

MINUTES OF MEETING OF BOARD OF DIRECTORS
MAY 20, 2021

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 May 20, 2021 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. Wendi Devita of Myrtle Cruz, Inc. (“MCI”), bookkeepers for the District; Mr. Allen Jenkins and Mr. Robert Miller 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 videoconference and 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 April 15, 2021, 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 April 15, 2021, as presented.

3. **Authorize auditor to prepare audit for fiscal year ending May 31, 2021.** The Board reviewed the Auditor Engagement Continuance Letter from McCall Gibson Swedlund Barfoot PLLC (“McCall”), a copy of which is attached hereto as *Exhibit B*. Ms. Ellison stated that the District has an evergreen engagement with McCall and that no action is required from the Board, unless the Board has an objection to the engagement. It was the consensus of the Board to authorize McCall to prepare the audit for the fiscal year ending May 31, 2021.

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 99.41% of the District’s 2019 taxes and 98.20% of the District’s 2020 taxes had been collected as of April 30, 2021.

Ms. Loaiza reported that she received the 2021 preliminary values from the Harris County Appraisal District (“HCAD”) and that the estimated value is \$707,926,740, which is a 7.74% increase from 2020.

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 approve the Tax Assessor and Collector’s Report and to authorize payment of check numbers 1651 through 1660 from the Tax Account to the persons, in the amounts, for the purposes stated in the report.

5. **Review Bookkeeper’s Report, authorize payment of bills and approve Investment Report.** The President recognized Ms. Devita, who presented the Bookkeeper’s Report, the Investment Report, and the Deposit Collateral Report, a copy of which is attached hereto as *Exhibit D*.

Ms. Devita noted that another check will need to be issued to WadeCon, LLC for the downstream drainage repairs, as check no. 11085 is in the wrong amount.

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, to authorize payment of check numbers 11072 through 11098 from the Operating Account to the persons, in the amounts, and for the purposes stated therein, and to approve payment to WadeCon for the downstream drainage repairs in the total amount of \$8,000.

6. **Approve budget for fiscal year ending May 31, 2022.** The President reviewed with the Board the proposed budget for the fiscal year ending May 31, 2022, a copy of which is attached hereto as *Exhibit E*.

Upon motion by Director Whitaker, seconded by Director Mielke, after full discussion and the question being put to the Board, the Board voted unanimously to approve the budget for fiscal year ending May 31, 2022.

7. **Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for April 2021, a copy of which is attached as *Exhibit F*. He reported an 85.78% accountability for the period March 27, 2021 through April 28, 2021.

Mr. Jenkins reviewed the Major Maintenance Summary for April 2021.

Mr. Jenkins reported on the motor rebuild for the generator at Lift Station No. 1. He stated that the pistons for the Cummins generator should arrive by June 10, 2021.

Mr. Jenkins reviewed the Consumer Confidence Report ("CCR"). The President stated that the CCR needs to be revised to include the correct meeting date and information on how to access the dial-in information for the telephonic meetings.

Mr. Jenkins reviewed the delinquent statistics. He reported that 88 letters were mailed, 0 delinquent tags were hung, and that no accounts were disconnected for non-payment. He requested authorization to write off one account totaling \$14.09, and to turn four accounts totaling \$437.67 over to Collections Unlimited of Texas.

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 Operations Report, to write off one account totaling \$14.09 and to turn four accounts totaling \$437.67 over to Collections Unlimited of Texas.

8. 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 G*.

Mr. Bailey stated that BGE will begin performing the annual tank inspections this summer. He also stated that BGE recommends the rehabilitation of the Water Plant No. 2 welded Ground Storage Tank and Water Plant No. 1 Hydropneumatic Tank No. 2 this winter. He stated that BGE proposes to bill hourly for the design and construction management services for this project, with an estimated budget of \$50,000.

Mr. Bailey reported on the Waterline Replacement, Phase 2 and stated that the Notice to Proceed was issued on April 12, 2021, and the contractor, Android Construction Services, LLC, has begun the waterline installation on Atascocita Shores Drive. He noted that there is no request for payment this month.

Mr. Baily reported on the Waterline Replacement, Phase 3 and stated that BGE is finishing the initial design on the project and should be ready to submit for agency review next week.

Mr. Bailey stated that the contractor for the Rehabilitation of Lift Station Nos. 2 and 3, T. Gray Utility & Rehab, is preparing to start bypass pumping and replacing riser pipe at Lift Station No. 2.

Mr. Bailey reported on the Bulkhead and Downstream Drainage project at the Wooden Bridge. He stated that WadeCon, LLC has completed work on this project and that they have submitted invoices in the amount of \$47,900 for the bulkhead replacement, and \$8,000 for the downstream drainage repairs.

Mr. Bailey reported on the Auxiliary Generator at Lift Station No. 1 and stated that BGE is

still holding the bids received on March 31, 2021, with the lowest bid submitted by C.F. McDonald Electric in the amount of \$278,469. He noted that the scope includes a new natural gas generator and automatic transfer switch, as well as removal and replacement of the concrete pad.

