

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

June 19, 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 June 19, 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 Bonetati, thus constituting a quorum.

Also present were Rose Marie Garrett, resident of the District; Michael Murr with Park Rangers, LLC, landscape architect for the District; Rene Anandel 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 by the President, and the following business was transacted.

TAX ASSESSOR/COLLECTOR'S REPORT

The President 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 97.08% 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. Anandel, 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. PB presented a list of uncollectible delinquent personal property taxes to place on the Uncollectible Delinquent Tax Roll.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax Report, and to authorize the TAC to place on the Uncollectible Delinquent Tax Roll the delinquent uncollectible personal property taxes listed on the PB Report.

LANDSCAPE ARCHITECT 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; and the signs are arriving. Mr. Murr suggested that the Board consider removing the entire boardwalk in the future. In the interim, the Board agreed to repair the weak spots. Armadillos are destroying plant life in the Garden. Mr. Murr recommended a live trap system to capture and re-locate the armadillos. The Board concurred that live traps should be installed. Mr. Murr also proposed a drip watering system once the armadillo numbers are reduced. The Board discussed authorizing the replacement of plants at a cost not to exceed \$500 per month

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Landscape Architect's Report, (2) setting live traps for the armadillos and (3) an amount not to exceed \$500.00 per month for plant replacement.

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 meetings of May 15, 2017 and June 10, 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 May 15, 2017 and June 10, 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 668.
2. The water accountability for the prior month was 93%.
3. There are 82 accounts on the delinquent list.

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

EDP suggested a comprehensive value survey in four (4) phases. The phases are stipulated in the Operations Report attached hereto.

The 8-inch swing arm check valve and gate valve on lift pump 2 at the lift station are in need of replacement.

The sewer system of the customer located at 17906 Cypress Spring has on several occasions been blocked. EDP discovered an obstruction at the tap of the District's main. EDP excavated the tap and made the necessary repairs.

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 less than twenty-five dollars, if any, (4) authorize Phases 1 and 2 of the valve survey at a cost not to exceed \$4,000.00, and (5) authorize replacement of the 8-inch swing arm check valve and gate valve.

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 attached hereto.

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 has notified the District that the generator supplier is delayed in manufacturing the generator. It is anticipated that the generator will be delivered later this month. Genrg submitted Pay Estimate No. 2 in the amount of \$8,555.00

AEI submitted the Application Requesting Release of Escrowed Funds with the Texas Commission on Environmental Quality ("TCEQ") to obtain approval for the release of escrowed funds relating to the generator. The TCEQ has approved the release from escrow the funds for the generator.

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 pre-televising inspection, and is now working on the lining.

Sanitary Sewer Rehabilitation of Joint Lines

AEI is tabulating the ownership of the joint sanitary sewer lines. AEI has requested from EDP water usage data for the commercial and multi-family meters in the District and Cypresswood Utility District ("CUD") to confirm the number of equivalent single-family connections for the District and CUD. Plans for the sanitary sewer rehabilitation project are being reviewed by the regulatory agencies. AEI met with the engineer for CUD on May 18, 2017. 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 is reviewing the survey of the easement to determine the scope of repairs for the root intrusion as well as the swag in the line.

Ground Storage Tank Inspections

Inspection of the 210,000 gallon (east) ground storage tank hatch revealed the exterior to be in good condition with minor corrosion on the interior. Inspection of the 210,000 gallon (west) ground storage tank revealed that the exterior is in good condition with staining above the high water level.

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.

APPOINTMENT OF DIRECTORS TO CYPRESSWOOD GARDEN

Consideration was then given to the appointment of directors to the Board of Directors of the Harris County Water Control and Improvement District No. 132 Water Conservation and Demonstration Garden ("Cypresswood Garden").

Upon motion duly made and seconded, the Board voted unanimously to appoint Bill Papp, Mary Bonetati and Terry Williams to the Board of Directors of the Cypresswood Garden.

GARDEN REPORT

The Board discussed the placement and positioning of security cameras. Director Papp and Director Batson agreed to visit the vendor booth for Today's Integration at the Association of Water Board Directors Summer Conference to obtain information on security cameras.

The Board agreed to continue to spray for mosquitos.

The Board discussed the staining of the pavilion, and noted it would occur either within the week or the week of June 26, 2017.

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

There was no update on the website, however, the Board agreed to call a special meeting to discuss the website.

PONDEROSA JOINT POWERS AUTHORITY ("PJPA") REPORT

In the absence of Director Bonetati, there was no PJPA report.

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

Director Moss submitted and reviewed with the Board a report on the RWA meeting held on June 5, 2017. A copy of said report is attached hereto.

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

July 17, 2017

Date

[Handwritten Signature]

Secretary of the Board of Directors