

**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 November 9, 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 except Director Baylor. Director Ortega left the meeting during the engineer's report.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Stephanie Viator of District Data Services, Inc.; Vickey Sullivan of Equi Tax, Inc.; Chris Hoffman and Chad King of H20 Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; Deputies Roland Reyes and George Hernandez; Mark Eyring of Roth & Eyring, PLLC; Bob Devillier of Academy Development; John Elder of Acclaim Energy; and Kathryn Foss of Municipal Financial Services, LLC.

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.** Bob Devillier of Academy Development updated the Board on the development of the Adelaide Subdivision. He requested the Board consider a reimbursement/annexation agreement with Academy for the development.

Director Herzog discussed the clearing of the acreage. She asked if they are burning to clear the area. Mr. Devillier stated he is not certain if they are burning the area. Robert Atkinson stated he will look into the matter.

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 October 12, 2017.

Following a discussion, it was moved by Director Herzog and seconded by Director Ortega that the minutes of the meeting of October 12, 2017 be approved, which motion carried unanimously, 4-0.

3. **SECURITY REPORT.** Deputies Reyes and Hernandez presented the security report. Deputy Reyes reported there has been an increase in burglaries of motor vehicles. He reported many of the burglaries occurred close to the District. Deputy Reyes stated many of the vehicles were unlocked. He reminded the Board to lock their vehicles.

Deputy Reyes discussed various disturbances and assault crimes.

Deputy Reyes discussed their presence during the holidays. Director Gagne asked the officers for ideas on how to schedule the patrol hours.

4. **ENGAGEMENT OF AUDITOR.** Mark Eyring presented the contract for engagement as auditor for the fiscal years ending December 31, 2017 and December 31, 2018. Mr. Eyring stated the auditing fees will increase from \$10,600.00 to \$10,950.00 for each year for the District's audit and from \$3,550.00 to \$3,675.00 for each year for the audit for the joint facilities.

Following further discussion, it was moved by Director Tyler and seconded by Director Herzog to approve the engagement of Roth & Eyring, PLLC as auditor for fiscal years ending December 31, 2017 and December 31, 2018, which motion carried unanimously.

5. **DEMAND RESPONSE PROGRAM WITH ACCLAIM ENERGY.** John Elder of Acclaim Energy discussed the Emergency Response Services with the Board. He informed the Board the District joined the emergency program and no emergencies have occurred. He stated equipment has been placed on the District's generator to use as needed.

Mr. Elder informed the Board the current Demand Response Program agreement expires in 2019. He stated payments to the District are approximately \$4,000. Mr. Elder added they will audit the program to find additional payments. He proposed extending the agreement to 2022.

Following further discussion, it was moved by Director Tyler and seconded by Director Herzog to extend the Demand Response Program agreement to 2022, pending the attorney's review, which motion carried unanimously.

6. **PRESENTATION FROM MUNICIPAL FINANCIAL SERVICES.** Kathryn Foss, of Municipal Financial Services, presented information for the comparative analysis of district data. Ms. Foss explained the EVO metrics report captures financial information and tax data for the District to compare with neighboring districts and similar districts based upon size, age and number of connections. She stated there is a \$1,750 set up charge and the report would cost \$3,950 per year. Ms. Foss informed the Board she can provide a report two to three months after the completion of the District's audit.

The Board tabled this item.

7. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, the budget comparison for the period ending October 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 October.

Following discussion by the Board, it was moved by Director Ortega and seconded by Director Tyler that the bookkeeper's report, including the list of expenses be approved. Said motion carried unanimously, 4-0.

8. **BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2018.** The Board tabled adoption of the budget until the next meeting.

9. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of October, a copy of which is attached as Exhibit "B". The report reflected the District has collected 99.3% of its 2016 taxes and 99.7% of its 2015 taxes as of October 31, 2017.

Following further discussion, it was moved by Director Ortega and seconded by Director Gagne 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, 4-0.

10. **RESOLUTION CASTING BALLOT FOR ELECTION OF PERSON TO BOARD OF DIRECTORS OF HCAD.** The Board next considered electing a member of the Board of Directors for the Harris County Appraisal District. Ms. Sullivan stated Glenn Peters is the incumbent. Following further discussion, it was moved by Director Tyler and seconded by Director Ortega to vote in favor of Glenn Peters for the Harris County Appraisal District Board of Directors, which motion carried unanimously.

