

**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 January 11, 2018; 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.

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.; and Deputy Villarreal, security officer.

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 December 14, 2017.

Following a discussion, it was moved by Director Herzog and seconded by Director Ortega that the minutes of the meeting of December 14, 2017 be approved, which motion carried unanimously, 4-0.

3. **SECURITY REPORT.** Deputy Villarreal presented the security report. The Board discussed the incident of vandalism to a motor vehicle. Deputy Villarreal stated the damage was caused by the owner. The Board also discussed the issue of cars parked in the streets.

4. **PROPOSAL FROM MUNICIPAL FINANCIAL SERVICES.** The Board discussed the EVO district analysis and metrics report. Director Herzog stated the cost seems reasonable for the data but suggested the data may be available elsewhere. Director Tyler stated competition to provide this type of report may arise in one to two years. She added that the data is interesting but she is unsure how to use it and disseminate it to the residents. Director Herzog stated the data could be helpful at the State of the District Town Hall meetings. She suggested the Board not move forward at this time with the engagement of Municipal Financial Services for the EVO district analysis and metrics report. The Board did not take any action.

5. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, the budget comparison for the period ending December 31, 2017, and the Quarterly Investment Report, copies of which are attached as Exhibits "A" and "B", respectively. Ms. Viator presented the checks for approval, and reviewed the fund balances and the budget to actual comparison through December.

Ms. Viator presented information on Texas TERM, which provides a slightly higher rate than TexPool. Director Ortega stated she does not believe the Board should move the funds. Director Herzog stated Texas TERM invests in Certificates of Deposit. She stated she would

like information on expenses of the management of Texas TERM versus TexPool. The Board deferred action

Ms. Viator informed the Board the Certificate of Deposit at Central Bank is up for renewal for one year at 1.26%.

Director Herzog asked about the payment out of the Capital Projects Fund for the contractor who re-worked the well. Ms. Viator explained the payment was paid out of the Facility Fund. She added there is still \$1.2 million in escrow from the 2015 Bonds. Robert Atkinson stated the funds have been approved for release by the TCEQ.

The Board requested the bookkeeper hold the check to the web host, Texas Network.

Following discussion by the Board, it was moved by Director Herzog and seconded by Director Ortega that the bookkeeper's report, including the list of expenses be approved, that the Quarterly Investment Report be approved, and to approve the renewal of the Certificate of Deposit at Central Bank. Said motion carried unanimously, 4-0.

6. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of December, a copy of which is attached as Exhibit "C". The report reflected the District has collected 9.1% of its 2017 taxes and 99.6% of its 2016 taxes as of December 31, 2017.

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

7. **RESOLUTION AUTHORIZING DELINQUENT TAX PENALTY.** Chris Richardson presented to the Board a Resolution Authorizing Delinquent Tax Penalty, a copy of which is attached as Exhibit "D". Mr. Richardson explained the Resolution allows the District to

attach the collection penalty on delinquent personal property accounts beginning April 1, and to delinquent real property accounts beginning July 1.

Following further discussion, it was moved by Director Tyler and seconded by Director Ortega that the Resolution Authorizing Delinquent Tax Penalty be approved, which motion carried unanimously, 4-0.

8. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of November, a copy of which is attached as Exhibit "E". The District has 1,770 connections, with 90% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Mr. Freeland discussed a letter from a customer who is requesting a payment agreement due to high water usage. He stated the customer had an internal leak. Director Tyler recommended entering into a payment agreement with the customer.

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 Herzog that the operator's report be approved, and to approve a payment agreement, which motion carried unanimously, 4-0.

9. **WATER SMART APPLICATION.** The Board considered approval of the Water Smart Application and the Resolution Approving Submittal of the Water Smart Application, a copy of which is attached as Exhibit "F".

Following further discussion, it was moved by Director Tyler and seconded by Director Herzog that the Water Smart Application be approved, and that the Resolution Approving Submittal of the Water Smart Application be approved, which motion carried unanimously, 4-0.

10. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "G". Mr. Atkinson presented the well performance test for the Harris County MUD No. 239 water well. He stated the equipment is in excellent condition from a pumping perspective.

Mr. Atkinson discussed the development at the northwest corner of Old Greenhouse Road and Barker Cypress. He reported the plans have been approved by Harris County and the City of Houston. Mr. Atkinson stated he will advertise for bids and he anticipates the cost will be below \$75,000.00

Mr. Atkinson informed the Board Pay Request No. 3 for the Clearing and Grubbing for Phase One Detention to serve Adelaide Subdivision has not yet been received for processing. He stated the cost will be paid by the developer and reimbursed by the District at a future date.

Mr. Atkinson discussed the Phase I Detention project to serve Adelaide Subdivision. He reported the contractor has begun working at the site.

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

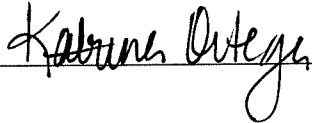
11. **REIMBURSEMENT AND ANNEXATION AGREEMENTS.** Chris Richardson and Robert Atkinson discussed the developer reimbursement and annexation agreements. The Board tabled this item.

12. **DISTRICT WEBSITE.** Director Herzog informed the Board that the website host, Texas Network, has offered to lower the rate, but OffCinco may be more responsive. Director Herzog stated she is inclined to change the website host to OffCinco. The Board did not take any action at this time.

13. **MAINTENANCE OF GREEN SPACES.** The Board tabled this item.

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

PASSED, ADOPTED and APPROVED this 8th day of February, 2018.


Secretary

(DISTRICT SEAL)

