

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 16, 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 April 16, 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; and Ms. Kathleen Ellison 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.** The President asked for public comments. There were none.
2. **Minutes.** Proposed minutes of the regular meeting of March 19, 2020, previously distributed to the Board, were presented for approval. 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 minutes of the meeting of March 19, 2020.

3. **Consider approval of Resolution Regarding Declaration of Authority due to an Emergency.** The President recognized Ms. Ellison, who presented to and reviewed with the Board the Resolution Regarding Declaration of Authority due to an Emergency (the "Resolution"), a copy of which is attached hereto as *Exhibit B*. 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 Resolution.

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 97.4% of the District's 2019 taxes had been collected to date. The Board reviewed the Delinquent Tax Report, a copy of which is attached hereto as *Exhibit D*.

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, to authorize payment of check numbers 1526 through 1532 from the Tax Account to the persons, in the amounts, and for the purposes stated in the report and moving tax accounts, and to move the designated accounts to the uncollectible roll.

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 April 16, 2020, the Investment Report, and the Deposit Collateral Report, previously distributed to the Board and attached as *Exhibit E*.

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 10688 through 10717 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

6. **Approve budget for fiscal year ending May 31, 2021.** The President stated that the budget would be discussed at the next meeting.

7. **Consider FM 1960 Widening issues, including payment for easements and agreements with Texas Department of Transportation.** Ms. Ellison reported that Mr. Thomas has been working with the property owners along FM 1960 to secure more easements and a working group consisting of Mr. Bailey, Mr. Thomas, the President and herself was having weekly progress meetings. Ms. Ellison said that Mr. Thomas was sending final offer letters to three property owners who have been unresponsive. She said that condemnation actions may need to be taken against these property owners. Discussion ensued. No action was taken on this item.

8. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for March 2020, a copy of which is attached as *Exhibit F*. He reported a 82.7% accountability for the period February 26, 2020 through March 26, 2020. Mr. Jenkins reviewed the Major Maintenance Summary for March 2020.

Mr. Jenkins informed the Board that due to COVID-19, one of the smart meter manufacturers is shut down and that the District will have to hold off on ordering more smart meters.

Mr. Jenkins reviewed the delinquent list. He reported that 101 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 one account over to Collections Unlimited of Texas in the total of \$257.20.

Upon motion by Director House, seconded by Director Whitaker, after full discussion and the question being put to the Board, the Board voted unanimously: (1) to approve the Operations Report; (2) to turn one account over to Collections Unlimited of Texas in the total of \$257.20; and (3) to continue suspending disconnections and new late payment charges through August 1, 2020.

9. **Discuss Hurricane Preparedness.** Mr. Jenkins presented to and reviewed with the Board the 2020 Storm Plan, a copy of which is attached hereto as *Exhibit G*. Discussion ensued. 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 2020 Storm Plan.

10. **Review Claim against T-Construction and authorize retention of collection attorney.** The President recognized Ms. Ellison, who presented to and reviewed with the Board the Engagement Agreement Regarding Representation of the District and its claim for damages against T Construction, LLC and its claim for damages against Shaw Drilling, LLC, with Bissinger, Oshman & Williams LLP (the "Engagement Agreement"), a copy of which is attached hereto as *Exhibit H*. Discussion ensued. 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 Engagement Agreement.

The President discussed the \$7,800 invoice for the CenterPoint Energy line repair from Stuckey's. 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 invoice from Stuckey's.

11. **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 I*.

Mr. Bailey stated that the partial replat of Water Plant No. 2 has been submitted for agency review.

Mr. Bailey stated that the contractor for the Water Plant No. 2 HPT addition has completed all work except for installing the new gate, which should be done this week. He presented Pay Estimate No. 3 in the amount of \$53,851.50 for the Board's approval.

Mr. Bailey stated that the contractor for the Waterline Replacement, Phase 1, continues to work on the project. He stated that BGE has requested an updated phasing plan and has reminded the contractor that they will need to place new door hangers on all affected residences before proceeding with the work. He presented Pay Estimate No. 2 in the amount of \$230,071.50 for the Board's approval.

Mr. Bailey stated that BGE is proceeding with the survey and preliminary design work for Phase II of the waterline replacement project. He stated that Phase II will include the replacement

of the waterlines in the Pinehurst of Atascocita Section 2, Atascocita Villas Section 1, Club Point at Pinehurst of Atascocita Section 3, and Atascocita Shores Section 2 platted subdivision sections.

Mr. Bailey stated that the contractor for the interconnect project with Harris County Municipal Utility District No. 151, , D.L. Elliott Enterprises, Inc., has completed work on all punch list items from the final inspection. He presented Pay Estimate No. 2 & Final in the amount of \$11,880.90 to D.L. Elliott Enterprises, Inc.

Mr. Bailey stated that BGE is proceeding with design work on the Rehabilitation of Lift Station Nos. 2 and 3, and anticipates going out for bid in July or August.

Mr. Bailey reported that he, Mr. Jenkins and Director Whitaker met on site and noted that there are several inlets and manholes that are filled with silt and debris in the private streets of Pinehurst Drive and Country Club Drive. He said that street flooding is occurring even in moderate rainfall events. He recommended that the Board consider the removal of the silt from these inlets and manholes, and possibly surveying the system to make sure it doesn't connect to the public storm sewer system.

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. 3 to Gemini Contracting Services, Inc. for Water Plant No. 2 HPT Addition; (3) approve Pay Estimate No. 2 to McKinney Construction, Inc. for Waterline Replacement, Phase 1; (4) approve Pay Estimate No. 2 and Final to D.L. Elliott Enterprises, Inc., for interconnects with HCMUD No. 151; and (5) authorize three days of work to remove silt and debris from inlets and manholes on Pinehurst Drive and Country Club Drive in order to map the overall storm sewer system.

12. Discuss and take action in connection with District communications and website and such other matters as may properly come before it. Director Mielke discussed the cyber liability training. He suggested that the Directors complete the Texas Municipal League's cyber liability training.

13. 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 May 21, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)