Mr. Richardson presented a Resolution of the District casting its ballot for the HCAD Board of Directors Election for the Board's signature, a copy of which is attached as Exhibit "C".

11. **OPERATOR'S REPORT.** Chris Hoffman introduced Chad King from his company.

Mr. Hoffman presented the monthly operations report for the month of September, a copy of which is attached as Exhibit "D". The District has 1,770 connections, with 92% water accountability. Mr. Hoffman reported the Wastewater Treatment Plant was in compliance with its permit.

Mr. Hoffman reviewed a letter of complaint from Ms. Gloria Lynn Vann. He reported Ms. Vann has refused to pay the penalty after a late payment was dropped in the drop box on March 22, 2017. The Board noted the drop box log indicates the payment was late. The Board did not take any action.

Mr. Hoffman informed the Board they will begin water terminations again in November after waiving terminations as a result of Hurricane Harvey. He added there will not be water terminations in December.

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler that the operator's report be approved, which motion carried unanimously, 4-0.

12. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "E". Mr. Atkinson reported the Water Well Rehabilitation is complete. He is processing the final Pay Request for payment in December.

Mr. Atkinson discussed the development at the northwest corner of Old Greenhouse Road and Barker Cypress. He informed the Board the contractor has started on the building for the fueling station. Mr. Atkinson presented the descriptions for the water and sewer line easements. Mr. Richardson stated he will prepare the easement documents.

Mr. Atkinson informed the Board the Green House Barker Cypress development includes water and sewer line extensions. He explained the utility extensions will serve several

commercial properties. He added the water line will be important in completing the water line loop which benefits the District. Mr. Atkinson stated the developer is requesting reimbursement.

Mr. Atkinson presented for approval Pay Request No. 11 and Final in the amount of \$29,952.50 for the Wastewater Treatment Plant Coatings Project. He also presented for approval Pay Request No. 9 in the amount of \$4,350.00 and Pay Request No. 10 in the amount of \$900.00 for the coating inspection.

Mr. Atkinson next presented for approval Pay Request No. 1 in the amount of \$143,100.00 for the Clearing and Grubbing for Phase One Detention to serve Adelaide Subdivision.

Mr. Atkinson presented for the Board's review a proposal from Yellowstone Landscape for the mowing of Alternate "A". Director Tyler stated she would like to ask the HOA about the benefit of the District taking over the mowing of their areas. She asked what the HOA would do with the money saved from the mowing fees. Director Ortega stated she will reach out to Sue Fitzsimmons regarding the District taking over the mowing for the other HOA's.

Director Ortega left the meeting at this time.

Mr. Aktkinson stated there is not any new information regarding the La Sendera at Barker Cypress development at this time.

Following further discussion, it was moved by Director Gagne and seconded by Director Tyler that the engineer's report be approved, that Pay Requests No. 9, 10 and 11 for the Wastewater Treatment Plant Coatings Project be approved, and that Pay Request No. 1 for the Gummert Road development be approved, which motion carried unanimously, 3-0.

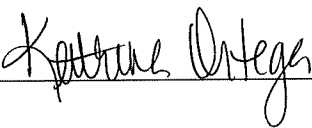
13. **ANNUAL EMINENT DOMAIN FILING.** The Board considered authorizing the annual eminent domain filing. Mr. Richardson explained the legislation requiring the annual filing regarding eminent domain.

Following further discussion, it was moved by Director Herzog and seconded by Director Gagne to authorize the District's annual eminent domain filing, which motion carried unanimously, 3-0.

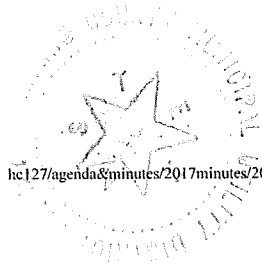
14. **DISTRICT WEBSITE.** Director Tyler recommended the Board keep this item in mind for the District's budget. The Board tabled this item.

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

*PASSED, ADOPTED and APPROVED* this 14th day of December, 2017.

  
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Secretary

(DISTRICT SEAL)



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