

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

March 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 March 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, thus constituting a quorum.

Also present were Brian Toldan with McCall Gibson Barfoot & Swedlund, PLLC, auditors for the District; Michael Murr with Park Ranger, LLC; 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”); Andy Phelps 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.

AUDIT FOR FISCAL YEAR END DECEMBER 31, 2017

The Board recognized Mr. Toldan, who submitted to and reviewed with the Board a draft of the District’s audit for fiscal year ended December 31, 2017.

Upon motion duly made and seconded, the Board voted unanimously to approve said audit subject to review and comment by the Board.

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 93.27% 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. Ms. Andel reported that PB is requesting approval to terminate water service at 4007 Fir Forest Drive as the property owner has failed to pay the delinquent taxes due and owing on said property. The Board noted that proper notice was provided to the property owner of the delinquent taxes and the termination of service.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax Report, and to authorize the Operator to terminate water service to 4007 Fir Forest Drive as noted above.

GARDEN REPORT

The Board recognized Mr. Murr, who presented the Garden Report, a copy of which is attached hereto. Mr. Murr reported that all signs have been ordered for the event in May at the Garden. Phase III clean-up has been completed. Mr. Murr reported that he will meet with Directors Batson and Bonetati to finalize plans for the May 6, 2017 event in the Garden. Approved additional plants will be planted later in the week.

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; and (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 FEBRUARY 11, 2017, and FEBRUARY 20, 2017

Proposed minutes of the meetings of February 11, 2017, and February 20, 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 of February 11, 2017 and February 20, 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 account of 666.
2. The water accountability for the prior month was 97%.
3. There are 84 accounts on the delinquent list.

The Board noted that on April 1, 2017, the surface water fee charged by the North Harris County Regional Water Authority (“RWA”) 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. Mr. Phelps reported that the RWA has written an article titled: **The Rising Cost of Water**. The Board agreed that the article should be included with the water bills in May.

The Board noted that the Attorney issued notice to Mr. Bob of this meeting, in the event he wished to address the Board concerning his account.

The semi-annual well performance test have been completed on the water wells, and there are no items of concern.

The customer at 17711 Kuykendahl is requesting an adjustment to his water bill. The back-flow prevention device on the sprinkler system at such address broke during the freeze in January causing a water leak. The Board deferred action on such request until such time as the Board adopts a policy relating to issuing a credit on a water bill for high water usage due to a leak.

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 District’s books the accounts finalized with a balance 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

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 (“Genrg”) in the amount of \$399,753. Genrg has mobilized on site, removed the building, set the conduit and is preparing the generator foundation.

AEI has prepared the Application Requesting Release of Escrowed Funds which will be filed with the Texas Commission on Environmental Quality (“TCEQ”) to obtain approval for the release of escrowed funds relating to the generator.

Sanitary Sewer Rehabilitation of Area D

IPR South Central, LLC 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.

Sanitary Sewer Rehabilitation of Joint Lines

CUD will review the calculations prepared by CUD’s engineer regarding the updated ownership numbers, and usage of the joint sewer lines. It is anticipated that bids will be presented at the May meeting for this project.

HCFCD 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 Attorney issued a letter to Harris County requesting immediate action in light of the dangerous situation.

Sanitary Sewer Rehabilitation Evening Trail

AEI is preparing an estimate for the proposed sanitary sewer repairs to the north of Evening Trail. The repair will address root intrusion as well as the swag in the 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.

CONSIDER AND ACT UPON ATTORNEY’S REPORT

Amend Rate Order

The Board took no action on amending the Rate Order.

Amendment to Joint Facilities Contract

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

Resolution Relating to Water Smart

Consideration was then given to a proposed Resolution Relating to Water Smart.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Relating to Water Smart.

GARDEN REPORT continued

The Board recognized Director Bonetati, who informed the Board that she along with Director Batson will meet with Barbara Payne to discuss and finalize plans for the May Garden Event. The Board agreed that the event will be called “May in the Garden.”

Director Batson presented a proposed sign to install in the Garden which states that eight laps equal one mile.

Director Batson received three bids for installing a pavilion in the Garden. A low bid was submitted by Houston Deck and Shade LLC in the amount of \$16,120.00.

The Board also discussed staining the ceiling, installing electrical switches in the pavilion and installing ceiling fans.

Upon motion duly made and seconded, the Board (1) accepted the bid from Houston Deck and Shade LLC in the amount of \$16,120.00, (2) to approve staining the ceiling of the pavilion and the installation of electrical switches in the pavilion with the total cost inclusive of the pavilion not to exceed \$17,500, and (3) to approve the installation of two fans in the pavilion at a cost not to exceed \$1,500.00.

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

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

Date

Secretary of the Board of Directors