report and to authorize payment of check numbers 10718 through 10755 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

7. **Approve budget for fiscal year ending May 31, 2021.** The President reviewed with the Board the proposed budget for the fiscal year ending May 31, 2021, a copy of which is attached hereto as *Exhibit E*. 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 approve the budget, as presented.

8. **Consider FM 1960 Widening issues, including payment for easements and agreements with Texas Department of Transportation.** The President recognized Mr. Thomas, who reported that there are five more easements to secure. He noted that two or three tracts will most likely close by Monday, and if the tracts do not close, the condemnation process will be taken against those property owners.

Mr. Bailey stated that the Standard Utility Agreement with the Texas Department of Transportation (“TxDOT”) will need to be re-executed due to recent revisions from TxDOT.

Ms. Ellison said that she received a letter from TxDOT stating that the District would be a defendant in its condemnation proceeding against a parcel of land along FM 1960 because it taxes that property. She said the attorneys for TxDOT asked that NRF accept service on behalf of the District. The President said that NRF should accept service of process on behalf of the District.

9. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for April 2020, a copy of which is attached as *Exhibit F*. He reported a 100% accountability for the period March 27, 2020 through April 24, 2020.

Mr. Jenkins reviewed the Major Maintenance Summary for April 2020.

Mr. Jenkins stated that the District received a shipment of 256 more smart meters and that Inframark has installed 608 smart meters so far.

Mr. Jenkins reviewed the delinquent list. He reported that 62 letters were mailed, 0 delinquent tags were hung, and no accounts were disconnected due to the Board’s prior decision to suspend disconnection through August 1, 2020. He requested authorization to turn four accounts over to Collections Unlimited of Texas in the total amount of \$1,221.42 and to write off one account in the amount of \$16.09.

Mr. Jenkins stated that Magnaflow cleaned out the blocked inlets and manholes in front of The Overlook and that the invoice from Magnaflow will be \$8,400. Mr. Bailey stated that BGE will prepare a layout of the storm sewer system and where the system drains.

Upon motion by Director Whitaker, seconded by Director House, after full discussion and the question being put to the Board, the Board voted unanimously: (1) to approve the Operations Report; (2) to turn four accounts over to Collections Unlimited of Texas in the total amount of \$1,221.42; (3) to write off one account totaling \$16.09; and (4) to continue suspending disconnections and late payment charges through August 1, 2020.

10. **Approve Consumer Confidence Report.** Mr. Jenkins presented to and reviewed with the Board the Consumer Confidence Report (“CCR”), a copy of which is attached hereto as *Exhibit G*. He noted that the CCR would be corrected with the revised meeting time and location.

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 approve the CCR, as revised.

11. Review Engineer's Report, authorize necessary capital projects and authorize capacity commitments. The 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 H*.

Mr. Bailey reviewed the annual tank evaluations and stated that in the winter of 2021 the Board should move forward with a rehab of Water Plant No. 2 welded Ground Storage Tank.

Mr. Bailey stated the partial replat of Water Plant No. 2 has been approved by all agencies and is on schedule to be signed and recorded next month.

Mr. Bailey stated that the contractor for the Water Plant No. 2 HPT addition has completed all work and is finishing some cleanup items in anticipation of the final inspection. He presented Pay Estimate no. 4 in the amount of \$14,188.50 to Gemini Contracting Services, Inc.

Mr. Bailey stated that for the Waterline Replacement, Phase I, the contractor, McKinney Construction, Inc., continues to work on the project. He noted that the contractor has begun switching over service connections to the new water lines and that they have provided an updated phasing plan for this work. He stated that BGE has worked with the contractor to address customer concerns and complaints. He presented Pay Estimate No. 3 in the amount of \$208,320.30 to McKinney Construction, Inc.

Mr. Bailey stated that BGE is proceeding with the design work on the Rehabilitation of Lift Station Nos. 2 and 3 and that BGE anticipates being ready to go out for bid in July or August.

The Board discussed the list of areas for potential drainage improvements. Mr. Bailey stated that BGE met with Stuckey's to review completed and upcoming drainage repair projects and that BGE will present proposals at the next meeting. He also stated that Centerpoint will provide reinforcement to the power pole at the drainage channel near the wooden bridge within the next two weeks. He stated that for item six at Shore Hole Nos. 4 and 5, the Board has the option of purchasing an inflatable plug for the two 18 inch pipes, or blocking the pipes with brick. Discussion ensued. 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 authorize Stuckey's to temporarily plug the two 18 inch pipes with brick or similar material at a cost not to exceed \$700.

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. 4 to Gemini Contracting Services, Inc. for Water Plant No. 2 HPT Addition; and (3) approve Pay Estimate No. 3 to McKinney Construction, Inc. for Waterline Replacement, Phase 1.

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.

13. **Discuss meeting location and take appropriate action, and such other matters as may properly come before it.** Ms. Ellison reported that in the event emergency declarations are lifted, the Board will need to have a physical meeting location where the public can attend and listen to the teleconference. She noted that the Board can still hold telephonic meetings if it finds an emergency situation continues to make meeting in person difficult or impossible. Mr. Bailey stated that BGE's office has a conference room that the District could use for the public.

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 June 18, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)