

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

July 17, 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 July 17, 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 Batson, thus constituting a quorum.

Also present were Michael Murr with Park Rangers, LLC, landscape architect for the District; Rene Andel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); Maria Salinas Parker and 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"); Andy 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.

TAX ASSESSOR/COLLECTOR'S REPORT

The President recognized Ms. Andel, 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 98.30% 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 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

The Board recognized Mr. Murr, who presented the Garden Report, a copy of which is on file in the official records of the District. Mr. Murr reported that most of the signs have been delivered and installed. The remaining signs should arrive within week, he added. Mr. Murr stated that weak areas of the board walk have been repaired. There has not been any capture of armadillos in the Garden. The replacement of plants has not yet occurred. The graffiti in the Garden will be removed.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) 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 invoices and 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 June 19, 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 meeting of June 19, 2017.

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 count of 667.
2. The water accountability for the prior month was 96%.
3. There are 91 accounts on the delinquent list.

On Tuesday, May 16, 2017, M & P Technologies damaged a water main line on Kuykendahl causing service interruption for approximately six (6) hours. Emergency repairs were made. M & P Technologies has been back billed for the repairs.

The approved valve survey is pending.

Repairs are pending to the 8-inch swing arm check valve and gate valve on lift pump 2.

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..

Emergency Generator at District 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 ("Genrg") in the amount of \$399,753. Genrg is working on installation of the controls.

Sanitary Sewer Rehabilitation of Area D

IPR South Central, LLC ("IPR") was awarded the contract for the sanitary sewer rehabilitation for Area D. The contract amount is \$130,175, which amount is inclusive of the alternate bid item (\$7,050.00) for the one-year warranty televising. IPR has completed the sanitary sewer lining. AEI has asked IPR to provide the videos as required by the contract.

Sanitary Sewer Rehabilitation of Joint Lines

AEI is tabulating the ownership of the joint sanitary sewer lines. AEI has requested information from EDP on several meters in the District and Cypresswood Utility District ("CUD") Plans for the sanitary sewer rehabilitation project are being reviewed by the regulatory agencies. AEI will meet with the attorney to discuss cost sharing allocation so that the Attorney may draft an addendum to the agreement.

HCFCD Outfall Erosion

AEI continues to reach out to 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.

Sanitary Sewer Rehabilitation Evening Trail

AEI has reviewed the survey of the easement to determine the scope of repairs for the root intrusion as well as the swag in the line along Evening Trail. The portion of the line containing the swag must be replaced. AEI estimated a cost of \$86,094 to repair the sanitary sewer line. It was also noted that several customers have facilities located in the easement. The Board agreed that the customers should be notified of the encroachment when the repairs are undertaken.

Veterinary Clinic

The veterinary clinic located at 17550 Kuykendahl is in the process of renewing its private water well permit. The Harris-Galveston Coastal Subsidence District ("HGCSO") has asked whether the District has capacity available to serve the veterinary clinic. The HGCSO is the entity that issues water well permits, and is attempting to limit the withdrawal of ground water, and refraining from issuing water well permits if there is another source of water available. Mr. Sarman stated that the District has water and sanitary sewer capacity available to serve the veterinary clinic, and the District's water line is easily assessable. The Board then discussed the options for providing service to the veterinary clinic (annexation or as an out-of-district customer). The Board agreed that Mr. Sarman should notify the veterinary clinic that the District has available water capacity to serve them and an estimate of cost to provide such service.

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

Amend Rate Order

No action was taken on amending the Rate Order.

Amendment to Joint Facilities Contract

The Board deferred action on a proposed Amendment to Joint Facilities Contract.

GARDEN REPORT

The Board discussed the placement and positioning of security cameras. They reviewed the proposal from Today's Integration, and agreed to call on special meeting to discuss security.

Upon motion duly made and seconded, the Board unanimously approved the Garden Report.

APPROVE AND TAKE ACTION ON NEWSLETTER

No action was taken on the newsletter.

UPDATE ON WEBSITE

Director Papp updated the Board on the website.

PONDEROSA JOINT POWERS AUTHORITY (“PJPA”) REPORT

Director Bonetati presented the PJPA report, a copy of which is on file in the official records of the District.

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.

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

August 21, 2017
Date

Peggy L. Balf
Secretary of the Board of Directors