

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 20, 2019

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 June 20, 2019 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, except Director Whitaker, thus constituting a quorum. Also attending all or parts of the meeting were Mr. Matt Froehlich and Ms. Shiann Hernandez of BGE, Inc., engineer for the District; Ms. Lina Loaiza of Bob Leared Interests, Tax Assessor and Collector for the District; Ms. Kayla Ray of Myrtle Cruz, Inc. ("MCI"), bookkeepers for the District; Mr. Allen Jenkins of Inframark ("Inframark"), operator of the District's facilities; 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 regular meeting of May 16, 2019, previously distributed to the Board, were presented for approval. 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 minutes of the meeting of May 16, 2019, as presented.
3. **Review Tax Collector's Report and authorize payment of certain bills.** The President recognized Ms. Loaiza, who presented the Tax Assessor and Collector's Report, previously distributed to the Board, a copy of which is attached hereto as *Exhibit B*. She reported that 98.5% of the District's 2018 taxes have been collected to date. 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 1432 through 1446 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report.
4. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** The President recognized Ms. Ray, who reviewed the Bookkeeper's Report as of June 20, 2019, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit C*. Director Stine noted that expenses paid for AWBD were added to the previous budget and should be reflected in the new fiscal year budget

due to timing. He also reported that last month the bookkeeper was requested to move \$10,080 listed on the budget under District Operations, Miscellaneous should have been moved to a new item, FM 1960 Utility Relocation under Non-Operating, Engineering on Major Repairs and identify a line for Harris County Municipal Utility District No. 151 interconnect payments. He stated that he will coordinate with Ms. Kay on these changes.

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 accept the Bookkeeper's Report and to authorize payment of check numbers 10399 through 10424 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

5. Report on mowing and detention maintenance services. Director Stine reported that he met with Mr. Stuckey prior to last month's meeting regarding revisions to Exhibit B to the Maintenance Plan and Exhibit B Special Items. (Exhibit A remained unchanged.). Director Stine reviewed the two revised exhibits attached as *Exhibit D* and *D-1*, respectively.

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 Maintenance Services Agreement with the two revised exhibits, as presented.

Director Stine reported on downed trees at the golf course and a conversation with Mr. Stuckey about clean-up. Director Stine stated that Mr. Stuckey will review the area during the next mowing to assess a plan for clean-up.

6. Review Operations Report and authorize District maintenance and termination of delinquent account. The President recognized Mr. Jenkins, who reviewed the Operations Reports for May 2019, a copy of which is attached as *Exhibit E*. He reported an 85.59% accountability for the period April 24, 2019 through May 22, 2019.

Mr. Jenkins reviewed the Major Maintenance Summary for May 2019.

Mr. Jenkins reviewed the delinquent list. He reported that 87 letters were mailed, 33 delinquent tags were hung, and nine accounts were disconnected for non-payment. Mr. Jenkins requested the Board's authorization to transmit accounts totaling \$103.20 to collections.

Mr. Jenkins reported that South Texas Utilities & Underground, the contractor performing work on the sanitary sewer repair project at Atascocita Shores and Pines Place Drive discovered that the cause of the sag in the sanitary sewer line was to avoid interference with a water line. The contractor's current cost to repair the sag in the sewer line is approximately, \$25,000. Mr. Jenkins presented an proposal to correct the waterline for an additional \$25,411.98. Mr. Froehlich said the District could defer the repairs until the water line replacement project. He said at that time, the existing water line won't be needed and the District will only need to fix the sanitary sewer line. He noted that the contractor has incurred costs to begin the repair and suggested that the District pay the contractor for the costs he has incurred to date if it elects to delay the project. The Board deferred action on this item until the Engineer's Report.

Mr. Jenkins reported that Southern Flowmeter, Inc. ("Flowmeter") completed the commercial meter testing and provided a "Suggested Repair Summary" for meters that are 1.5" inches and above. A copy is attached to the Operations Report. Mr. Jenkins said to repair or replace the meters as recommended by Southern Flowmeter would cost approximately \$20,000. Discussion ensued regarding the cost to replace the meters with smart meters. It was the

consensus of Board to accept the Suggested Repair Summary from Flowmeter and make recommended repairs or replacement with conventional meters for an estimated cost of \$20,000.

