

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

February 20, 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 February 20, 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 Moss, thus constituting a quorum.

Also present were Michael Murr with Park Ranger, LLC; Rose Marie Garrett, resident of the District; Rene Anadel 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"); Cathy Falke, 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 III work has commenced and will be completed in March. Plants which have been approved for planting in the Garden will be planted in March. Areas that appear bare, Mr. Murr noted, will flush back in the spring. Mr. Murr then reviewed with the Board identification plates for the Garden.

Mr. Murr reported that he attended a meeting with Directors Bonetati and Batson to discuss the May Garden Event.

Upon motion duly made and seconded, the Board voted unanimously to approve the Garden Report and to authorize Mr. Murr to proceed with the identification plates.

TAX ASSESSOR/COLLECTOR'S REPORT

The President next recognized Ms. Anadel, 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 90.63% 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. 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 attached hereto. Ms. Anzel reported that next month she will present for the Board's approval certain uncollectable delinquent personal property tax accounts to place on the Uncollectable Tax Roll.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax 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) the and 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 OF DECEMBER 19, 2016, JANUARY 16, 2017 and FEBRUARY 11, 2017

Proposed minutes of the meetings of December 19, 2016, January 16, 2017, and February 11, 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 meetings December 19, 2016, and January 16, 2017, as presented. Approval of the minutes of the meeting of February 11, 2017 was deferred.

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 664.
2. The water accountability for the prior month was 99%.
3. There are 80 accounts on the delinquent list.
4. A List of Delinquent Uncollectable Service Accounts was presented for write-off.
5. The tap fee letter for the Valero Facility is attached to the Operations Report.

The Board noted that on April 1, 2017, the surface water fee charged by the North Harris County Regional Water Authority will increase to \$3.35 per 1,000 gallons of water and the pumpage fee will increase to \$2.90 per 1,000 gallons of water.

The Board then recognized Ms. Falke, who reviewed with the Board the account of Ronald Bob. It was noted that Mr. Bob issued a letter to the Board regarding the termination of service to his home.

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) authorize the Attorney to provide Mr. Bob with the results of the investigation of service to Mr. Bob's account.

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

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 in the amount of \$399,753. A pre-construction meeting was held at the water plant on January 30, 2017. AEI has received and approved the submittals for concrete mix design and the generator. 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 received bids for the rehabilitation of Area D. IPR South Central, LLC is the low bidder at \$130,175, which amount is inclusive of the alternate bid item (\$7,050.00) for the one year warranty televising.

Sanitary Sewer Rehabilitation of Joint Lines

AEI is conferring with engineers from CUD regarding the updated ownership numbers, and commercial usage. The Board asked Mr. Sarman to notify the engineer for CUD to provide the

information as soon as possible. If the engineer fails to respond, Mr. Sarman will contact Ms. Parker, who in turn will contact the Attorney for CUD to request assistance in resolving this matter.

Approve requests for water and sewer service Reddy Reserve

AEI issued a Letter of Availability of Capacity to Reddy Reserve, which includes the land on which the Valero facility will be located.

HCFCO Outfall Erosion

AEI contacted 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.

The Board asked Mr. Sarman to contact Harris County to determine when the repairs will be made. If Harris County is not responsive, Mr. Sarman will contact the Attorney who will issue a letter to Harris County requesting immediate action in light of the dangerous situation.

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 rehabilitation of Area D to IPR South Central, LLC in amount of \$130,175, inclusive of the alternate bid item (\$7,050.00) for the one year warranty televising.

CONSIDER AND ACT UPON ATTORNEY'S REPORT

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 2016 taxes that are delinquent on July 1, 2017, and thereafter.

Resolution Implementing 20% Penalty

Consideration was next given to a proposed Resolution Implementing 20% Penalty on 2016 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 2016 taxes delinquent on July 1, 2017, 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 2017.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2017, 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.

GARDEN REPORT continued

The Board recognized Director Bonetati, who informed the Board that she along with Director Batson met with Barbara Payne to discuss and plan the May Garden Event. Ms. Payne indicated that if the District joins SafeWaterTexas Coalition, and makes a contribution of \$5,000, all costs related to the May event will be paid by the North Harris County Regional Water Authority, as well as certain other events undertaken by the District.

Upon motion duly made and seconded, the Board agreed to join SafeWaterTexas Coalition for a fee of \$5,000.00.

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

There was no report on the PJPA.

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

There was no report 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

September 20, 2017

Date

Peggy L. Baf
Secretary of the Board of Directors