

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

December 19, 2016

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 December 19, 2016, 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, thus constituting a quorum.

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

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

GARDEN REPORT

The Board recognized Mr. Murr, who presented the Garden Report, a copy of which is attached hereto. Mr. Murr reported that all work is on target and on budget. Phase II work is 95% complete. Mr. Murr reviewed with the Board signage for the Garden.

Upon motion duly made and seconded, the Board voted unanimously to approve the Garden Report.

TAX ASSESSOR/COLLECTOR'S REPORT

The President next recognized Ms. Anandel, who presented the Tax Assessor/Collector's Report, a copy of which is attached hereto. She presented checks from the tax account for approval by the Board. It was noted that the District has collected 5.18% 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. 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 attached hereto.

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

BOOKKEEPER’S REPORT/BUDGET FISCAL YEAR ENDING DECEMBER 31, 2017

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) the Budget Comparison, and (3) Investment Report, copies of which are included with and/or attached to the Bookkeeper’s Report.

Ms. Schmidt also presented a proposed budget for fiscal year ending December 31, 2017.

After consideration and upon motion made and seconded, the Board unanimously approved the Bookkeeper’s Report, Investment Report, the budget for fiscal year ending December 31, 2017, and the checks presented for payment.

APPROVAL OF MINUTES OF NOVEMBER 21, 2016

Proposed minutes of the meeting of November 21, 2016, 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 November 21, 2016.

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 account of 663.
2. The water accountability for the prior month was 99%.
3. There are 102 accounts on the delinquent list.

Tap installations are complete for the Cypress Villas Apartments.

On November 3, 2016, there was a sanitary sewer blockage in the sanitary sewer line along Evening Trail that caused water to back up into the homes at 4042 and 4046 Evening Trail. EDP has filed a claim with the District’s insurance carrier. Source Point televised the sanitary sewer line and discovered tree root intrusion in the line. Source Point used a cutter to remove the tree roots. EDP will excavate the sanitary sewer line to perform permanent repairs.

EDP performed the annual commercial deposit review, and billed commercial accounts the additional deposit as required by the Rate Order.

Director Moss updated the Board on the proposed building for the Garden.

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 District's books the accounts finalized with a balance less than twenty-five dollars, if any, and (4) approve the installation of a building in the Garden to store equipment and supplies.

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

Emergency Generator at PJPA and MCC Project

The Board recognized Mr. Sarman, who presented the Engineer's Report, a copy of which is attached hereto.

Emergency Generator at WCID #132 Water Plant

Bids were taken for the emergency generator. Genrg Power Solutions d/b/a Generators of Houston submitted a low bid in the amount of \$399,753.

Mr. Sarman stated that it will be necessary to file an Application Requesting Release of Escrowed Funds with the Texas Commission on Environmental Quality ("TCEQ") for release of escrowed funds relating to the generator.

Sanitary Sewer Rehabilitation of Area D

AEI is finalizing the plans for the rehabilitation of Area D. AEI will advertise for bids for this project in January.

Sanitary Sewer Rehabilitation of Joint Lines

AEI is conferring with engineers from CUD regarding the updated ownership numbers, and commercial usage.

Valero Gas Station

AEI has reviewed and issued comments to the plans for the Valero gas station.

HCFCO Outfall Erosion

AEI met onsite with Harris County Precinct 4 regarding the status of repairs 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. Harris County plans to place stabilized fill around the sanitary sewer line to replace the eroded bank, and to install a new section of storm sewer line over the sanitary sewer line.

AEI FEES

AEI's January 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 to award the contract for the emergency generator to Genrg Power Solutions d/b/a Generators of Houston in the amount of \$399,753.

CONSIDER AND ACT UPON ATTORNEY'S REPORT

The Board recognized Ms. Parker, who updated the Board on legal matters relating to the District.

GARDEN REPORT continued

The Board then discussed activity in the Garden.

APPROVE AND TAKE ACTION ON NEWSLETTER

No action was taken on the newsletter.

UPDATE ON WEBSITE

There was no update on the website.

PONDEROSA JOINT POWERS AUTHORITY ("PJPA") REPORT

Director Bonetati updated the Board on the PJPA.

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

Director Moss updated the Board on the RWA.

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

January 16, 2017

Date

Peggy Batson

Peggy Batson
Secretary of the Board of Directors