

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

October 16, 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 October 16, 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 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"); Johnson Ashcroft and Andy Phelps 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.

**PUBLIC HEARING ON PROPOSED 2017 TAX RATE**

The Board opened the meeting to a public hearing on the proposed 2017 tax rate, asking members of the public if they wished to comment on the proposed tax rate. Noting there were no comments, the public hearing was adjourned.

**ORDER SETTING TAX RATE AND LEVYING TAX FOR 2017**

Consideration was next given to a proposed Order Setting Tax Rate and Levying Tax for 2017. Having conducted the public hearing as required by law and publishing notice thereof, the Board deemed it appropriate to proceed with setting the 2017 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to (1) set and levy a debt service tax of \$0.1950 per \$100 assessed valuation, and a maintenance and operation tax of \$0.2450 per \$100 assessed valuation, for a total tax rate of \$0.44 per \$100 assessed valuation; and (2) adopt the Order Setting Tax Rate for 2017, a copy of which is on file in the Official Records of the District.

### **AMENDED NOTICE TO SELLERS AND PURCHASERS**

Consideration was given to the proposed Amended Notice to Sellers and Purchasers, which Notice sets forth the 2017 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the Official Records of the District.

### **PROPOSAL TO CYBER INSURANCE**

In the absence of Mr. Peyton, the Board deferred action on the proposal for cyber insurance.

### **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 98.58% 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, and to authorize PB to issue water termination notices to property owners owing delinquent taxes.

### **LANDSCAPE ARCHITECT REPORT**

The Board recognized Mr. Murr, who presented the Park Report, a copy of which is on file in the official records of the District. Mr. Murr presented a map indicating various material for the walking path throughout the District. Mr. Murr will obtain additional information and present it at the November meeting. With regard to a complaint from a resident concerning a tree limb from the adjacent property owner's tree hanging over onto District property, it was noted that the limb was in good condition and did not pose an imminent threat.

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

The Board discussed investing funds in Texas Class and asked Ms. Schmidt to provide the necessary documentation at the November meeting to invest funds in Texas Class.

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 September 18, 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 September 18, 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.

- The District has a total connection count of 667.
- The water accountability for the prior month was 97%.
- There are 101 accounts on the delinquent list.
- There are no delinquent, uncollectable accounts for write-off
- EDP is working AEI to overlay the valve survey data points with the current map data points.
- Repairs are complete to the 8-inch swing arm check valve and gate valve on lift pump 2.
- The semi-annual well production reports have been performed and the results indicate o area of concern.
- a rental emergency generator is on site at the lift station.

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.

### **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.

## **HURRICANE HARVEY REPAIRS/REPLACEMENT**

This item is addressed under the Engineer's Report.

## **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. AEI participated in the start-up and training on September 21, 2017.

### **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. IPR submitted for approval Pay Estimate No. 2 and Final in the amount of \$44,272.40. Certificates of Completion and Acceptance were submitted for Board approval.

### **Sanitary Sewer Rehabilitation of Joint Lines**

AEI has submitted plans for the sanitary sewer rehabilitation for regulatory approval. Upon approval of the amended Joint Facilities Contract, AEI will commence advertising for bids.

### **HCFCD Outfall Erosion**

Midtown Engineering, on behalf Harris County, has completed the design of repairs to the exposed sanitary sewer line along Cypress Creek. Harris County has not scheduled the repair.

### **Lift Station Generator**

AEI reviewed several options with the Board to replace the lift station generator which was flooded during Hurricane Harvey.

### **Sanitary Sewer Rehabilitation Evening Trail**

AEI is preparing plans and specifications for repairs for the root intrusion as well as the swag in the line along Evening Trail.

### **Emergency Preparedness Plan ("EPP")**

AEI presented an updated EPP for the new generator.

### **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 (1) the Engineer's Report, (2) Pay Estimate No. 2 and Final to IPR (inclusive, of the Certificates of Completion and Acceptance) (3) the EPP, and (3) Option 1 for the replacement of the lift station generator.

### **ATTORNEY'S REPORT**

#### **Amend Rate Order**

No action was taken on amending the Rate Order.

#### **Amendment to Joint Facilities Contract**

Ms. Parker updated the Board on the proposed Deed and Third Amendment to Joint Facilities Agreement.

#### **Legislative Update**

The Board recognized Ms. Parker, who updated that Board on legislative matters.

#### **APPROVE AND TAKE ACTION ON NEWSLETTER**

No action was taken on the newsletter.

#### **UPDATE ON WEBSITE**

There was no report 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

November 20, 2017  
Date

Peggy L. Burt  
Secretary of the Board of Directors