

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 132
MINUTES OF MEETING

August 21, 2017

STATE OF TEXAS §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 132 (the "District") met in regular session at the designated meeting place of the Board inside the boundaries of the District, 4107 Evening Trail, Spring, Texas 77388, on August 21, 2017, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

William R. Papp	President
Mary Bonetati	Vice President
Peggy Batson	Secretary
Terry Williams	Assistant Secretary
Pre Moss	Assistant Secretary

All members of the Board were present except Director Williams, thus constituting a quorum.

Also present were Rose Marie Garrett, resident of the District; Michael Murr with Park Rangers, LLC, landscape architect for the District; Rene Anandel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); Maria Salinas Parker and Ryan LaRue of Sanford Kuhl Hagan Kugle Parker Kahn, LLP, ("SKLaw") the District's Attorney ("Attorney"); Tony Sarman of AEI Engineering, LLC, ("AEI") the District's Engineer ("Engineer"); Andy Phelps with Environmental Development Partners ("EDP"), the District's Operator ("Operator"); and Cindy Schmidt with L&S District Services, LLC, the District's Bookkeeper ("Bookkeeper").

The meeting was called to order, and the following business was transacted.

TAX ASSESSOR/COLLECTOR'S REPORT

The President recognized Ms. Anandel, who presented the Tax Assessor/Collector's Report, a copy of which is on file in the official records of the District. She presented checks from the tax account for approval by the Board. It was noted that the District has collected 98.48% of its 2016 taxes.

Upon motion duly made, and seconded, the Board unanimously approved the Tax Assessor/Collector's Report as presented, and the check presented for payment.

DELINQUENT TAX REPORT

The Board recognized Ms. Anandel, who reviewed with the Board the Delinquent Tax Report as submitted by Perdue Brandon Fielder Collins & Mott LLP ("PB"), a copy of which is on file in the official records of the District.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax Report.

LANDSCAPE ARCHITECT REPORT

The Board recognized Mr. Murr, who presented the Garden Report, a copy of which is on file in the official records of the District. Mr. Murr reported that most of the signs have been delivered and installed. The remaining signs should arrive within the week, he added. Mr. Murr stated that the plant replacement program is on hold due to the heat. There has been a capture of one armadillo in the Garden. Trees are being treated for insect infestation. Mr. Murr then reviewed with the Board various materials for replacement of the boardwalk.

Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report.

BOOKKEEPER'S REPORT

The Board recognized Ms. Schmidt, who submitted to and reviewed with the Board the Bookkeeper's Report. The Board noted the balances in each of the District's accounts and noted investments in each account. The Board then reviewed the activity in each account. The Board also reviewed the invoices and the checks prepared in payment thereof.

The Directors then reviewed: (1) the Cash Flow Report for the District's Operating Fund; (2) Investment Report, and (3) the Budget Comparison, copies of which are included with and/or attached to the Bookkeeper's Report.

After consideration and upon motion made and seconded, the Board unanimously approved the Bookkeeper's Report, Investment Report, and the checks presented for payment.

APPROVAL OF MINUTES

Proposed minutes of the meeting of July 17, 2017, previously distributed to the Board were presented for consideration and approval.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of July 17, 2017.

OPERATIONS REPORT

The Board recognized Mr. Phelps, who submitted to and reviewed with the Board the Operations Report, a copy of which is attached hereto. Mr. Phelps reported as hereinafter noted.

1. The District has a total connection count of 667.
2. The water accountability for the prior month was 96%.
3. There are 91 accounts on the delinquent list.
4. There are five delinquent, uncollectable accounts for write-off.

On Tuesday, May 16, 2017, M & P Technologies damaged a water main line on Kuykendahl causing service interruption for approximately six (6) hours. Emergency repairs were made. M & P Technologies was back billed for the repairs, and they are refusing to pay. EDP sent a second demand letter.

Phases 1 and 2 of the valve survey are complete, except for importing the data in the water line map system. Minor repairs to noted items are in progress.

Repairs are pending to the 8-inch swing arm check valve and gate valve on lift pump 2.

Director Papp noted that the invoice from NTS seems excessive for the work performed; and he asked Mr. Phelps to check with NTS.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operation's Report; (2) approve turning over the accounts finalized with a balance in excess of twenty-five dollars, for collection, if any, (3) approve the write off of the delinquent uncollectable service accounts finalized with a balance of less than twenty-five dollars, if any, and (4) authorize EDP to release to the Attorney the information concerning M&P Technologies, if said company fails to pay.

