

MINUTES OF MEETING OF BOARD OF DIRECTORS  
AUGUST 19, 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 August 19, 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. Pahjmon Lipsey and Mr. Kyle Bauer, residents of the District; Ms. Julia McCain of McCall Gibson Swedlund Barfoot PLLC, auditors for the District; 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 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 July 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 July 15, 2021, as presented.

3. **Discuss backyard drainage on Kings Crown Court.** The President recognized Mr. Lipsey and Mr. Bauer. Mr. Bauer stated that water drains through his and Mr. Lipsey's properties to the ponds at the golf course, and that the culvert pipe into the roadside ditches along Kings River is plugged up so water cannot drain to the lake through the ditches. He noted that during rain events the ponds fill up and water backs up into the back of their properties. He suggested that a solution could be to deepen the ditch to the ponds and to lower the culvert pipes along the road so the water has an alternative route to drain to the lake. Discussion ensued.

Mr. Bailey stated that the first step would be to obtain more survey topo shots along the roadside ditch on Kings River Road to see if the culvert pipes from the undeveloped areas and the roadside ditches could be lowered to help drain the area. The consensus of the Board is to get additional topo survey shots along the roadside ditch on Kings River Road, behind all the houses on the East side of Kings Crown Court and get the elevations of the outlet pipes at both ends of the ditch. Mr. Bailey said it would take one to two weeks to do the surveying.

4. **Approve audit for fiscal year ended May 31, 2021.** The President recognized Ms. McCain, who reviewed with the Board a draft audit, and management letter with response, copies of which are attached hereto as *Exhibit B*. Ms. McCain stated that the reimbursement percentage for the FM 1960 Widening and Expansion Project would be updated from 80% to 85%.

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 audit for fiscal year ended May 31, 2021, including the revision noted, and to authorize filing of same with the Texas Commission on Environmental Quality and Comptroller's Office.

5. **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 99.50% of the District's 2019 taxes and 98.8% of the District's 2020 taxes had been collected as of July 31, 2021.

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 1680 through 1687 from the Tax Account to the persons, in the amounts, for the purposes stated in the report.

6. **Approve transfer of tax account to Allegiance Bank and consider Depository Pledge Agreement with Allegiance Bank.** The President recognized Ms. Loaiza, who stated that Wells Fargo Bank is beginning to implement fees and suggested that the Board move the tax account with Wells Fargo Bank to Allegiance Bank.

Ms. Ellison presented to and reviewed with the Board the Depository Pledge Agreement with Allegiance Bank (the "DPA"), a copy of which is attached hereto as *Exhibit D*.

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 authorize the transfer of the tax account from Wells Fargo Bank to Allegiance Bank and to approve the DPA.

7. **Review Bookkeeper's Report, authorize payment of bills and approve Investment Report.** The President recognized Ms. Kay, who presented the Bookkeeper's Report,

the Investment Report, and the Deposit Collateral Report, copies of which are attached hereto as *Exhibit E*.

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 accept the Bookkeeper's Report and to authorize payment of check numbers 11170 through 11196 from the Operating Account to the persons, in the amounts, and for the purposes stated therein.

**8. Adopt Resolution Reviewing Investment Policy and accept related party disclosures.** The President recognized Ms. Ellison, who presented to the Board a Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto (the "*Resolution*"), a copy of which is attached hereto as *Exhibit F*.

Ms. Ellison stated that the District reviews its investment policy and updates the List of Authorized Brokers attached to the policy on an annual basis.

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 Resolution.

**9. Review Operations Report and authorize District maintenance and termination of delinquent account.** The President recognized Mr. Jenkins, who reviewed the Operations Report for July 2021, a copy of which is attached as *Exhibit G*. He reported a 94.8% accountability for the period June 30, 2021 through July 28, 2021. Discussion ensued.

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

Mr. Jenkins reported on the motor rebuild for the generator at Lift Station No. 1 and stated that the rebuild is complete and the motor is up and running.

Ms. Kay stated that she will prepare a check for Inframark's invoice for work related to the FM 1960 Widening and Expansion Project.

Mr. Jenkins reviewed the delinquent statistics. He reported that 90 letters were mailed, 34 delinquent tags were hung, and that 11 accounts were disconnected for non-payment. He requested to turn two accounts totaling \$202.76 to Collections Unlimited of Texas.

Mr. Jenkins stated that he would provide the costs for the new permits for flammable materials being required by Harris County at the next meeting.

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 approve termination of the delinquent accounts in accordance with the Rate Order, to turn two accounts totaling \$202.76 over to Collections Unlimited of Texas, and to approve the additional check for the FM 1960 Widening and Expansion Project expenses.

