

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 18, 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 June 18, 2020 at 3:00 p.m. via videoconference and 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 of the directors named below:

Tim Stine, President
Don House, Vice President
Jerrel Holder, Secretary
Michael Whitaker, Assistant Secretary
Gregg Mielke, Assistant Secretary

All directors were present. The President determined the following additional persons were present: 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, Mr. Seth Isgur and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorneys for the District.

Pursuant to Section 551.054, Texas Gov’t Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District’s website within the time limits prescribed by law. A certificate of such posting is attached hereto as *Exhibit A*. The agenda packet was posted on the website as items became available in compliance with the guidelines issued by the Texas Attorney General.

Call to Order. The President called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. The President then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public Comments.** There were no public comments.
2. **Minutes.** Proposed minutes of the meeting of May 21, 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 May 21, 2020, as revised.

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% of the District's 2019 taxes had been collected to date. Ms. Loaiza reported the 2020 Preliminary Value shows an increase of 9% over 2019.

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 Tax Assessor and Collector's Report, to authorize payment of check numbers 1543 through 1563 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. Kay, who reviewed the Bookkeeper's Report as of June 18, 2020, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit C*. She reported that the expense for check no. 10751 regarding the District's website presented at the last meeting was voided.

Ms. Kay reported that the Certificate of Deposit ("CD") from Third Coast Bank was closed and the funds were transferred into LOGIC.

Ms. Kay noted that a tax exempt form was provided to Hudson Energy and that Hudson Energy will issue a refund for the charged sales tax.

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 accept the Bookkeeper's Report and to authorize payment of check numbers 10759 through 10790 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

5. **Consider FM 1960 Widening issues, including payment for easements and agreements with Texas Department of Transportation.** The President recognized Mr. Thomas, who reported that there are three more easements to secure. He noted that an agreement was reached with one of the property owners and he expects to receive it shortly. Mr. Isgur stated that the condemnation process has begun against the other two property owners. He stated that he is in the process of scheduling the special commissioners hearings and that they will most likely take place in late July or early August. It was the consensus of the Board to authorize Mr. Bailey to attend the special commissioners hearings to speak on the construction on behalf of the District.

Mr. Bailey stated that there are two easements currently with the Harris County Flood Control District. He noted that the widening of FM 1960 has been pushed back until September. He also noted that BGE has not yet received the revised Standard Utility Agreement with the Texas Department of Transportation.

6. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for May 2020, a copy of which is attached as *Exhibit D*. He reported a 90.9%

accountability for the period April 25, 2020 through May 27, 2020. He noted that a hydrant leak may be contributing to the drop in accountability.

Mr. Jenkins reviewed the Major Maintenance Summary for May 2020.

Mr. Jenkins stated that the District received a shipment of 128 more smart meters and that Inframark has installed 854 smart meters so far. He noted that Inframark has 24 meters left in stock and that Inframark has ordered another 256 five-eighths inch meters and 96 one inch meters, and that the meters are supposed to be delivered next week.

Mr. Jenkins reviewed the delinquent list. He reported that 62 letters were mailed, 0 delinquent tags were hung, and no accounts were disconnected due to the Board's prior decision to suspend disconnection through August 1, 2020. He requested authorization to turn four accounts over to Collections Unlimited of Texas in the total amount of \$330.56.

Mr. Jenkins reviewed the proposal to repair Lift Pump No. 1 at Lift Station No. 1 at a cost of \$22,394.00, a copy of which is attached to the Operator's Report.

Upon motion by Director Mielke, 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 turn four accounts over to Collections Unlimited of Texas in the total amount of \$330.56; (3) to accept a proposal from Inframark in the amount of \$22,394.00 to repair Lift Pump No. 1 at Lift Station No. 1; and (4) to continue suspending disconnections and late payment charges through August 1, 2020.

7. 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 E*.

Mr. Bailey presented the draft of the updated Capital Improvements Plan, a copy of which is attached hereto as *Exhibit F*.

Mr. Bailey stated the partial replat of Water Plant No. 2 has been approved by all agencies and was signed and recorded last week.

Mr. Bailey stated that the final inspection for the Water Plant No. 2 HPT addition was held last week and that the contractor is addressing the punchlist items.

Mr. Bailey stated that for the Waterline Replacement, Phase I, the contractor, McKinney Construction, Inc., continues to work on the project. He noted that the contractor continues to switch over service connections to the new water lines and that BGE has worked with them to address customer concerns and complaints. He presented Pay Estimate No. 4 in the amount of \$137,929.50 to McKinney Construction, Inc.

Mr. Bailey stated that BGE is proceeding with the design work on the Rehabilitation of Lift Station Nos. 2 and 3 and that BGE anticipates being ready to go out for bid in July or August. He noted that construction will include a new electrical control panel and wet well equipment at Lift Station No. 3, per Inframark's request. He requested the Board's authorization to advertise for

bids pending completion of the final design.

Mr. Bailey stated that BGE will combine their survey data on the private storm sewer system in front of The Overlook with the information that was provided by Magnaflow.

The Board discussed the list of areas for potential drainage improvements. Mr. Bailey stated that BGE received proposals from Stuckey's today for upcoming drainage repair projects and that the proposals are not in the report. He suggested that the Board review the proposals at the next meeting.

The Board discussed the role of an inspector with Mr. Bailey.

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: (1) approve the Engineer's Report; (2) approve Pay Estimate No. 4 in the amount of \$137,929.50 to McKinney Construction, Inc. for Waterline Replacement, Phase 1; and (3) authorize BGE to advertise for bids for the Rehabilitation of Lift Station Nos. 2 and 3 pending BGE's completion of the final design.

8. **Discuss and take action in connection with District communications and website and such other matters as may properly come before it.** The President stated that he updated Inframark's phone number on the District's website. He also stated that he will be working on the website requirements for Senate Bill 2.

9. **Discuss meeting location and take appropriate action, and such other matters as may properly come before it.** The Board discussed the next meeting. It was the consensus of the Board to hold the July meeting via videoconference.

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 16, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)