

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 19, 2015

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 March 19, 2015 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 Whitaker. Also attending all or parts of the meeting were Ms. Lina Loaiza 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. Matt Froehlich and Mr. Jorge Bustamante of Brown & Gay Engineers, Inc. ("*Brown & Gay*"), engineers for the District; and Mr. Michael Swartz and Ms. Carrie Spann of Norton Rose Fulbright US LLP ("*NRF*"), 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 February 19, 2015, previously distributed to the Board, were presented for approval. Upon motion by Director Lentz, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of February 19, 2015, as amended.

2. **Receive comments from the public.** There were no comments from the public.

3. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** Ms. Kay presented to and reviewed with the Board the Bookkeeper's Report for the period ending March 19, 2015, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as Exhibit "B."

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 March 19, 2015, to approve the Investment Report, and to authorize payment of check numbers 8878 through 8903 from the Operating Account, all as listed in the Bookkeeper's Report.

4. Review Tax Collector's Report and authorize payment of certain bills. Ms. Loaiza presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as Exhibit "C." The Board noted that 96.4% of the District's 2014 taxes had been collected as of February 28, 2015.

Ms. Loaiza reported that the annexed golf course property has been added to the 2014 tax roll. Ms. Loaiza stated that Lifetime Fitness has paid their taxes.

Upon motion by Director Holder, 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 and to authorize payment of check numbers 1056 through 1062 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 February 2015, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 94.26% of the water pumped was billed for the period ending February 26, 2015.

President Stine discussed the proposed Pros and Cons of each payment type flyer related to each payment method. President Stine asked for more clarification regarding online payments and ACH payments. President Stine requested that there be a more detailed description of the ACH payment method fee, and specify which methods has a one-time payment fee. President Stine also requested that ST add the office location for walk-in payments.

Mr. Jones reviewed the delinquent list with the Board.

Mr. Jones reported that there a resident requested relief from a high water bill. Mr. Jones stated that there was a broken water line on the resident's property for which the resident is responsible. It was the consensus of the Board was the resident is responsible for the water.

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 and to terminate the delinquent accounts in accordance to the rate order.

6. Engineer's Report. Mr. Froehlich 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

Mr. Froehlich stated that Javaman Coffee submitted plans for review and Brown & Gay provided comments.

Storm Sewer Repair at Shores Course No. 6 Fairway:

Mr. Froehlich reported that the Operator obtained a revised quote from South Texas Utilities & Underground to install a grate top inlet along with the repair for an additional \$2,279.81, which is under the \$3,000 authorized by the Board last month, for a total cost of \$8,599.71. Mr. Froehlich stated that the Operator authorized South Texas to perform the repair, but the rainy weather has prevented them from mobilizing.

Annual Tank Inspections:

Mr. Froehlich stated that Brown & Gay completed annual evaluations of the HPT 1 and 3 at Water Plant No. 1 and the reports were provided to the Operator. Mr. Froehlich stated that staining, coating defects and light to mild corrosion was noted on the interior of both tanks at the 2014 evaluation. Mr. Froehlich stated that Brown & Gay can drain the tanks now to check on the condition of the interior, or drain them for next year's evaluation.

Tank	Next Inspection	Comments
WP1 bolted GST	August 2015	2014: Tank remained full; many internal coating defects; continue to monitor and evaluate rehab vs. replacement
WP1 welded GST	October 2016	2015: Tank remained full; good condition
WP1 HPT1	February 2016	2015: Exterior only. Noted interior coating defects in 2014; recommending internal recoat in next 1-2 years
WP1 HPT2	September 2015	2014: Good condition; exterior inspection only
WP1 HPT3	February 2016	2015: Exterior only. Noted interior coating defects in 2014; recommending internal recoat in next 1-2 years
WP2 bolted GST	August 2015	2014: Tank remained full; good condition
WP2 welded GST	November 2016	2015: Tank remained full; good condition
WP2 HPT	June 2015	2014: New tank installed

Power Factor Monitoring

Mr. Froehlich stated that Brown & Gay will continue to coordinate with the Operator to monitor the power factors at both water plants later in April/May 2015.

Capital Improvement Plan ("CIP"):

Mr. Froehlich stated that there are no changes to the CIP this month.

Atascocita Joint Operations Board:

The Engineer's Report for AJOB's February meeting is included in the Engineer's Report.

KRE Ditch Maintenance Contract (Champions Hydro-Lawn):

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

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 Engineer's Report.

7. Award Contracts for Lift Station No. 1 Conversion and Water Plant No. 2 Improvements. Mr. Froehlich stated that the County comments were received and addressed on the Lift Station No. 1 Conversion plans, and Brown & Gay resubmitted the plans to the

County for approval this week. Mr. Froehlich stated that the first advertisement for bids will be held March 20th and bids will be opened on April 7th.

Mr. Froehlich stated that the County comments were received and addressed on the Water Plant No. 2 Improvements plans, and Brown & Gay will resubmit the plans to the County for approval within the next few days. Mr. Froehlich stated that the first advertisement for bids was held March 13th and bids will be opened on March 31st.

8. **Review and authorize capacity commitment letters.** Mr. Froehlich stated that Brown & Gay did not receive any new capacity commitment requests this month.

9. **Discuss and take any action in connection with District communications.** President Stine stated that the West Harris County Regional Water Authority increased their rates and that he would add that information to the website.

10. **Consider Texas Network proposal.** President Stine presented and reviewed with the Board a proposal from The Texas Network LLC ("Texas Network") to redesign the District website, a copy of which is attached hereto as Exhibit "F". President Stine stated that for \$650.00 Texas Network will redesign the current District site utilizing the latest responsive web design techniques designed to make the website look good and work well with the multiple devices customers use to access the website. President Stine stated that the site will also include the content management system ("CMS") designed to streamline site maintenance, future designs and overall management of the site by the Texas Network, and allows the District to designate a member of the Board to have access to perform updates using their browser. Upon motion by Director Lentz, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposal for Texas Network to upgrade the District website for \$650.00.

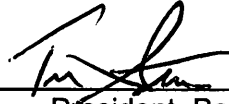
11. **Authorize Execution of Recreational Facility Agreement.** President Stine stated that he received the bid packages from ACIA. Mr. Bustamante presented to and reviewed with the Board the Estimate Tabulation, a copy of which is attached hereto as Exhibit "G." President Stine stated that the bids do not offer a straight comparison of the work to be performed by each bidder. A detailed discussion ensued. Director Lentz stated that he will volunteer to help ACIA organize the project and request updated bids based on a uniform description of the work to be completed.

12. **Adopt Order Adopting Rules Establishing Standards of Recreational Facilities.** No action was taken on this item.

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 April 15, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

