

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 16, 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 regular session, open to the public, at the Atascocita Library, 19520 Pinehurst Trail Drive, Humble, Texas, 77346, on May 16, 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; Mr. Terry Holland 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 Brown & Gay Engineers, Inc. ("*Brown & Gay*"), engineer for the District; Ms. Nikki Wynn, Communications Program Consultant; Mr. Zach Hardoin of Champions Hydro-Lawn; and Ms. Jana Cogburn and Ms. Carla Christensen of Fulbright & Jaworski L.L.P. ("*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 meeting of April 18, 2013, 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 April 18, 2013, as presented.

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

3. **Review Bookkeeper's Report and Investment Report.** Mr. Holland presented to and reviewed with the Board the Bookkeeper's Report for the period ending May 16, 2013 and the Investment Report, copies of which are attached hereto as Exhibit "B."

In response to a question from Director Stine, Mr. Holland stated that he will determine the appropriate amounts paid in March/April 2013 for gas and energy.

In response to a question from Director Stine, Mr. Holland stated that he will contact the Atascocita Joint Operations Board bookkeeper to obtain the recent wastewater treatment plant invoices for the District.

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 May 16, 2013, to approve the Investment Report, and to authorize payment of check numbers 8161 through 8195 from the Operating Account, all as listed in the Bookkeeper's Report.

4. **Adopt budget for fiscal year ending May 31, 2014.** Director Stine reviewed with the Board the proposed budget for fiscal year ending May 31, 2014, a copy of which is attached hereto as Exhibit "C." Director Stine stated that he received input from the Board and consultants and revised the budget in accordance with such input. 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 adopt the budget for fiscal year ending May 31, 2014, as presented.

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 April 2013, copies of which are attached hereto as Exhibit "D." Mr. Keefe noted that 98.5% of the District's 2012 taxes had been collected as of April 30, 2013. Upon motion by Director Whitaker, seconded by Director Holder, 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 1052 through 1061 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

6. **Operations Report and Billing and Collections Report.** Mr. Jones presented to and reviewed with the Board the Operations Report for the month of April 2013, a copy of which is attached hereto as Exhibit "E." Mr. Jones reported that 95.93% of the water pumped was billed for the month ending April 18, 2013.

Mr. Jones requested permission to turn over four accounts in the aggregate amount of \$200.21 to collections and to write off one account in the amount of \$18.38.

Mr. Jones noted that in the next six months ST will be implementing an online bill view and paying system for the District.

In response to a question from Director Stine, Mr. Jones stated that he will inspect the golf course drainage ditch near the lift station for blockages that need to be cleaned.

Mr. Jones reported that he obtained a proposal from Texas Rainmaker to replace the irrigation controller at the Rebawood water plant at a cost of \$250. It was the consensus of the Board to have Texas Rainmaker replace the irrigation controller.

Mr. Jones reported that the seal is leaking on pump no. three for lift station no. one. Mr. Jones stated that ST is in the process of obtaining bids to replace the seal. Mr. Jones noted that

because of the age of the pump, ST will determine if the lift pump should be upgraded. It was noted that such lift station is a shared lift station. Ms. Cogburn stated that she will review the lift station agreement with Harris County Municipal Utility District Nos. 151 and 153 for the terms in connection with payment for major repairs.

Upon motion by Director Whitaker, seconded by Director Holder, 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 four accounts in the aggregate amount of \$200.21 to collections and to write off one account in the amount of \$18.38.

7. **Approve Consumer Confidence Report.** Mr. Jones presented to and reviewed with the Board the Consumer Confidence Report for 2012, a copy of which is attached hereto as Exhibit "F." 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 and authorize distribution of the 2012 Consumer Confidence Report, subject to final review of the Consumer Confidence Report by Director Lentz.

8. **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 "G" 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 summary of finding at June 2013 meeting.

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 - Construction contract (C.E. Barker, Ltd.):

Status memorandum has been revised per comments from previous meeting.

Diversion Swale and Berm for Kings River Estates, Section Four -Maintenance Contract (Champions Hydro-Lawn):

Mr. Hardoin reviewed the maintenance report in connection with the Kings River Estates, Section Four diversion swale and berm, a copy of which is attached hereto as Exhibit "H." It was the consensus of the Board that Mr. Hardoin provide the Board with a proposal for cleaning the brush at the end of the Kings River Estates, Section Four drainage ditch and for monthly mowing.

Water Line Rehabilitation

The water line rehabilitation memorandum has been revised and a copy is attached to the Engineer's Report.

Discussion ensued regarding the options for future water line rehabilitation projects. Mr. Rodriguez stated that Brown & Gay's recommendation is that the District start a preventative

water line rehabilitation program in the next 18 months to five years. The Board agreed to schedule special meetings and/or workshops with the District's engineer and operator to discuss and plan future capital projects and a water line rehabilitation program and asked Mr. Rodriguez to coordinate an initial meeting in the next few weeks.

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 Engineer's Report.

9. **Review and authorize capacity commitment letters.** Mr. Rodriguez reviewed with the Board a request for a capacity commitment from Paragon Solutions, LLC for a proposed 36-unit motel, a copy of which is attached to the Engineer's Report. Mr. Rodriguez stated that the request is for 10,877 gpd of water supply and 8,566 gallons of dry weather flow wastewater treatment capacity. Mr. Rodriguez stated that the District has sufficient capacity to serve the proposed motel. 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 authorize the Board President to execute a capacity commitment letter to Paragon Solutions, LLC.

10. **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 has been submitted to the City of Houston.

11. **Discuss and take any action in connection with District communications.** Ms. Wynn reported that the quarterly newsletter has been distributed. Ms. Wynn reviewed with the Board a summary of website statistics, a copy of which is attached hereto as Exhibit "I." Discussion ensued regarding possible future newsletter articles.

12. **Other Matters.** It was noted that the next Board meeting will be held on June 13, 2013 at the Atascocita Library.

In response to a question from Director Holder, Mr. Jones reported that ST tested the District's facilities to ensure that they are prepared for hurricane season. Director Stine reiterated to the Board the importance of Directors notifying him of their location in the event of a potential hurricane.

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.

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The above and foregoing minutes were passed and approved by the Board of Directors on
June 13, 2013.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

