

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 16, 2015

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 regular session, open to the public, at The Overlook, 20114 Pinehurst Drive, Atascocita, Texas, 77346, on April 16, 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. 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; Mr. Michael Swartz and Ms. Carrie Spann of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District and Mr. Trace Rodgers, a resident of 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. **Review and approve Eagle Scout Fire Hydrant Painting Project.** The President recognized Mr. Trace Rodgers, who presented to and reviewed with the Board a plan to paint 50 fire hydrants within the District, a copy of which is attached hereto as Exhibit "B." The Board discussed painting the fire hydrants red, but the consensus was to retain the current blue color. The Board agreed that ST will purchase paint and the District will reimburse ST. The Board also discussed taking pictures and posting on website articles.

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 approve the Eagle Scout Project, to authorize ST to service the 50 hydrants, to authorize Mr. Jones to validate bonnet colors, and to furnish the paint supplies.

2. **Minutes.** Proposed minutes of the regular meeting of March 19, 2015, previously distributed to the Board, were presented for approval. Upon motion by Director House, 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 March 19, 2015.

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

4. **Engage auditor for fiscal year ending May 31, 2015.** This matter was deferred to the next meeting.

5. 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 April 16, 2015, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as Exhibit "C."

President Stine reported that the West Harris County Regional Water Authority February payment is missing from the report.

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 accept the Bookkeeper's Report for the period ending March 19, 2015, to approve the Investment Report, and to authorize payment of check numbers 8904 through 8941 from the Operating Account, all as listed in the Bookkeeper's Report.

6. Review budget for fiscal year ending May 31, 2016. President Stine reviewed with the Board the proposed budget for fiscal year ending May 31, 2016, a copy of which is attached hereto as Exhibit "D". The Directors deferred a vote on the budget until the next meeting. President Stine reported that he will push the HPT #2 project to 2017. President Stine discussed bond redemption and requested that the matter be placed on the next month agenda.

7. 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 "E." The Board noted that 94.7% of the District's 2014 taxes had been collected as of March 31, 2015.

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 Tax Assessor and Collector's Report and to authorize payment of check numbers 1063 through 1070 from the Tax Account to the persons, in the amounts, and for the purposes stated in the Tax Assessor and Collector's Report.

8. Operations Report. Mr. Jones presented to and reviewed with the Board the Operations Report for the month of March 2015, a copy of which is attached hereto as Exhibit "F." Mr. Jones reported that 95.44% of the water pumped was billed for the period ending March 30, 2015.

Mr. Jones reported that ST placed the 3J Development LLC account on hold.

Director Lentz asked if there is any infiltration in water lines due to all of the rain. Mr. Froehlich stated that there is not any cause for concern.

Mr. Jones reported that ST has fenced off the area around the fairway on hole #6 of the golf course until the repairs can be made.

Mr. Jones reviewed the delinquent list with the Board.

Mr. Jones presented to and reviewed with the Board the Water Quality Report, a copy of which is attached hereto as Exhibit "G." President Stine asked that Mr. Jones update the address listed for regularly scheduled meetings to the Overlook.

Upon motion by Director Lentz, seconded by Director House, 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.

9. **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 "H" and which follows in substantially the form it was presented:

Commercial Plan Reviews

Mr. Froehlich stated that there were no new commercial plan reviews this month.

Storm Sewer Repair at Shores Course No. 6 Fairway:

Mr. Froehlich reported that the Operator authorized South Texas to perform the repair, but the rainy weather has prevented them from mobilizing.

Annual Tank Inspections:

Mr. Froehlich reported that there was no update this month.

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

Power Factor Monitoring

Mr. Froehlich stated that Brown & Gay requests that the Operator begin monitoring the power factors at both water plants for the next month, starting next week. Mr. Froehlich stated that Brown & Gay will compare the data to the data collected in Fall 2014.

Capital Improvement Plan ("CIP"):

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

Atascocita Joint Operations Board:

Mr. Froehlich stated that the April AJOB meeting is next week.

10. **Award Contracts for Lift Station No. 1 Conversion and Water Plant No. 2 Improvements.** Mr. Froehlich reviewed the bid tabulation with respect to the Lift Station No. 1 Conversion plans, and recommended awarding the contract to R+B Group, Inc., which submitted the lowest total bid of \$891,500.

Mr. Froehlich reviewed the bid tabulation with respect to Water Plant No. 2 Improvements, and recommended awarding the contract to Schier Construction Company, Inc., which submitted the lowest total bid of \$267,300.

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 award the contract for Lift Station No. 1 to R+B Group, Inc., and to award the construction contract for Water Plant No. 2 to Schier Construction Company, Inc., subject to review of the final contract documents by NRF.

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

12. **Discuss and take any action in connection with District communications.** President Stine stated that he added the West Harris County Regional Water Authority rate increase to the website.

13. **Discuss Hurricane Preparedness.** President Stine asked Mr. Jones if ST was prepared for hurricane season. Mr. Jones stated that ST has a hurricane plan in place, including that the operators are required to stay in town.

14. **Authorize Execution of Recreational Facility Agreement.** Director Lentz reported that he continues to work with ACIA to gather bid information.

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

16. **Discuss June meeting date as it conflicts with the AWBD Conference.** President Stine recommended that the Board move the regular monthly meeting to June 25th. It was the consensus of the Board to move the meeting.

17. **Other matters.** President Stine reported that he received a request from the AWBD President Bill Fry to respond to a House Bill being considered by the House Ways and Means Committee, a copy of which is attached hereto as Exhibit "I." President Stine stated he sent response letters to the bill sponsors and the House Ways & Means Committee members.

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 May 21, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

