

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 13, 2013

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 special session, open to the public, at the Atascocita Library, 19520 Pinehurst Trail Drive, Humble, Texas, 77346, on June 13, 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. Also attending all or parts of the meeting were Mr. Michael Keefe of Bob Leared Interests, tax assessor and collector for the District; Ms. Fredia Conley 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. Rico Rodriguez of and Mr. Rodney Heisch Brown & Gay Engineers, Inc. ("*Brown & Gay*"), engineer for the District; 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 meetings of May 16 and June 5, 2013, previously distributed to the Board, were presented for approval. 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 minutes of the meeting of May 16, 2013, as presented.

Discussion ensued regarding the minutes of the special meeting held on June 5, 2013. It was the consensus of the Board that the minutes be revised to reflect that the Board agreed to hold a special meeting in the District every three years in September for purposes of budgeting upcoming capital projects and to review the budget for upcoming capital projects at a regularly scheduled meeting during each of the intervening years. Director Stine also noted that the Board decided not to walk the golf drainage ditch because Brown & Gay had not yet reviewed the storm sewer video. 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 approve the minutes of the meeting of June 5, 2013, as corrected.

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

3. **Consider and take necessary action in connection with request from ACIA for mowing of the drainage easements along Atascocita Point Drive.** The President reported that the District received a request (via the website) from the ACIA for mowing of the drainage easements along Atascocita Point Drive. Discussion ensued. It was the consensus of the Board that Director Stine respond to the ACIA informing them that the property in question is not owned by the District and maintenance of such property is not the responsibility of the District. Mr. Rodriguez noted that the ACIA can contact Harris County or the HOA regarding the appropriate property owner, which should be reflected on the recorded plat.

4. **Review Bookkeeper's Report and Investment Report.** Ms. Conley presented to and reviewed with the Board the Bookkeeper's Report for the period ending June 13, 2013 and the Investment Report, copies of which are attached hereto as Exhibit "B."

In response to a previous question from Director Stine, Ms. Conley stated that the appropriate payment amounts have been included in the report for March/April 2013 gas and energy.

In response to a previous question from Director Stine, Ms. Conley reported that the recent wastewater treatment plant invoices have been paid by the District.

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 accept the Bookkeeper's Report for the period ending June 13, 2013, to approve the Investment Report, and to authorize payment of check numbers 8196 through 8222 from the Operating Account, all as listed in the Bookkeeper's Report.

5. **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 May 2013, copies of which are attached hereto as Exhibit "C." Mr. Keefe noted that 98.8% of the District's 2012 taxes had been collected as of May 31, 2013. Mr. Keefe recommended writing off the uncollectable personal property accounts from 2001-2008 totaling \$1,600. Upon motion by Director Whitaker, seconded by Director Lentz, 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 1062 through 1070 from the Tax Account to the persons, in the amounts, and for the purposes listed therein, and to write off the personal property accounts from 2001-2008 totaling \$1,600, subject to Mr. Keefe obtaining confirmation from the delinquent tax attorney.

6. **Operations Report and Billing and Collections Report.** Mr. Jones presented to and reviewed with the Board the Operations Report for the month of May 2013, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 94.55% of the water pumped was billed for the month ending May 21, 2013.

Mr. Jones requested permission to turn over two accounts in the aggregate amount of \$183.39 to collections and to write off one account in the amount of \$12.17.

Mr. Jones stated that he will obtain a proposal to perform a leak detection survey within the District.

Mr. Jones reported that the contacts at lift station no. one need to be replaced. Mr. Jones stated that it will cost \$2,100 to install new contacts.

Mr. Jones reviewed with the Board proposals from Gulf South Fence & Access to refinish the gates at both water plants, copies of which are attached to the Operations Report. Mr. Jones stated that it will cost \$850 to refinish each water plant gate.

Mr. Jones reviewed with the Board a letter from the residents at 21102 Atascocita Place Drive requesting an adjustment to the water authority and sewer portion of their December 2012 and January 2013 water bills due to a leak, a copy of the letter is attached to the Operations Report. It was the consensus of the Board to adjust the sewer portion of the bills, but not the water authority fees.

Mr. Jones reported that the new online bill view and payment system will be implemented in October 2013. Mr. Jones stated that ST will be mailing information to residents regarding the new "look" of the bills and a form required for ACH payment. In response to a question, Mr. Jones stated that he will coordinate with Ms. Wynn to include information on the website regarding the new bill and payment system.

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 Operations Report, to authorize termination of service to the delinquent accounts, to authorize turning over two accounts in the aggregate amount of \$183.39 to collections and to write off one account in the amount of \$12.17, to authorize the replacement of the contacts at lift station no. one, and to authorize Gulf South Fence & Access to refinish the gates at both water plants.

7. **Engineer's Report.** Mr. Rodriguez 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:

Storm sewer maintenance review summary:

Cleanserve submitted video of storm sewer. Brown & Gay is reviewing the video and will provide a summary of findings at the July 2013 meeting.

Mr. Rodriguez noted that Cleanserve is approximately 40% complete with the televising. Mr. Rodriguez stated that he will wait to submit a revised storm sewer line map to Harris County until the televising is complete.

Atascocita Joint Operations Board ("AJOB"):

A copy of the May 2013 AJOB report is not yet available.

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 requested a copy of the sanitary service area map from No. 151's engineer. Once received, Brown & Gay can calculate each district's pro-rata share of this facility.

In response to a question from Mr. Rodriguez, Ms. Cogburn stated that each district's pro-rata share of the repairs should be based on the number of connections. Ms. Conley stated that she has requested a current connection count from both No. 151 and No. 153.

Capital Improvement Plan ("CIP"):

A meeting was held in the District to observe the District's assets/facilities. Brown & Gay updated the CIP list with potential future projects. A copy of the revised CIP table is attached to this Engineer's Report. Brown & Gay will continue to coordinate with the Board to identify project priorities. Brown & Gay is updating the costs for the CIP.

Mr. Rodriguez stated that Brown & Gay will present a proposal for water modeling at the next Board meeting.

Mr. Heisch stated that Mr. Matt Froehlich will be replacing Mr. Rodriguez as the District's engineering representative from Brown & Gay starting next month.

Upon motion by Director Lentz, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

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

9. **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.

10. **Discuss and take any action in connection with District communications.** There was nothing to report at this time.

11. **Other Matters.** The President presented to the Board a letter from Harris County Commissioner Cagle in response to a request to widen roads within the Atascocita area, a copy of which is attached hereto as Exhibit "F."

It was noted that the next Board meeting will be held on July 18, 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.

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on July 18, 2013.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