TERMINATION OF WATER SERVICE

Consideration was then given to the termination of water service to certain delinquent accounts. At this time, the Operator presented to the Board a list of terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion duly made and seconded, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the termination report, a copy of which is attached hereto.

ENGINEER'S REPORT

The Board recognized Mr. Sarman, who presented the Engineer's Report, a copy of which is on file in the official records of the District.

Emergency Generator at District Water Plant

At the meeting on January 16, 2017, the Board awarded the contract for the installation of the gas generator to Genrg Power Solutions d/b/a Generators of Houston ("Genrg") in the amount of \$399,753. Genrg is working on installation of the controls. Genrg submitted for approval Pay Estimate No. 3 in the amount of \$256,652.10. AEI is waiting for delivery of the O&M Manual.

Sanitary Sewer Rehabilitation of Area D

IPR South Central, LLC ("IPR") was awarded the contract for the sanitary sewer rehabilitation for Area D. The contract amount is \$130,175, which amount is inclusive of the alternate bid item (\$7,050.00) for the one-year warranty televising. IPR has completed the sanitary sewer lining. AEI has asked IPR to provide the videos as required by the contract. IPR submitted for approval Pay Estimate No. 1 in the amount of \$81,309.60. IPR has settled with two property owners for damage to their property for sewer backup that occurred while IPR was performing the sewer rehabilitation.

Sanitary Sewer Rehabilitation of Joint Lines

AEI has tabulated the ownership of the joint sanitary sewer lines. AEI has received concurrence on the ownership ratios from the engineer for Cypresswood Utility District ("CUD"). AEI is awaiting concurrence from Harris County MUD No. 275.

HCFCD Outfall Erosion

AEI continues to reach out to Harris County Precinct 4 regarding the status of the repair to the exposed sanitary sewer line along Cypress Creek. A storm sewer has eroded the banks of the creek such that the 12-inch sanitary sewer line is exposed. A portion of the storm sewer line is leaning into the sanitary sewer line. Harris County has placed staking in the area, but no repairs have been made.

Sanitary Sewer Rehabilitation Evening Trail

AEI has reviewed the survey of the easement to determine the scope of repairs for the root intrusion as well as the swag in the line along Evening Trail. The portion of the line containing the swag must be replaced. AEI estimated a cost of \$86,094 to repair the sanitary sewer line. AEI reviewed with the Board various options to repair the line; and recommended the open cut method to replace the portion of the line that sags. It was also noted that several customers have facilities located in the easement. The Board agreed that the customers should be notified of the encroachment when the repairs are undertaken.

Veterinary Clinic

Mr. Sarman reminded the Board that the veterinary clinic located at 17550 Kuykendahl, while in the process of renewing its private water well permit was required by the the Harris-Galveston Coastal Subsidence District (“HGCS D”) to ask the District whether it has capacity available to serve the veterinary clinic. Mr. Sarman provided information to the owner as to the probable cost to receive services from the District. The property owner provided this information to the HGCS D. Upon receipt of the probable cost HGCS D issued a water well permit to the property owner.

Emergency Preparedness Plan (“EPP”)

AEI will update the EPP for the new generator.

AEI Fees

AEI’s engineering and cost summary is attached to the Engineer’s Report.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Engineer’s Report, (2) Pay Estimate No. 3 to GNRG, (3) Pay Estimate No. 1 to IPR and (4) AEI preparing the plans and specifications to repair the sewer line on Evening Trail.

ATTORNEY’S REPORT

Amend Rate Order

No action was taken on amending the Rate Order.

Amendment to Joint Facilities Contract

The Board deferred action on a proposed Amendment to Joint Facilities Contract.

Legislative Update

The Board recognized Ms. Parker, who updated that Board on legislative matters.

Annual Review of Investment Policy

At this time, the Board conducted its annual review of the Investment Policy.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Investment Policy, a copy of which Resolution is on file in the official District's records.

2017 Tax Rate

The Board deferred action on the 2017 tax rate.

GARDEN REPORT

There was no Garden Report.

APPROVE AND TAKE ACTION ON NEWSLETTER

No action was taken on the newsletter.

UPDATE ON WEBSITE

Directors Batson and Papp updated the Board on the website.

PONDEROSA JOINT POWERS AUTHORITY ("PJPA") REPORT

There was no PJPA report.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REPORT ("RWA")

Director Bonetati submitted and reviewed with the Board a report on the RWA. A copy of said report is on file in the official records of the District.

There being no further business to come before the Board, upon motion duly made and seconded, the Board voted unanimously to adjourn.

PASSED AND APPROVED

September 18, 2017

Date

Ray L. Burt

Secretary of the Board of Directors