

MINUTES OF MEETING OF BOARD OF DIRECTORS
MARCH 15, 2018

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 March 15, 2018 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
Michael Whitaker, Assistant Secretary
Gregg Mielke, 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. Allen Jenkins of Inframark ("Inframark"), operator of the District's facilities; Mr. Matt Froehlich of BGE, Inc. ("BGE"), engineer for the District; and Ms. Kathleen Ellison and Ms. Brenda Presser 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. **Public Comments.** There were no comments from the public.
2. **Minutes.** Proposed minutes of the meeting of February 15, 2018, previously distributed to the Board, were presented for approval. Upon motion by Director Mielke, 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 February 15, 2018, as presented.
3. **Review Tax Collector's Report and authorize payment of certain bills.** The President recognized Ms. Loaiza, who presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as *Exhibit B*. She reported that 98.0% of the 2017 taxes had been collected as of February 28, 2018 and that delinquent tax bills were mailed this week.

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 and to authorize payment of check numbers 1319 through 1328 from the Tax Account to the persons, in the amounts, for the purposes stated in the report.

4. **Order Calling Bond Redemption.** The President recognized Ms. Ellison, who presented to and reviewed with the Board the Order Authorizing Redemption of Bonds (the "Order"), the Notice of Redemption, and the Incumbency Certificate, copies of which are attached hereto as *Exhibit C*.

Upon motion by Director Holder, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Order and authorize execution of all documents needed to accomplish the redemption of outstanding District bonds.

5. Review Bookkeeper's Report, authorize payment of bills and approve Investment Report. The President recognized Ms. Kay, who presented to and reviewed with the Board the Bookkeeper's Report as of March 15, 2018, the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as *Exhibit D*.

Ms. Kay noted that check no. 9972 represents the last payment due to Harris County Municipal Utility District No. 153 and noted that the balance due is attributable to late fees. She said she would follow up with Harris County Municipal Utility District No. 153 to request a waiver of the late fees.

The Board reviewed and discussed the status of reimbursement to the District for the customer owned sanitary sewer cave-in repairs. Mr. Jenkins reported that Inframark will bill the District for its services upon payment to the District by all the participants. It was noted that all participants have paid their pro-rata share in full, except for The Overlook.

Upon motion by Director Mielke, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 9961 through 9994 from the Operating Account.

6. Operations Report. President Stine recognized Mr. Jenkins, who presented and reviewed the Operations Report for the month of February, a copy of which is attached hereto as *Exhibit E*. Mr. Jenkins reported the Operations Report was previously distributed to the Board and asked the Board if there were any questions or concerns to be addressed.

Mr. Jenkins reported that Inframark has met with FEMA but it has not yet decided on the lift station generator elevations which would be sufficient for a mitigation project. He stated that negotiations continue with FEMA and the next meeting with FEMA will be March 22, 2018. The President said Inframark should document the flood levels at the lift stations and make recommendations on the elevations.

The President requested that Inframark include in its report a written summary of new issues and actions taken with regard to various ongoing projects, such as the lift station generator replacement and the FEMA negotiations, so that the Board can review this information prior to the meeting.

The President said landscaping work needs to be done at the Water Plant No. 1.

The President reported on a complaint about a sinkhole at 8310 Bunker Bend. He noted repairs had been done at that location previously. Mr. Froehlich recalled televising and performing a dye test at that location, but stated the property was never back-filled. Mr. Froehlich recommended another dye test. Mr. Jenkins stated that he will inspect the site and contact the resident.

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 Operations Report and to authorize termination of the delinquent accounts in accordance with the Rate Order.

7. **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 F*.

Mr. Froehlich updated the Board on the status of Dryclean Planet and stated that BGE received revised plans and issued a "no objection" letter.

Mr. Froehlich reported that work continues on the rehabilitation of Water Plant No. 1 GST Nos. 1 and 2. He requested approval of Pay Estimate No. 2 from D&M Tanks for \$28,867.50.

