

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

December 18, 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 December 18, 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 Rose Marie Garrett, resident of the District; Brian Toldan with McCall Gibson Swedlund Barfoot, PLLC, auditor for the District; Michael Murr with Park Rangers, LLC, landscape architect for the District; Rene Anadel of Wheeler & Associates, Inc., the District's Tax Assessor/Collector ("Tax Assessor-Collector"); Maria Salinas Parker and Ryan E. 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 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. Anadel, 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 99.01% 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. Anadel, 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.

Ms. Anadel presented a request from Beginner World Learning ("BWL") for an installment payment agreement for the 2016 delinquent taxes. BWL recently completed payment of its 2015 installment payment agreement, which agreement provides that BWL would not be eligible for another installment payment plan for twenty-four months, unless otherwise authorized by the Board.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax Report, and to approve an installment payment agreement with BWL for the payment of the delinquent 2016 taxes due and owing the District in three monthly installments.

LANDSCAPE ARCHITECT REPORT/GARDEN 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 informed the Board that the armadillos are back in the garden eating the vegetation in the Garden. He added that stones will be placed around the flagpole, and that some of the vegetation in the garden was damaged from the frost and snow. The Board then discussed the watering station along the walking path in the District. No action was taken on this item.

Upon motion duly made and seconded, the Board voted unanimously to approve the Landscape Architect's Report.

BOOKKEEPER'S REPORT/DRAFT BUDGET

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.

Ms. Schmidt submitted for the Board's review a draft budget, a copy of which is on file in the official records of the District. The Board noted certain changes to the budget.

After consideration and upon motion made and seconded, the Board unanimously approved the Bookkeeper's Report, Investment Report, the checks presented for payment, and the budget for fiscal year ending December 31, 2018, subject to the changes noted.

APPROVAL OF MINUTES

Proposed minutes of the meeting of November 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 meeting of November 20, 2017.

OPERATIONS REPORT

The Board recognized Mr. Ashcroft, who submitted to and reviewed with the Board the Operations Report, a copy of which is attached hereto. Mr. Ashcroft reported as hereinafter noted.

- The District has a total connection count of 667.
- The water accountability for the prior month was 99%.
- There are 90 accounts on the delinquent list.
- There are no delinquent, uncollectable accounts for write-off
- The valve survey is complete. EDP is working with AEI to overlay the valve survey data points with the current map data points. Valve exercising is in progress.
- A rental emergency generator is on site at the lift station.

Mr. Ashcroft then reported on repairs related to Hurricane Harvey. Lift Pump 1 shorted out and is being repaired. The damage to Lift Pump 1 is attributable to Hurricane Harvey and will be added to the Harvey expense. EDP replaced the flooded breakers for Lift Pump 1 and Lift Pump 2. The breakers for Lift Pump 3 and Lift Pump 4 will also be replaced. The larger 60 horse power pumps will remain out of service until the lift station upgrade is complete. The replacement generator transfer switch is on order. The new switch will be utilized with the rental generator and the new generator once it is installed. EDP is surveying the flood plain manholes. EDP has filed a claim with the District's insurance carrier and is also filing a claim with FEMA.

The lift station fence was damaged as a result of a police chase and an overturned vehicle. Foster Fence is repairing the fence. EDP has a case number and will attempt to recoup repair costs.

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 Operations Report and 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 conducted a final review and is waiting for the contractor to correct the items on the punch list.

Sanitary Sewer Rehabilitation of Joint Lines

AEI has submitted plans for the joint sanitary sewer rehabilitation (the “Sewer Project”) for regulatory approval. Upon approval of the amended Joint Facilities Contract, AEI will commence advertising for bids on January 24, 2018. Several lines included in the Sewer Project cross over into Cypresswood Utility District (“CUD”). CUD currently has a contractor in this area and suggest allowing the CUD contractor to perform the rehabilitation on the cross over lines into CUD.

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 presented a bid tabulation for the purchase of the natural gas generator. A low bid was submitted by Cummins Southern Plains, LLC in the amount of \$88,075.

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. AEI will proceed with advertising for bids, and bids will be opened on January 10, 2018.

Emergency Preparedness Plan (“EPP”)

AEI presented an updated EPP for the new generator.

Fence along Kuykendahl

AEI presented an estimate of \$30,000 to replace the chain link fence between the gas station and the Kuykendahl Road bridge. The fence will prohibit vehicles access to Cypress Creek. AEI has scheduled a site visit with Harris County Flood Control.

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 (1) approve the Engineer’s Report, (2) to award the contract for the gas generator to Cummins Southern Plains, LLC in the amount of \$88,075, and (3) approve CUD rehabilitating the sanitary sewer lines that crossover into CUD.

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.

Resolution Regarding Eminent Domain

Consideration was next given to a proposed Resolution Regarding Eminent Domain.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Eminent Domain, a copy of which is on file in the official records of the District.

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 Bonetati 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.

WATERING STATIONS

The Board discussed watering stations along the esplanades on Cypresswood Drive and the walking path. No action was taken on this matter.

AWBD WINTER CONFERENCE

Director Williams informed the Board that the conference hotel for AWBD winter conference in Dallas has no rooms available and that the nearby Adolphus Hotel has rooms available, but at a higher rate.

Upon motion duly made and seconded, the Board unanimously approved reimbursing Directors for the hotel costs for the AWBD winter conference at a hotel other than the conference hotel.

2017 AUDIT

The Board recognized Mr. Toldan, who informed the Board that McCall Gibson Barffoot Swedlund PLLC is in the final year of its three year contract with the District.

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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

January 15, 2018

Date

Peggy L. Baker
Secretary of the Board of Directors