

**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 December 13, 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 with Director Baylor arriving late. Director Tyler left the meeting after the Operator'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.; Dan Freeland of H2O Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; Deputy Villarreal, security officer; 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.** There were no public comments at this time.

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 November 9, 2017.

Following a discussion, it was moved by Director Tyler and seconded by Director Herzog that the minutes of the meeting of November 9, 2017 be approved, which motion carried unanimously, 4-0.

3. **SECURITY REPORT.** Deputy Villarreal presented the security report.

Director Gagne stated fireworks on New Year's Eve may be called in as firearms. He offered to allow his phone number to be given to residents who ask for information. Deputy Villarreal recommended Director Gagne not give out his phone number. Director Gagne offered to allow his email to be given to residents. Director Gagne informed Deputy Villarreal a neighbor has asked him for help regarding drug dealing in the area. He stated the deputies and the Board should be on alert.

4. **PROPOSAL FROM MUNICIPAL FINANCIAL SERVICES.** Kathryn Foss, of Municipal Financial Services, presented an updated comparative analysis of district data. She stated two neighboring districts have engaged Municipal Financial Services for an EVO district analysis and metrics report. Director Tyler stated there would be beneficial data for the District. She added it could also provide useful data to the District customers. Director Ortega stated it adds transparency. Ms. Foss informed the Board the one-time set up charge is \$1,750 and she stated the cost of the report, \$3,950 per year, is cost effective. Director Gagne stated it has beneficial information but he does not believe it is necessary. Director Herzog suggested the Board table the item.

5. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, the budget comparison for the period ending November 30, 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 November.

The Board discussed moving funds from Compass Bank to TexPool for better interest rates. Bookkeeper asked to investigate Texas TERM, which may offer better rates than TexPool.

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.

6. **BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2018.** Ms. Viator presented the budget for fiscal year end December 31, 2018, a copy of which is attached as Exhibit "B".

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler to adopt the budget for fiscal year end December 31, 2018, which motion carried unanimously, 4-0.

7. **INVESTMENT POLICY.** The Board next considered reviewing the Investment Policy. Mr. Richardson explained an annual review and confirmation of the Investment Policy is required by the Public Funds Investment Act. He stated changes were made to the Act during the 2017 legislative session and the District's policy has been updated to reflect those changes.

Following further discussion, it was moved by Director Gagne and seconded by Director Tyler, to approve the Order Approving Investment Policy, a copy of which is attached as Exhibit "C", which motion carried unanimously.

8. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of November, a copy of which is attached as Exhibit "D". The report reflected the

District has collected 3.5% of its 2017 taxes and 99.6% of its 2016 taxes as of November 30, 2017.

Following further discussion, it was moved by Director Tyler and seconded by Director Herzog 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.

9. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of October, a copy of which is attached as Exhibit "E". The District has 1,770 connections, with 94% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Mr. Freeland discussed the letter from the Better Business Bureau regarding a complaint from a District customer. He stated he will respond to the Better Business Bureau and quote procedures followed per the District's Rate Order. Director Herzog asked if there was a reconnection fee. Mr. Freeland stated the customer was disconnected. The customer paid the reconnection fee and they have since been reconnected.

Mr. Freeland reviewed the delinquent accounts and the accounts to be sent to collections.

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

Director Baylor entered the meeting and Director Tyler left the meeting at this time.

10. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "F". Mr. Atkinson presented for approval Pay Request No. 4, in the amount of \$85,118.25, for the Water Well Rehabilitation.

Mr. Atkinson discussed the development at the northwest corner of Old Greenhouse Road and Barker Cypress. He reported the contractor has started on the building for the fueling

station. Mr. Atkinson stated the pipeline company approval has been received and the plans are at Harris County for final approval.

Mr. Atkinson presented Pay Request No. 2 in the amount of \$164,295.00 for the Clearing and Grubbing for Phase One Detention to serve Adelaide Subdivision. He stated the cost will be paid by the developer and reimbursed by the District at a future date.

Mr. Atkinson informed the Board the developer of Adelaide Subdivision will need to expand the Wastewater Treatment Plant. He stated the exact amount of the expansion needed and the phasing is being determined.

Mr. Atkinson next presented the bids for Phase I Detention to serve Adelaide Subdivision. He reported the low bidder is Northtex Construction with a contract amount of \$744,135.30 for 60 calendar days. He stated the developer will be responsible for paying the contractor and will be reimbursed by the District at a future date.

Following further discussion, it was moved by Director Herzog and seconded by Director Baylor that the engineer's report be approved and that Pay Request No. 4 for the Water Well Rehabilitation be approved, which motion carried unanimously, 4-0.

11. **REIMBURSEMENT AND ANNEXATION AGREEMENTS.** The Board tabled this item.

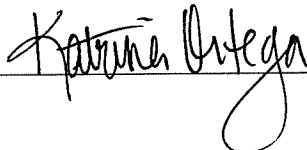
12. **DISTRICT WEBSITE.** Director Herzog stated OffCinco seems to be responsive and accommodating. She noted the current website has taken a long time to update. The Board tabled this item.

13. **MAINTENANCE OF GREEN SPACES.** Director Ortega recommended the Board consider taking over the mowing of the green spaces from the HOAs. Director Baylor

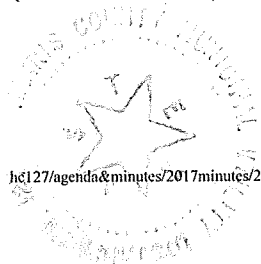
stated the issue is if the HOA fees will be lowered as a result of the District paying for the mowing.

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

*PASSED, ADOPTED and APPROVED* this 11th day of January, 2018.

  
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Secretary

(DISTRICT SEAL)



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