**10. 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 continue to perform the annual tank inspections this summer.

Mr. Bailey reported on the Waterline Replacement, Phase 2 and stated that the contractor, Android Construction Services, LLC, continues the waterline installation on the project. He presented Pay Estimate No. 4 in the amount of \$174,613.25 for the Board's approval. He also presented Change Order No. 2 in the amount of \$16,728.00 for additional U-branch assemblies for the 123 double meter connections.

Mr. Baily reported on the Waterline Replacement, Phase 3 and stated that BGE has reviewed comments from Harris County and the City of Houston and is addressing those comments prior to resubmittal for final approvals.

Mr. Bailey stated that the contractor for the Rehabilitation of Lift Station Nos. 2 and 3, T. Gray Utility & Rehab, continues the rehab work at Lift Station Nos. 2 and 3, including the replacement of vertical piping. He presented Pay Estimate No. 2 in the amount of \$40,950.00 for the Board's approval.

Mr. Bailey reported on the rehabilitation of the Water Plant facilities and stated that BGE is finalizing the design of the rehabilitation of the Welded Ground Storage Tank at Water Plant No. 2 and the Hydropneumatic Tank No. 2 at Water Plant No. 1. He requested the Board's authorization to advertise for bids pending completion of the final design.

Mr. Bailey reviewed the list of areas for potential drainage improvements. He stated that the drainage improvements involving swales across Point Holes 8 and 9 will help take flow out of the Sunny Shores drainage system. He noted that the golf course has indicated that they would like to have this work performed in late winter of next year. A question was raised regarding golf course responsibility for procuring and placing the required sod. The President asked Mr. Baily to clarify this with Mr. Kirchhofer.

Mr. Bailey reported on the Storm Sewer on Kings River Point and stated that BGE received proposals from two contractors for point repairs on the damaged 24-inch outfall pipe and restoration of the sink hole areas on the surface. He stated that T. Gray Utility & Rehab provided a proposal in the amount of \$10,810.00 and Texas Pride Utilities provided a proposal in the amount of \$21,660.00.

Mr. Bailey noted that the Board discussed under a previous agenda item obtaining additional survey topo shots along the roadside ditch on Kings River Road to see if the culvert pipes from the underdeveloped areas and the roadside ditches could be lowered to help drain the area for Shores Hole Nos. 4 & 5.

Mr. Bailey reported on the Drainage Channel Outfall to Atascocita Shores and stated that there are a number of areas where a significant amount of dirt and silt have built up, which impedes the drainage capabilities of the channel and reduces the amount of storage capacity in the channel during large rainfall events.

Mr. Bailey discussed the American Water Infrastructure Act ("AWIA"). He stated that BGE is moving forward with the Emergency Response Plan, which has a December 31, 2021 deadline for certification of compliance.

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: (1) approve the Engineer's Report; (2) approve Pay Estimate No. 4 and Change Order No. 2 to Android Construction

Services, LLC in the amounts of \$174,613.25 and \$16,728.00; (3) approve Pay Estimate No. 2 to T. Gray Utility & Rehab Co., LLC, in the amount of \$40,950.00; (4) authorize advertisement for bids on the Rehabilitation of Water Plant Facilities project; (5) authorize BGE to obtain additional survey topo shots along the roadside ditch on Kings River Road and behind the houses on Kings Crown Court, and (6) award the bid for the point repairs to the Storm Sewer on Kings River Point to T. Gray Utility & Rehab in the amount of \$10,810.00.

11. **Consider FM 1960 Widening issues, including hook up of new meters.** Mr. Jenkins provided an update on the FM 1960 widening. He stated that as of this morning, Inframark has shut off the 16-inch water main along FM 1960 from Jack in the Box down to Ross. He noted that Inframark will remove the old meters in front of Taco Bell and Wendy's that are in the Texas Department of Transportation ("TxDOT") right-of-way. He stated that there is one tie-in left at Town Center as the McDonald's and Panda Express lines are in the way. He noted that the lines would be moved by TxDOT.

12. **Discuss and take action in connection with District communications and website.** There was no report.

13. **Other director and consultant reports.** There was no report.

14. **Discuss meeting location and take appropriate action.** Ms. Ellison stated that the Office of the Governor intends to lift the temporary suspension of certain provisions of the Open Meetings Laws after September 1, 2021, which would mean the District would need to revert back to having physical meetings. She discussed the option of hybrid meetings, but noted that there would still need to be a physical location with two-way communication where the public can attend.

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 declare an emergency under Section 551.125 of the Texas Government Code due to the imminent threat to public health and safety arising from the COVID-19 pandemic, thereby allowing the District to hold an open meeting by telephone conference for the September Board 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 September 16, 2021.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)