

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

April 15, 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 April 15, 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 Brian Toldan with McCall Gibson Swedlund & Barfoot, PLLC, auditor for the District; Michael Murr with Murr Incorporated, Landscape Architect for the District; Rene Anadel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); Ryan LaRue and Maria Salinas Parker 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.

AUDIT FISCAL YEAR ENDED DECEMBER 31, 2018

The Board recognized Mr. Toldan, who presented a draft audit for fiscal year ended December 31, 2018, a copy of which audit is on file in the official records of the District.

Upon motion duly made and seconded, the Board voted unanimously to approve the audit for fiscal year ended December 31, 2018.

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 96.62% 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. Andel, 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. Mr. Murr updated the Board on projects in progress in the Park and ongoing maintenance.

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 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 March 18, 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 March 18, 2019, as submitted.

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 35 accounts on the delinquent list.
- There were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.

- The installation of the valve at Fir Forest and Mantana is in progress. The non-standardized pipe has presented complications. EDP is evaluating the valve repairs completed to date.
- 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. EDP is working on a reconciliation of insurance reimbursement and FEMA proceeds. Director Papp stated that he is reviewing the District's insurance policy as it relates to extra expense. He does not agree with the carrier's position that extra expense coverage is not provided under the flood policy.
- The generator replacement at the lift station is substantially complete.
- A new water plant booster pump 4 has been ordered. It will take approximately two to three months for delivery. The estimated cost is \$33,000.
- The North Harris County Regional Water Authority surface water fee increased to \$4.30 per 1,000 gallons of water and with the District \$0.55 water loss fee, the cost to the customer will be \$4.52. The Board agreed to consider reducing the water loss fee next fiscal year based on the accountability ratio.
- The manhole located on Kuykendahl and Cypresswood was repaired.
- EDP determined that the defect in the tap at 4003 Cypress Lakes Drive is on the District's line and consequently, the customer at said address was refunded the cost of the plumber's invoice.
- The sanitary sewer line on Tall Cypress was cleaned and televised. There was a large accumulation of grease in the line.
- The Cypresswood Homeowner's Association is considering a larger water meter.

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, 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. Mr. Sarman updated the Board on this project. Payton submitted Pay Estimate No. 2 in the amount of \$43,353 for payment.

Escrow Release

Mr. Sarman stated that application for release of escrowed funds was submitted to the Texas Commission on Environmental Quality (“TCEQ”) for approval. The funds are for painting the exterior and interior of the elevated storage tanks and replacement of the lift station pumps. The TCEQ has issued the Administratively Complete Letter on the escrow release application.

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. A1 is evaluating its options.

Building Fire Line 4290 Cypress Hill Drive

AEI is working with EDP on finalizing the tap fee cost for the meter vault at 4290 Cypress Hill Drive.

Ground Storage Tank Hatch Inspection

Both 210,000-gallon ground storage tanks are due for hatch inspections in May.

Booster Pump

The booster pump needs to be replaced with a 700 gpm pump. AEI received the specifications from EDP. AEI will notify the TCEQ of the change in pump size.

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, and Pay Estimate 2 to Payton.

ATTORNEY’S REPORT

The Board recognized Ms. Parker, who presented the Attorney’s Report.

Rate Order

No action was taken on the Rate Order.

Review Of Red Flag Policy

Consideration was then given to a proposed Resolution Regarding Annual Review of Red Flag Program. At this time, the Board conducted a review of the Red Flag Program; noting that a report generated by the Operator in connection therewith is attached to the Operations Report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of the Red Flag Program. A copy of said Resolution is on file in the official records of the District.

Legislative Update

Mr. LaRue then updated the Board on legislative matters.

Joint Facilities Contract

Director Papp stated that he is reviewing the Joint Facilities Contract, and the ratios for cost sharing.

STRATEGIC PARTNERSHIP AGREEMENT ("SPA")

The Board recognized Director Papp, who stated that he is working with Mr. Fortner on the SPA Report.

APPROVE AND TAKE ACTION ON NEWSLETTER

The was no action on the newsletter.

UPDATE ON WEBSITE

No action was taken on the website.

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.

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 reported on the AWBD meeting held on April 10, 2019.

PARK COMMITTEE

There was no report on the Cypress Creek Greenway Project.

RESOLUTION SUPPORTING WILLIAM R. PAPP TO BOARD OF TRUSTEES OF THE ASSOCIATION OF WATER BOARD DIRECTORS

Director Papp informed the Board that he has decided not to seek election to the Board of Trustees of the Association of Water Board Directors.

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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

May 20, 2019

Date


Secretary of the Board of Directors