

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 19, 2014

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 Atascocita Library, 19520 Pinehurst Trail Drive, Atascocita, Texas, 77346, on June 19, 2014 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, except Director Lentz. Also attending all or parts of the meeting were Mr. Michael Keefe of Bob Leared Interests, tax assessor and collector for the District; Ms. Karrie Kay 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. Rodney Heisch and Mr. Jorge Bustamante of Brown & Gay Engineers, Inc. ("*Brown & Gay*"), engineer for the District; and Ms. Jana Cogburn and Ms. Carrie Spann 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 regular meeting of May 15, 2014, previously distributed to the Board, were presented for approval. President Stine asked that the words "during the installation of the new HPT to keep the plant operating during this period" be added at the end of the motion for item no. 9. 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 May 15, 2014, as revised. Proposed minutes of the special meeting of May 29, 2014, previously distributed to the Board, were presented for approval. Upon motion by Director Whitaker, seconded by Director House, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of May 29, 2014, as presented.

2. **Receive comments from the public.** No action was taken on this item.

3. **Review Bookkeeper's Report, authorize payment of bills and Investment Report.** Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report for the period ending June 19, 2014, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as Exhibit "B." 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 accept the Bookkeeper's Report for the period ending June 19, 2014, to

approve the Investment Report, and to authorize payment of check numbers 8560 through 8613 from the Operating Account, all as listed in the Bookkeeper's Report.

4. **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 a list of the top Delinquent Taxpayers, a copy of which is attached hereto as Exhibit "C." Mr. Keefe noted that 98.3% of the District's 2013 taxes had been collected as of May 31, 2014. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1158 through 1166 from the Tax Account to the persons, in the amounts, and for the purposes stated in the Tax Assessor and Collector's Report.

5. **Operations Report.** Mr. Jones presented to and reviewed with the Board the Operations Report for the month of May 2014, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 96.96% of the water pumped was billed for the period ending May 22, 2014. Mr. Jones requested permission to turn over two accounts in the aggregate amount of \$158.65 to collections. Mr. Jones requested permission to write-off one account in the amount of \$1.69.

Mr. Jones stated that he will e-mail the Board the builder damage information.

Mr. Jones stated that the landscaping contractor replaced the lilies and laid mulch. Mr. Jones noted that he has e-mailed the landscaping contractor to remind them to remove the dead trees.

Mr. Jones stated that there are nine commercial meters with high usage; however, they are covered in concrete. Mr. Jones asked if the Board wanted ST to cut through the concrete and change the meters. The Board agreed that unless there is a problem with the meters, ST should not replace them.

President Stine requested that ST keep the Board apprised of the progress with the meter change out program.

President Stine requested Mr. Jones to look into the ADT contract and see when it expires and if there is a 30-day termination provision.

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 Operations Report, to authorize termination of service to the delinquent accounts, and to authorize turning over two accounts in the aggregate amount of \$158.65 to collections and write-off one account in the amount of \$1.69.

6. **Approve Consumer Confidence Report.** No action was taken on this item.

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

Commercial Plan Reviews

Brown & Gay received another phone call from the property owner behind the proposed motel (the old proposed Chateaux apartment tract). The owner asked about the drainage and storm sewer. Brown & Gay informed him this was not a MUD issue. The owner stated that he understood and would will get back in touch if he has any MUD-related concerns. Brown & Gay has not heard from the motel engineer since providing review comments in March.

The tracts on either side of the existing Remax office at 8530 FM 1960 E have been cleared. Brown & Gay contacted the number on the "For Lease" sign and was told that the land was being cleared to construct a fence.

Brown & Gay has received and reviewed plans for build-out of a space as a Marco's Pizza shop in an existing strip center. The plans include installation of a grease trap and sample well. Brown & Gay provided comments by letter on June 3<sup>rd</sup> and approved the plans by letter on June 11<sup>th</sup>.

Storm Sewer Video Inspection and Maintenance:

After discussion at the CIP workshop on June 5th, Brown & Gay is preparing exhibits for the coordinating completion of the few point repairs in the storm sewer system. With the Board's consent and because it's a relatively small job, Brown & Gay can coordinate with the Operator to complete the point repairs as opposed to advertising or soliciting bids.

Director Holder notified us of a potential point repair along the west side of the Hole #6 fairway, just east of Tamarron Drive (picture and exhibit attached). Brown & Gay investigated and found the pipe uncovered, cut, and pulled back in order to drain what appears to be a low area in the course. The pipe opening is somewhat hidden by shrubs and brush. This segment was not televised as part of the inspection because the line was surcharged at the time, and was about half full of water at the time Brown & Gay investigated last week. Brown & Gay can coordinate with the Operator to have the segment pumped and televised. Ultimately, a grate inlet could be installed to drain the area and create a cleaner, safer solution. Discussion ensued regarding why this was not previously brought to the Board's attention.