Mr. Bailey reviewed the list of areas for potential drainage improvements. He reviewed exhibits of proposed drainage improvements for Pinehurst of Atascocita Section 1 involving swales across Point Holes 8 and 9, copies of which are attached hereto as *Exhibit H*. He stated that the swales would help take flow out of the Sunny Shores drainage system, and that the improvements would require removal of trees at a couple of locations, which BGE has discussed with the golf course. He noted that the project has not been priced yet, and that BGE can meet with Stuckey's for an estimate. Discussion ensued. It was the consensus of the Board to authorize BGE to meet with Stuckey's for an estimate and to publically bid the project.

Mr. Bailey reported on the Storm Sewer on Kings River Point and stated that WadeCon, LLC performed their investigation last week on the outfall pipe into the lake. He stated that he will contact WadeCon, LLC for more information.

Mr. Bailey reported on the golf course at Spoonwood Drive and Atascocita Shores and stated that this week's weather prevented Stuckey's from mobilizing to do the work on the east side, Pinehurst Hole 6, and the west side, Pinehurst Hole 7, of Spoonwood. He stated that the golf course has removed the dead trees along the berm behind the Pinehurst Hole 6 green.

Mr. Bailey discussed the American Water Infrastructure Act ("AWIA"). He stated that BGE has prepared the draft Risk and Resilience Assessment (RRA) as part of the AWIA requirements, and that he will review the RRA later in the agenda.

Mr. Bailey stated that BGE reviewed final plans and provided an approval letter for the proposed Raising Cane's restaurant at the former Taco Cabana Site on FM1960.

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) authorize BGE to proceed with the design of rehabilitation of water plant facilities; and (3) approve the payment of invoices to WadeCon, LLC in the amount of \$47,900 and \$8,000 for the bulkhead replacement and downstream drainage repairs.

9. Consider FM 1960 Widening issues, cost sharing of force main relocation per agreement with HCMUD No. 151 and HCMUD No. 153. Mr. Bailey provided an update on the FM 1960 widening. He stated that the utility relocation project includes segments of the force main at Lift Station No. 1 that will be relocated. He noted that the force main is a shared facility of which the District owns 55.18%. He presented a draft cost sharing breakdown between the District, Harris County Municipal Utility District No. 153 ("No. 153") and Harris County Municipal Utility District No. 151 ("No. 151"), a copy of which is attached hereto as *Exhibit I*. Discussion ensued regarding billing No. 153 and No. 151 for the shared expense. It was the consensus of the Board to notify No. 153 and No. 151 of the shared expense, and to collect the expense once the project is completed and numbers are finalized.

Mr. Bailey stated that the meters for the Wendy's and Taco Bell on the South side of FM 1960 need to be moved and the service lines from the meters to the buildings need to be

relocated. Discussion ensued regarding who should relocate the service lines. The Board determined that the service lines are private lines and should be relocated by Taco Bell and Wendy's, respectively. Mr. Bailey then asked about how the District should treat other businesses with meters that need to be moved, such as Burger King, McDonalds and Panda Express. The Board discussed having Inframark extend the service lines to the new meters while it is installing the meter if it is minimal extra work, but otherwise notifying the owners that the service lines from the meters to the businesses is their responsibility. The Board directed Mr. Jenkins and Mr. Bailey to assess each location and report back to the Board.

10. **Discuss and take action in connection with District communications and website.** The President stated that he attended the Association of Water Board Directors ("AWBD") Spring seminar, where emergency communication systems were discussed. He suggested that the Board review the presentation and that if the Board is interested in emergency communication systems that is something that could be discussed.

11. **Cyber security training reminder.** Ms. Ellison reported that the cyber security training is due by June 14, 2021. She noted that directors can send confirmation of completion to Ms. Maher.

12. **Other director and consultant reports.** Director Mielke stated that he reviewed the AWBD bylaw changes and that there are no major changes to discuss.

13. **Discuss meeting location and take appropriate action.** The President stated that the Board meeting of June 17 is the same day as the start of the AWBD Summer conference. He proposed that the Board change the meeting date to June 16, 2021, at 3:00 p.m. It was the consensus of the Board to hold the next meeting on June 16, 2021 via videoconference.

14. **Executive Session pursuant to Section 551.076 of the Open Meetings Act to discuss security devices or security audits.** 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 enter into Executive Session at 4:58 p.m. pursuant to Section 551.076, Texas Gov't Code, to discuss security devices and security audits. At this time all persons left the meeting, except the Board members, Ms. Ellison, Ms. Maher, Mr. Jenkins, Mr. Miller, and Mr. Bailey.

15. **Return to open session.** 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 enter into public session at 5:13 p.m. No members of the public reentered the meeting.

16. **Authorize certification to EPA of completion of Risk and Resiliency Report; and such other matters as may properly come before it.** 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 authorize BGE to certify to the EPA completion of the District's Risk and Resiliency Assessment.

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 16, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)