

MINUTES OF MEETING OF BOARD OF DIRECTORS
MARCH 19, 2020

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*”) convened for its regular session on March 19, 2020 at 3:00 p.m. via teleconference in compliance with guidelines promulgated by the Texas Attorney General for use during the COVID-19 statewide disaster in connection with the temporary suspension of certain provisions of the Open Meetings Laws approved by the Office of the Governor of Texas. The President conducted a roll call and determined the following persons were present:

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 Mr. Nick Bailey of BGE, Inc. (“BGE”), engineers for the District; Ms. Lina Loaiza of Bob Leared Interests, Tax Assessor and Collector for the District; Ms. Karrie Kay of Myrtle Cruz, Inc. (“MCI”), bookkeepers for the District; Mr. Allen Jenkins of Inframark (“Inframark”), operator of the District’s facilities; Mr. Bob Thomas of ROW Management, LLC; and Ms. Kathleen Ellison and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

Call to Order. The President called the meeting to order and gave introductory remarks concerning the conduct of the meeting. He noted that the meeting was intended to be held at the Atascocita Fire Department, but the meeting place had been closed due to COVID-19 concerns. He noted the meeting agenda had originally been posted as required by law, certificates of posting of which are attached hereto as *Exhibit A*, but after the meeting place was closed information on the meeting and the teleconference number to participate in the meeting was posted to the District’s website and notice of the change was posted at the Fire Department.

He said the meeting was open to the public. He noted that the meeting was being recorded and a recording would be available upon public request. He then proceeded with the meeting business:

1. **Public Comments.** The President asked for public comments. There were none.
2. **Minutes.** Proposed minutes of the regular meeting of February 20, 2020, 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 February 20, 2020.
3. **Cancel the election and 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 B*.

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 adopt the Order, as presented, declaring Jerrel Holder, Michael Whitaker and Gregg Mielke as elected Directors.

4. **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 C*. She reported that 96.9% of the District's 2019 taxes had 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 1515 through 1525 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report.

5. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** The President recognized Ms. Kay, who reviewed the Bookkeeper's Report as of March 19, 2020, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit D*. Ms. Kay discussed investments. The Board directed the bookkeeper not to buy any more Certificates of Deposit ("CDs") and to keep the District funds in LOGIC.

Upon motion by Director Mielke, 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 and to authorize payment of check numbers 10598 and 10655 through 10687 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

6. **Designate Mary Jarmon of Myrtle Cruz, Inc. as Investment Officer.** The President recognized Ms. Ellison, who stated that the Board is required to have an Investment Officer under the Public Funds Investment Act. Ms. Kay stated that Mary Jarmon of Myrtle Cruz, Inc. has completed her training as of October 2019 and can serve as the District's Investment Officer. 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 designate Mary Jarmon of Myrtle Cruz, Inc. as the Investment Officer.

7. **Consider FM 1960 Widening issues, including payment for easements and agreements with Texas Department of Transportation.** The President recognized Ms. Ellison, who stated that she has been coordinating with Mr. Thomas and Mr. Bailey to negotiate the easement acquisitions for the widening of FM 1960. Mr. Thomas discussed some of the issues being negotiated with the property owners. Mr. Bailey said that the District would need to advance approximately \$448,544 to TxDOT when the project begins. He said the District should eventually get approximately \$1,000,000 from TxDOT.

Ms. Ellison presented to and reviewed with the Board an easement from CenterPoint Energy, a copy of which is attached hereto as *Exhibit E*. Discussion ensued. 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 easement from CenterPoint.

8. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for February 2020, a copy of which is attached as *Exhibit F*. He reported a

83.01% accountability for the period January 25, 2020 through February 25, 2020. Mr. Jenkins reviewed the Major Maintenance Summary for February 2020. Upon inquiry, Mr. Jenkins said the contractor on the interconnect project had left the interconnects open, which may have affected accountability.

The Board discussed the installation of smart meters. The Board requested that Mr. Jenkins coordinate with Accurate Meters to request that when the meters are shipped they include a list of meter serial numbers so the District can keep track of its inventory.

Mr. Jenkins presented a proposal, a copy of which is attached to the Operations Report, from North Side Electric Motors to repair booster pump #4 and to replace the motor at Water Plant No. 1 in the amount of \$17,012.00.

Mr. Jenkins presented a proposal to install a surge protection unit at Water Plant no. 2, in the amount of \$4,250.00.

Mr. Jenkins stated that he is working on a list for the valve survey and will have a report for the next month. The President asked that Mr. Jenkins confirm that all valves had been located.

