

**MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 127 §

The Board of Directors of Harris County Municipal Utility District No. 127 met in regular session, open to the public, at its regular meeting place outside the boundaries of the District on September 14, 2017; whereupon, the roll was called of the members of the Board of Directors, to-wit:

| | |
|----------------|---------------------|
| Bonnie Tyler | President |
| Maureen Herzog | Vice President |
| Katrina Ortega | Secretary |
| John R. Gagne | Assistant Secretary |
| Don Baylor | Director |

All members of the Board of Directors were present.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Stephanie Viator of District Data Services, Inc.; Vickey Sullivan of Equi Tax, Inc.; Dan Freeland and Chris Hoffman of H2O Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; and Deputies Reyes and Villarreal.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting was given in compliance with the law.

1. **PUBLIC COMMENTS.** Director Ortega discussed National Night Out, which will be held on October 3, 2017.

Director Herzog stated it has been difficult to get information to residents regarding trash. The Board discussed options.

Director Herzog presented a map of ownership of park areas.

2. **MINUTES OF MEETING.** The next item to come before the Board of Directors was the review and approval of the minutes of the meeting of August 10, 2017.

Following a discussion, it was moved by Director Herzog and seconded by Director Tyler that the minutes of the meeting of August 10, 2017 be approved, which motion carried unanimously, 5-0.

3. **SECURITY REPORT.** Deputies Reyes presented the security report. He reported there was a BB gun incident on Sandalford, but no arrest was made. Deputy Reyes also reported there was a theft of a motor vehicle at a party.

Deputy Reyes informed the Board they are writing tickets for vehicles parked along the roadway in order to clear the streets.

Director Herzog reported a resident had the wheels of their vehicle stolen while it was in their driveway.

4. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, and the budget comparison for the period ending August 31, 2017, a copy of which is attached as Exhibit "A". Ms. Viator presented the checks for approval, and reviewed the fund balances and the budget to actual comparison through August.

Following discussion by the Board, it was moved by Director Tyler and seconded by Director Herzog that the bookkeeper's report, including the list of expenses be approved. Said motion carried unanimously, 5-0.

5. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of August, a copy of which is attached as Exhibit "B". The report reflected the District has collected 99.2% of its 2016 taxes and 99.7% of its 2015 taxes as of August 31, 2017.

Ms. Sullivan reviewed the Delinquent Tax Report. The Board discussed and agreed to postpone terminations of water service due to Hurricane Harvey. The Board requested the operator hang door tags and move forward with water terminations next month.

Following further discussion, it was moved by Director Tyler and seconded by Director Ortega that the tax assessor/collector's report be approved, and that the checks listed on the report be approved for payment, which motion carried unanimously, 5-0.

6. **2017 TAX RATE, HEARING DATE, AND PUBLICATION.** The Board reviewed the financial advisor's tax rate recommendation, a copy of which is attached as Exhibit "C". It is recommended the District decrease the debt service rate from \$0.45 to \$0.42 and to maintain the same maintenance tax rate of \$0.26 for a total tax rate of \$0.68.

Following further discussion, a motion was made by Director Tyler, seconded by Director Herzog and unanimously carried that the tax assessor/collector be authorized to publish the 2017 tax rate calculation as required by law, with a debt tax rate of \$0.42 and a maintenance tax rate of \$0.26, and to set a public hearing date of October 12, 2017 at 12:00 noon, 5-0.

7. **HCAD NOMINATION.** The Board next considered approving the Resolution Nominating a Candidate for a Position on the Board of Directors of HCAD. Ms. Sullivan explained the role of the HCAD Board of Directors. She stated Glenn Peters has represented the municipal utility districts for several years. The Board did not take any action on this item.

8. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of July, a copy of which is attached as Exhibit "D". The District has 1,770 connections, with 91% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Chris Hoffman informed the Board they will be re-testing for bacteria. He stated the levels were off due to Hurricane Harvey's high flow levels. Mr. Hoffman explained more chlorine has to be used to address the bacteria levels and more flushing has to occur to remove iron bacteria from the system. He discussed the addition of chlorine to maintain the State required residual levels.

Mr. Hoffman reviewed the actions taken in Hurricane Harvey's aftermath.

The Board discussed customer water bills. The Board agreed to waive penalties and suspend terminations of water service. The Board next authorized the operator to offer a three-month payment plan to the customers unable to pay the total water bill.

The Board thanked the operators for the response during and after Hurricane Harvey.

Following further discussion, it was moved by Director Tyler and seconded by Director Ortega that the operator's report be approved, and to waive penalties and suspend the termination of water service due to Hurricane Harvey, which motion carried unanimously, 5-0.

9. **ADDENDUM TO AGREEMENT WITH ACH SERVICES.** Chris Hoffman informed the Board that Central Bank is requesting an addendum to the ACH contract in connection with electronic payments for water and sewer bills.

Following further discussion, it was moved by Director Herzog and seconded by Director Baylor that the Addendum to the ACH contract with Central Bank be approved, which motion carried unanimously, 5-0.

10. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "E". Mr. Atkinson discussed the Water Well Rehabilitation. He presented for approval Pay Request No. 2 in the amount of \$58,662.00 and Pay Request No. 3 in the amount of \$2,340.00 for work on the pumping equipment.

Mr. Atkinson discussed the development at the northwest corner of Old Greenhouse

Road and Barker Cypress. He presented for execution an Encroachment Agreement with GulfSouth Pipeline for the crossing of the pipeline with the water line and the sewer line.


Mr. Atkinson next presented for approval Pay Request No. 10 in the amount of \$18,800.92 for the recoating of the Wastewater Treatment Plant.

Mr. Atkinson presented bids for the clearing and grubbing of the Phase One detention for Adelaide. He recommended awarding the contract to the third low bidder, Southland Excavators, Inc., in the amount of \$416,550.00.

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler that the engineer's report be approved, that Pay Request Nos. 2 and 3 for the Water Well Rehabilitation be approved, to execute the Encroachment Agreement for the Green House Barker Cypress Development, that Pay Request No. 10 for the Wastewater Treatment Plant coatings project be approved, and to award the contract for the clearing and grubbing of the Phase One detention for Adelaide to Southland Excavators, Inc., which motion carried unanimously, 5-0.

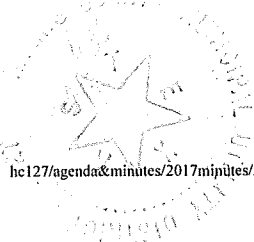
11. **ADJOURNMENT.** There being no further business, it was moved, seconded, and unanimously carried, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 12th day of October, 2017.



Secretary

(DISTRICT SEAL)



hc127/agenda&minutes/2017minutes/2017.09.14