Brown & Gay began the storm sewer manhole and inlet survey last week. Inspections were completed on approximately 30 manholes and inlets out of the 129 total. Brown & Gay will continue to work on completing the inspection over the next few weeks, compile the information and present to the Board for review.

Water Plant No. 2 Hydropneumatic Tank (HPT) Replacement:

Schier demolished and removed the existing HPT between Monday and Wednesday last week. Holloway delivered the new HPT Thursday morning and it was set on the existing pedestal by lunchtime. Connections were made, tests were performed and the new HPT is online. The interior of the old HPT was in very poor shape. Brown & Gay worked with the Operator to purchase and install a variable frequency drive (VFD) on Booster Pump No. 1 to keep the plant operational during the HPT replacement.

Water Plant No. 2 2<sup>nd</sup> Hydropneumatic Tank (HPT) Addition:

Brown & Gay discussed the combination of the installation of a pressure transmitter and controls upgrade at Water Plant No. 2 with the Brown & Gay electrical engineer consultant. The consultant said that the Board could expect savings in combining the

two projects into one, estimating it at around \$140K-\$150K as opposed to \$280K separately, with a lot of that difference being tied to a single design, advertisement/bid process and single construction contract versus two.

With the Board's consent, Brown & Gay will work with the electrical engineer to develop a conceptual design for the improvement and more detailed cost estimate for the Board's consideration. After the presentation and review of that information, Brown & Gay will discuss with the Board moving forward with final design and plan production.

Brown & Gay contacted Mr. Mike Rowland, the co-owner of the gymnasium behind Water Plant No. 2, about the possible acquisition of the vacant space at the southeast corner of the plant which he owns. He was open to the possibility of a sale, but wanted to converse with his business partner and get back to us.

Annual Tank Inspections:

All tanks are up to date on inspections. Brown & Gay will notify the Board of upcoming inspections as they approach.

KRE Ditch Maintenance Contract (Champions Hydro-Lawn):

Brown & Gay is not aware of any issues at this time.

Lift Station No. 1 (Shared 132, 151, 153)

Brown & Gay will contact HCMUD 151's Engineer for updated connection counts as well as calculate them for HCMUD 132 and 153 for next month's meeting. Brown & Gay spoke with HCMUD 151's Engineer regarding the reasons for the conversion of Lift Station No. 1 from dry pit/wet well to full wet pit with submersible pumps. He understood the reasons, and 151 was to discuss the proposed projects at their meeting earlier this week. We discussed the proposed projects and cost sharing scenarios with HCMUD 153. They understood the reasons for the project and await to hear how HCMUD 132 proposes to share the costs between the participants.

Capital Improvement Plan ("CIP"):

Brown & Gay is currently revising the CIP based on comments received from the Board at the special meeting in May. Brown & Gay plans to present the updated CIP at next month's meeting.

Atascocita Joint Operations Board:

The Engineer's Report for June was presented to the Board.

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 Engineer's Report.

**8. Review and authorize capacity commitment letters.** There were no new requests for capacity commitments this month.

**9. Authorize Amendments to Drought Contingency Plan.** Mr. Heisch stated that Mr. Heisch has received additional comments and questions from President Stine and that Mr. Heisch is working with the Attorney and Operator to address those. Mr. Heisch stated that Mr.

Heisch will present a revised draft of the DCP prior to next month's meeting for the Board's review.

10. **Discuss Hurricane Preparedness.** President Stine requested that this matter be added to the calendar to discuss each May. President Stine also stated that if during a hurricane a Board member decides to leave, they should notify him in case they need to take any action.

11. **Discuss and take any action in connection with District communications.** There was no action taken on this item.

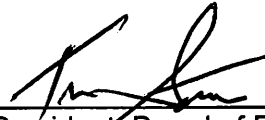
12. **Authorize Execution of Recreational Facility Agreement.** Director Stine stated he would e-mail ACIA copies of the draft documents and outline the procedure and requirements for funding the Shores Park Pavilion and Access Path.

13. **Adopt Order Adopting Rules Establishing Standards of Recreational Facilities.** Director Stine stated he would e-mail ACIA copies of the draft documents and outline the procedure and requirements for funding the Shores Park Pavilion and Access Path.

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 July 17, 2014 .



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

(DISTRICT SEAL)