Mr. Jenkins reviewed the delinquent list. He reported that 68 letters were mailed, 21 delinquent tags were hung, and eight accounts were disconnected for non-payment. He requested authorization to turn three accounts over to Collections Unlimited of Texas in the total of \$281.97.

The Board reviewed a letter from the Harris County Judge, Lina Hidalgo, a copy of which is attached hereto as *Exhibit G*. The letter requests that districts suspend service disconnections and waive new late payments charges through at least May 1, 2020 due to COVID-19.

Upon motion by Director Holder, seconded by Director House, after full discussion and the question being put to the Board, the Board voted unanimously: (1) to approve the Operations Report; (2) to approve the proposal from North Side Electric Motors in the amount of \$17,012.00; (3) to approve the proposal to install a surge protection unit in the amount of \$4,250.00; (3) to turn three accounts over to Collections Unlimited of Texas in the total of \$281.97; and (4) to suspend disconnections and new late payment charges through August 1, 2020.

9. Review Engineer's Report, authorize necessary capital projects and authorize capacity commitments. The President recognized Mr. Bailey, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as *Exhibit H*.

Mr. Bailey stated that BGE will update the Capital Improvement Plan to reflect the changes discussed at the last meeting, including combining the rehabilitation of Lift Station Nos. 2 and 3, and delaying the replacement of Water Plant No. 1 bolted ground storage tank.

Mr. Bailey stated that BGE expects to have a final copy of the partial replat of Water Plant No. 2 at the next meeting.

Mr. Bailey stated that the contractor for the Waterline Replacement, Phase 1 anticipates being complete with the new waterline installation next month. He presented and recommended payment of Pay Estimate No. 1 in the amount of \$125,764.20 to McKinney Construction, Inc.

Mr. Bailey reported on the Waterline Replacement, Phase 2 and stated that BGE is

proceeding with the survey and preliminary design work. He presented maps of the waterline replacement phases, copies of which are attached hereto as *Exhibit I*. He stated that Atascocita Shores Section 2 would be added to Phase 2, which initially included Pinehurst Section 2, Atascocita Villas Section 1, and Club Point at Pinehurst Section 3. Discussion ensued.

Mr. Bailey presented and recommended payment of Pay Estimate No. 1 in the amount of \$88,928.10 to D.L. Elliott Enterprises, Inc. for the interconnects with Harris County Municipal Utility District No. 151 ("HCMUD No. 151").

Mr. Bailey stated that BGE prepared a proposal for engineering services related to the rehabilitation of Lift Station Nos. 2 and 3. He stated that the proposed work would include a new electrical control panel and wet well equipment at Lift Station No. 3. He recommended approval of the proposal, a copy of which is attached to the Engineer's Report.

Mr. Bailey stated that Stuckey's has completed the ditch rehab work between Rebawood and the Atascocita Shores headwall, including the additional desilting that was authorized at the last meeting. He also stated that Stuckey's has completed installation of the new area inlets along Pinehurst Hole Nos. 2 and 3, behind Rebawood Drive. He recommended approving invoices in the amount of \$20,173.91 and \$6,843.65 for these projects.

The Board discussed the list of areas of potential drainage improvements. The Board discussed having a special meeting to further discuss the potential drainage improvements.

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. 1 to McKinney Construction, Inc. for Waterline Replacement, Phase 1; (3) approve the specific area boundaries, outlined above, to be included in Waterline Replacement, Phase 2; (4) approve Pay Estimate No. 1 to D.L. Elliott Enterprises, Inc. for interconnects with HCMUD No. 151; (5) approve the engineering proposal from BGE for the Rehabilitation of Lift Station Nos. 2 and 3; and (6) approve the invoices from Stuckey's in the amount of \$20,173.91 and \$6,843.65.

10. Discuss and take action in connection with District communications and website and such other matters as may properly come before it. Mr. Bailey stated that he can provide information on the Waterline Replacement, Phase 2 to include on the website. He also stated that information regarding the interconnects with HCMUD No. 151 can be provided for the website. The President stated that Inframark sent a letter to the residents who were affected by the service interruptions in connection with the interconnect project.

11. Discuss cyber security training. Ms. Ellison presented to and reviewed with the Board a memo regarding cybersecurity training, a copy of which is attached hereto as *Exhibit J*. She reported that House Bill No. 3834 requires elected officials of a local government to complete a cybersecurity training program. She noted that the training must be taken annually and that this year's training needs to be completed by June 14, 2020. The President asked Director Mielke to recommend a specific program for directors from the variety available.

12. Discuss meeting location and take appropriate action, and such other matters as may properly come before it. The Board discussed the meeting location. The President proposed meeting at 3 p.m. via teleconference for the next regular meeting.

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 16, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)