The Board discussed a reported leak at BBVA. Mr. Jenkins said that BBVA would like to have their meters replaced and noted that the District has no lines under the driveway where water is ponding. The Board requested that Mr. Jenkins contact BBVA and let them know that the meters will be replaced and the District believes there is a leak on the BBVA service line.

Mr. Jenkins reviewed the Main Line Valve Survey and Fire Hydrant Survey, copies are attached to the Operations Report. He recommended not replacing the valve at 8610 Timber View at this time, as recommended in the Survey. Discussion ensued regarding replacement and/or repair of fire hydrants in the areas south of FM 1960 where the water line replacement project will soon begin.

Upon motion by Director Mielke, seconded by Director Holder, after full discussion and the question being put to the Board, the Board voted unanimously: (1) to approve the Operations Report; (2) to approve termination of the delinquent accounts in accordance with the terms of the District's Rate Order; (3) to send one account in the aggregate amount of \$103.20 to collections; (4) to repair and/or replace the commercial meters on the FlowMeter Suggested Repair Summary using standard technology; (5) to replace the BBVA meters; (6) to authorize the fire hydrant repairs and replacements in the Fire Hydrant Survey with the exception of the fire hydrants south of FM 1960, where meters should be replaced or repaired only if inoperable; and (7) to authorize the valve repairs and replacements in the Main Line Valve Survey, with the exception of the valves south of FM 1960, where valves should not be replaced.

7. **Review Hurricane Preparedness.** Director Stine wanted to reiterate that since Director Mielke was absent last month, he requested that he notify the Board if he is going to be out of town during a hurricane event

8. **Review Engineer's Report, authorize necessary capital projects and authorize capacity commitments.** The President recognized Ms. Hernandez who reviewed the Engineer's Report, a copy of which is attached hereto as *Exhibit F*.

Ms. Hernandez reported that bids were received and opened on June 5, 2019 for the Water Plant No. 2 West Discharge Line Project. She stated the lowest bid was submitted by Android Construction Services for \$194,780.00.

Ms. Hernandez updated the Board on the Waterline Replacement, Phase 1 and reported that the City of Houston (the City") provided additional comments. She stated that BGE is communicating with City to address issues and acquire variances, if needed.

Following up on the Board's previous discussion under the Operations Report regarding the sanitary sewer repair project at Atascocita Shores and Pines Place Drive and amounts owed to Southern Utilities & Underground, Mr. Froehlich stated that BGE will coordinate with the contractor to close out the project for an amount not to exceed \$10,000.

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 approve the Engineer's Report, approve the award of a construction contract to Android for \$194,780.00 for Water Plant No. 2 West Discharge Line Project and authorize BGE to coordinate with South Texas Utilities &

Underground to close out the Sanitary Sewer Repair project at Atascocita Shores and Pines Place Drive for an amount not to exceed \$20,000.00.

9. **Appoint a representative to the Lake Houston Watershed Commission action.** Director Stine reported that the bill creating a Lake Houston Watershed Commission did not pass. Director Stine recommended appointing a director to represent the District on any flood related matters affecting the District. He nominated Director Mielke as the District's representative on flood related matters

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 appoint Director Mielke to represent the District on flood related issues.

10. **Report on AWBD summer conference.** Mr. Jenkins reported that Inframark is reviewing information about an aerator product that Director Holder got at the conference.

11. **Discuss and take action in connection with District communications and website.** Ms. Presser reported on a call from a new resident who experienced difficulty in locating contact information for garbage services. Discussion ensued regarding contact information on the web site. No action was taken by the Board.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

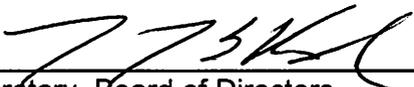
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The above and foregoing minutes were passed and approved by the Board of Directors on July 18, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