Mr. Froehlich reported that repairs and landscaping are complete for Kings River Estates Section 5 Storm Sewer Outfall. He requested approval of invoices from Layne Inliner for \$28,750.00 and Custom Landscaping & Design for \$5,740.00, respectively.

Mr. Froehlich discussed a conversation with a resident at 21211 Kings River Point, which is adjacent to the storm sewer. He stated that the resident pointed out cracks in their driveway and stone wall. Mr. Froehlich confirmed the cracks and stated that they are likely due to voids in the ground created by the storm sewer issues. He discussed obtaining quotes to fill the voids in the driveway and repair the cracks in the wall.

Mr. Froehlich reported that construction of the Atascocita Shores Drive Culvert Replacement is suspended because the contractor discovered that the existing sanitary sewer conflicts with the flowline of the proposed culverts. He stated that the design engineer and the City of Houston are working on a solution.

Mr. Froehlich reported on the deterioration of Lift Stations No. 1 and 3 discharge manholes, noting that the deterioration has progressed and BGE is recommending rehabilitation. He reviewed and requested approval of a quote from A&H Services in the amount of \$8,800.00 for recoating Lift Stations No. 1 and 3 discharge manholes, a copy of which is attached to the Engineer's Report.

Mr. Froehlich reported that AJOB, at last month's meeting, authorized the solicitation of bids for installation of variable frequency drives on two of the seven air blowers to optimize the air blowers and increase useful life. He noted this project was on the CIP list and it was the consensus of AJOB to move forward on CIP projects.

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. 2 for \$28,867.50 to D&M Tanks, LLC for Water Plant No. 1 tank rehabilitation; 3) approve an invoice in the amount of \$28,750.00 from Layne Inliner for repair of Kings River Point Storm Sewer Outfall; 4) approve an invoice in the amount of \$5,740.00 from Custom Landscaping & Design to repair landscaping and sink holes at Kings River Point Storm Sewer Outfall site; and 5) approve a quote from A&H Services in the amount of \$8,800.00 for recoating Lift Stations No. 1 and 3 discharge manholes.

8. **Interlocal Agreement between Harris County and the District.** Ms. Ellison presented to the Board a revised Interlocal Agreement with Harris County, a copy is attached as *Exhibit G*. Director Stine asked Mr. Froehlich to ask Harris County if it could assist the District in collecting the amount due from the County's contractor, Traf-Tex, for repairs it caused to the District's water line. It was the consensus of the Board to defer this item.

9. **Agreement for Maintenance of Portion of Drainage Ditch with Golf Course.** Ms. Ellison presented a proposed agreement with the golf course, a copy is attached as *Exhibit H*. The Board discussed drainage issues throughout the District. Mr. Froehlich suggested this item be addressed in the special meeting regarding the District's Capital Improvement Plan. It was the consensus of the Board to defer action on this item.

10. **Review and authorize capacity commitments.** There were no capacity commitments presented for consideration.

11. **Approve Cyber Security renewal proposal.** Ms. Ellison noted that the Cyber Security renewal proposal is for the period to January 24, 2019, to coordinate the expiration with the remainder of the District's policies. She stated the cost of the policy is \$1,136. Upon motion by Director Holder, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Cyber Security renewal proposal.

12. **Discuss and take action in connection with District communications and website.** Director Stine reported that he updated the site to revise the bill payment procedures and to reflect the closing of the bill payment option at Inframark's Lockwood location. He stated that he also added a link to Western Union.

13. **Adopt Order Declaring Unopposed Candidates Elected to Office.** Ms. Ellison presented to and reviewed with the Board an Order Declaring Unopposed Candidates Elected to Office (the "Order"), a copy of which is attached hereto as *Exhibit I*.

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 adopt the Order, as presented, declaring Time Stine and Don House elected Directors.

14. **Authorize filing on Comptroller database under SB 625.** Ms. Ellison reported that in the last legislative session Senate Bill 625 established a requirement for districts to provide additional information for inclusion on the Comptroller's database on special districts. Upon motion by Director Holder, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to authorize NRF to enter District information on the Comptroller's database as required under SB 625.

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 19, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

