

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

October 21, 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 October 21, 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; Rene Anandel 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; Tony Sarman of AEI Engineering, LLC, ("AEI") the District's Engineer; Andrew Phelps and Johnson Ashcroft with Environmental Development Partners ("EDP"), the District's 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.

HEAR FROM THE PUBLIC

The Board noted that there were no members of the public present at the meeting who wished to address the Board.

PUBLIC HEARING ON PROPOSED 2019 TAX RATE

The Board opened the meeting to a public hearing on the proposed 2019 tax rate, asking members of the public if they wished to comment on the proposed tax rate. Noting there were no comments, the public hearing was adjourned.

ORDER SETTING TAX RATE AND LEVYING TAX FOR 2019

Consideration was next given to a proposed Order Setting Tax Rate and Levying Tax for 2019. Having conducted the public hearing as required by law and publishing notice thereof, the Board deemed it appropriate to proceed with setting the 2019 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to (1) set and levy a debt service tax of \$0.185 per \$100 assessed valuation, and a maintenance and operation tax of \$0.195 per

\$100 assessed valuation, for a total tax rate of \$0.380 per \$100 assessed valuation; and (2) adopt the Order Setting Tax Rate for 2019, a copy of which is on file in the Official Records of the District.

AMENDED NOTICE TO SELLERS AND PURCHASERS

Consideration was given to the proposed Amended Notice to Sellers and Purchasers, which Notice sets forth the 2019 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the Official Records of the District.

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 99.33% 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. Anadel, 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. Mr. Murr stated that he will work with Director Batson on the Park budget for 2020.

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 (1) Bookkeeper's Report, (2) Investment Report, and (3) the checks presented for payment.

APPROVAL OF MINUTES

Proposed minutes of the meetings of September 16, 2019, September 25, 2019 and October 2, 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 meetings of September 16, 2019, September 25, 2019 and October 2, 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 94%.
- There are 36 accounts on the delinquent list.
- There were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- Total awards from FEMA for damage caused by Hurricane Harvey total \$316,815.58, Federal share. EDP continues to work with FEMA to recover additional funding on the generator rental costs.
- Replacement of Lift pump 5 with a Flygt pump is pending. NTS has ordered the pump at a cost of \$51,622.00.
- There was a main water line break at Tall Cypress and Evening Trail. The break is located under a Harris County road which will require boring a new line under the road. The estimated cost is \$20,000. Temporary road repairs were made pending Harris County approval of proposed permanent repairs.
- During the scheduled testing of the water well, it was discovered that the well pump is failing as evidenced by brass particles in the water. CC Water Services ("CC") was called in to pull the well pump. It was transported to CC's shop for evaluation. The scope of repairs is extensive.
- Inspection and testing of the fire hydrants were conducted in September. The fire hydrants were installed approximately thirty-five (35) years ago and are nearing the end of their useful life. A replacement program should be added to the Capital Projects Plan. At this time EDP is recommending necessary repairs, replacement of non-functioning reflectors and water blasting/painting as necessary at a cost of \$19,828.75.

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, (4) authorize the engineer to prepare plans and specifications for the repairs to the water well, (5) authorize advertisement of bids for the water well repairs and (6) authorize EDP to proceed with the fire hydrant repairs as noted above.

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.

Escrow Release

Mr. Sarman stated that AEI is reviewing the information submitted by the Operator for preparation of the escrow release application.

Building Fire Line 4290 Cypress Hill Drive

Harris County has provided the recorded easements for the meter vault. The meter vault will be installed on October 28, 2019.

Booster Pump

AEI is finalizing the letter to the TCEQ regarding the change in pump size.

Water Well Rehabilitation

On September 25, 2019, the bi-annual performance testing was conducted on the water well. GM Services identified brass flakes in the water being pumped. The pump was turned off and pulled for inspection.

CC inspected the pump and equipment. The impellers show wear from the bearings. The motor is also showing wear on the shaft. In addition, six (6) joints of the 5-inch column pipe are showing signs of wear on the threads and need to be replaced. The camera survey identified areas of the screen that are filled with debris. It is recommended that the well be wire brushed and air lifted. CC provided an estimate of \$93,483 to clean the well and replace the pump equipment. AEI does not perceive this to be an emergency repair as the District is able to receive water from the NHCRWA and the CUD wells. AEI will prepare specifications for bidding.

Elevation Certificate for the Lift Station

AEI received the finalized elevation certificate for the Lift Station on October 17, 2019. It was submitted to Directors Papp and Moss for coordination with the insurance company. It was also submitted to the Attorney for the District's records.

Tall Cypress Pavement Repair

AEI and the Operator met with Harris County on October 8, 2019 to discuss the road repairs on Tall Cypress. On October 10, 2019, Harris County returned to see the damage with the steel plates removed. Harris County expects a minimum of 6-inches of base and 6-inches of pavement.

AEI is preparing the plans and specifications for submittal to Harris County and for solicitation of proposals from contractors.

Joint Sanitary Sewer Rehabilitation

The one-year warranty for the Joint Sanitary Sewer Rehabilitation project is scheduled for October 30, 2019, at 2pm.

District Utility Map

AEI finalized 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.

ATTORNEY'S REPORT

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

Legislative Update

Ms. Parker then updated the Board on legislative matters.

Amended and Restated Investment Policy

Consideration was then given to a proposed Amended and Restated Investment Policy.

Upon a motion duly made and seconded, the Board by unanimous vote approved the Amended and Restated Investment Policy, a copy of which is on file in the official records of the District.

Joint Facilities Contract

There was no action on the Joint Facilities Contract.

CONTRACT WITH EDP

Consideration was then given to a proposed contract with EDP.

Upon motion duly made and seconded, the Board voted unanimously to approve the contract with EDP, subject to inclusion of the Attorney's comments.

STRATEGIC PARTNERSHIP AGREEMENT (“SPA”)

The Board recognized Director Papp, who stated that he will contact Ryan Fortner to discuss the local ESD to discuss a policy on sharing sales tax revenues.

APPROVE AND TAKE ACTION ON NEWSLETTER

Director Williams is working on the newsletter.

UPDATE ON WEBSITE

The Board noted that the proposal from Off Cinco was accepted to take over the website. Director Williams will notify Mr. Vandyk of the engagement of Off Cinco.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY REPORT (“RWA”)

A report on the RWA was then given.

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.

SECURITY SYSTEM

The Board noted that at the meeting On September 16, 2019, they accepted the proposal from Mega Systems with a five- year warranty at a cost of \$10,245. The Attorney is reviewing Mega Systems insurance certificates.

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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

November 18, 2019

Date



A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a surname that appears to be 'Ward'.

Secretary of the Board of Directors