

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

February 18, 2019

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 February 18, 2019, at 5:30 p.m. The roll was called of the duly constituted officers and members of the Board, to-wit:

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

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

Also present were Michael Murr with Murr Incorporated, Landscape Architect for the District; Ryan Fortner with Sales Revenue Inc. ("SRI"); Rene Anadel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); 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"); Andrew Phelps and Johnson Ashcroft 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.

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

Director Moss 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.

At this time Director Moss left the meeting.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Anadel, 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 95.3% of its 2018 taxes.

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

DELINQUENT TAX REPORT

The Board recognized Ms. Anzel, 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/PARK REPORT

The Board recognized Mr. Murr, who presented the Park Report. A copy of said report is on file in the official records of the District. The Board noted that:

1. Working on the walks is complete.
2. Regrading and reseeding the area in the area of the walkway and repair the hexagonal bench at an estimated of cost \$2,200 was recommended.
3. The flagstone needs to be filled with gravel at an estimated cost of \$1,500 and repairs to the trellis at an estimated cost of \$1,500.00.

Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report and to authorize Mr. Murr to proceed with (1) re-grading and reseeding of the walkway and repairing the hexagonal bench at an estimated cost of \$2,200, (2) filling in the flagstone at a cost not to exceed \$1,500, and (3) rebuilding the trellis at a cost not to exceed \$2,000.

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 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 January 21, 2019, 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 January 21, 2019, as changed.

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.

- The District has a total connection count of 668.
- The water accountability for the prior month was 97%.
- There are 39 accounts on the delinquent list.
- The installation of the valve at Cypress Spring and Fir Forest is complete. EDP is working on the valve at Fir Forest and Mantana.
- Total awards from FEMA for damage caused by Hurricane Harvey total \$30,823.05. The District received insurance proceeds for damages related to Harvey totaling \$207,735.84.
- The generator replacement at the lift station is in progress.
- C Water Services pulled water plant booster pump 4 due to a leak at the discharge head. Repairing the pump is not possible as there is corrosion on the head. AEI and EDP are evaluating replacement options. The estimated cost for replacement is \$33,000.
- It is necessary to install a fire vault at the facility at 4290 Cypress Hill Drive. The estimated cost is \$18,000.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operation's Report including authorizing the expenditure of \$33,000 to replace booster pump number 4 at the water plant; (2) approve turning over the accounts finalized with a balance in excess of twenty-five dollars, for collection, if any, and (3) approve the write off of the delinquent uncollectable service accounts finalized with a balance of less than twenty-five dollars, if any.

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.

Lift Station Generator

At the meeting on March 28, 2018, the Board accepted the bid from W.W. Payton ("Payton") in the amount of \$480,000 for the lift station generator. This project is in progress. Payton submitted Pay Estimate No. 1 in the amount of \$393,984 for Board approval and payment. Change Order No. 1 in the amount of \$10,000 for installation of handrails was presented for Board approval.

Escrow Release

Mr. Sarman stated that applications for release of escrowed funds will be prepared for painting the exterior and interior of the elevated storage tanks and replacement of the lift station pumps.

Capacity Request A1 Texas Realty ("A1")

AEI submitted the Feasibility Study to A1 for review. Mr. Sarman reminded the Board that preliminary findings indicate that the District has sufficient water and wastewater capacity to serve the A1 Tract which is located outside the District's boundaries. It will be necessary for A1 to (1) extend the District's water lines in order to obtain water service, and (2) construct a lift station and force main to transport waste from the A1 tract to the District collection system.

Building Fire Line 4290 Cypress Hill Drive

AEI met with Harris County regarding the fire line at 4290 Cypress Hill Drive is not connected to the building water service meter. AEI is requesting a water easement from Harris County for the new vault.

Harris County Flood Control District ("HCFCD") Vehicle Restriction

HCFCD will install bollards and gates on the east side of Kuykendahl Road to prevent access of unauthorized vehicles on the drainage ditches.

20,000 Hydro Tank Full Inspection

The 20,000 hydropneumatic tank was inspected on February 12, 2019. The inspection report will be presented at the March meeting.

District Utility Map

AEI is updating the utility map to correct location of valves and fire hydrants.

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 the Engineer's Report, to authorize EDP to proceed with the installation of the fire line at 4290 Cypress Hill Drive, and to authorize AEI and EDP to coordinate the inspection of the 20,000 hydropneumatic tank.

ATTORNEY'S REPORT

The Board recognized Mr. LaRue, who presented the Attorney's Report.

Rate Order

Consideration was then given to amending the Rate Order to provide for annexation procedures.

Upon motion duly made and seconded the Board voted unanimously to amend the Rate Order to include annexation procedures.

Engage Attorney To Collect Delinquent Taxes

Consideration was then given to engaging an attorney to collect the District's delinquent taxes. The Board noted that the District has a contract with Perdue, Brandon, Fielder & Mott, LLP to collect the District's delinquent taxes and that such contract continues until terminated.

Upon motion duly made and seconded, the Board voted unanimously to engage the services of Perdue, Brandon, Fielder & Mott, LLP to collect the District's delinquent taxes, including the 2018 taxes that are delinquent on July 1, 2019, and thereafter.

Resolution Implementing 20% Penalty

Consideration was next given to a proposed Resolution Implementing 20% Penalty on 2018 Delinquent Taxes.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning 20% Penalty on Delinquent Taxes, thereby imposing an additional 20% penalty on the 2018 taxes delinquent on July 1, 2019, and thereafter. A copy of said Resolution is on file in the official records of the District.

Resolution Concerning Tax Exemptions For 2017

Consideration was next given a proposed Resolution Concerning Tax Exemptions for 2019.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2019, thereby granting a \$20,000 homestead exemption to qualifying property owners who are disabled or are 65 years of age or older, and a 20% homestead exemption. A copy of said Resolution is on file in the official records of the District.

Resolution Requesting Release of Escrowed Funds

Consideration was then given to a proposed Resolution Requesting Release of Escrowed Funds for funds relating to the recoating of the interior and exterior of the ground storage tank.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Requesting Release of Escrowed Funds, a copy of which is on file in the official records of the District.

Resolution Approving Submittal of Water Smart Application

Consideration was then given to a proposed Resolution Approving Submittal of Water Smart Application.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Approving Submittal of Water Smart Application, a copy of which is on file in the official records of the District.

STRATGEIC PARTNERSHIP AGREEMENT (“SPA”)

The Board then recognized Mr. Fortner, who reviewed with the Board the services provided by SRI relating to sales tax collections.

Upon motion duly made and seconded, the Board voted unanimously to approve the Agreement with SRI, subject to review by the Attorney. A copy of said Agreement is on file in the official records of the District.

APPROVE AND TAKE ACTION ON NEWSLETTER

There was no action on the newsletter.

UPDATE ON WEBSITE

No action was taken on the website.

PONDEROSA JOINT POWERS AUTHORITY (“PJPA”) REPORT

The PJPA report was then presented, a copy of which is on file in the official records of the District.

ASSOCIATION OF WATER BOARD DIRECTORS (“AWBD”)

Director Papp who reported on the AWBD meeting held on February 13, 2019.

PARK COMMITTEE

Directors Batson and Bonatati then reported on the meeting for the Cypress Creek Greenway Project.

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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

03/18/19
Date


Secretary of the Board of Directors