

**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 February 8, 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. Director Tyler entered the meeting before the Security 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 and Chris Hoffman of H₂O Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; and Deputies Reyes and Villarreal, security officers.

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 February 8, 2018.

Following a discussion, it was moved by Director Herzog and seconded by Director Gagne that the minutes of the meeting of February 8, 2018 be approved, which motion carried unanimously, 4-0.

Director Tyler entered the meeting at this time.

3. **SECURITY REPORT.** Deputy Villarreal presented the security report. He reported motor vehicle burglaries have increased compared to last year at this time. Deputy Villarreal stated all of the vehicles were left unlocked.

Deputy Villarreal discussed the incident of arson. He stated a tree caught fire as a result of firecrackers. Deputy Villarreal added some of the statistics are from nearby areas outside the District.

Deputy Reyes discussed an issue with Facebook. He stated Facebook blocked a deputy from posting cartel videos.

The Board discussed payment for security services to Major Silvio's group will now be going to a limited liability company, which he has set up.

Following further discussion, it was moved by Director Gagne and seconded by Director Herzog that the security report be approved, and that security services payments be paid to a limited liability company, which motion carried unanimously, 4-0.

4. **RENEWAL OF INSURANCE.** The Board reviewed the proposal for the renewal of insurance with Arthur J. Gallagher & Co. Chris Richardson stated there is a decrease in this year's premium. This year's premium is \$21,885.00 compared to last year's premium of \$22,910.00.

Following further discussion, it was moved by Director Gagne and seconded by Director Ortega to approve the proposal for the renewal of insurance, which motion carried unanimously, 4-0. A copy of the insurance proposal with Arthur J. Gallagher & Co. is attached as Exhibit "A".

5. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, the budget comparison for the period ending January 31, 2018, a copy of which is attached as Exhibit "B". Ms. Viator presented the checks for approval, and reviewed the fund balances and the budget to actual comparison through January.

Ms. Viator presented information on Texas TERM, which has a rate of 1.37% compared with TexPool, which has a rate of 1.30%. Director Herzog asked about the percentage of commercial investments and the type of commercial in Texas TERM and Texas PRIME. The Board deferred action on this item.

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

6. **RESOLUTION AUTHORIZING USE OF SURPLUS FUNDS.** The Board tabled this item.

7. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of January, a copy of which is attached as Exhibit "C". The report reflected the District has collected 79.1% of its 2017 taxes and 99.6% of its 2016 taxes as of January 31, 2018.

Ms. Sullivan reviewed the delinquent tax report with the Board. She stated there is no action necessary.

Following further discussion, it was moved by Director Ortega 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.

8. **2018 TAX EXEMPTIONS.** The Board next considered setting tax exemptions for the 2018 tax year. Chris Richardson presented to the Board the Order Adopting 2018 Exemptions From Taxation For Disabled Or Over 65 Individuals, a copy of which is attached as Exhibit "D". He noted the Board set a \$10,000.00 tax exemption for persons over the age of 65 or disabled in 2017.

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler that the 2018 tax exemption for persons over the age of 65 or disabled be set at \$10,000.00, and that the Order Adopting 2018 Exemptions From Taxation For Disabled or Over 65 Individuals be approved, which motion carried unanimously.

9. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of December, a copy of which is attached as Exhibit "E". The District has 1,770 connections, with 96% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Chris Hoffman discussed the draft of the Water Smart Application. He stated it is due March 1, 2018.

Mr. Freeland reviewed the delinquent accounts and the accounts to be sent to collections. Director Herzog asked about the possibility of incorporating additional historical data into the regular operator's report. Mr. Hoffman stated he will get with Director Herzog outside the meeting to discuss specifics.

Mr. Freeland informed the Board there is a new billing system which will have a new bill format and paperless billing. He stated the paperless billing allows customers to receive the water bill via email.

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.

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 reported the bids for the Greenhouse Road and Barker Cypress development have been published. He stated the bid opening is February 13, 2018.

Mr. Atkinson presented for approval Pay Request No. 3, in the amount of \$81,000.00 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 discussed the Phase I Detention project to serve Adelaide Subdivision. He reported the contractor is Northtex Construction and the project cost is \$744,135.30.

Mr. Atkinson informed the Board that Brenwood II Property Owners Association is asking for permission to put a park on the District's reserve site. He explained the reserve is not platted for a park and it is restricted to drainage and landscape.

Following further discussion, it was moved by Director Ortega and seconded by Director Herzog that the engineer's report be approved, and that Pay Request No. 3 for the Clearing and Grubbing for Phase One Detention to serve Adelaide Subdivision be approved, which motion carried unanimously, 3-0.

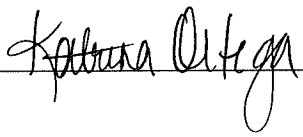
11. **REIMBURSEMENT AND ANNEXATION AGREEMENTS.** The Board tabled this item.

12. **ANNUAL SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE FILING.** The Board considered authorizing the annual Special Purpose District Public Information Database filing. Mr. Richardson explained new legislation, SB 625, requires an annual filing. Following further discussion, it was moved by Director Herzog and seconded

by Director Ortega to authorize the District's annual Special Purpose District Public Information Databases filing, which motion carried unanimously.

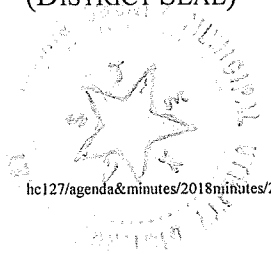
- 13. **DISTRICT WEBSITE.** There was nothing to report at this time.
- 14. **MAINTENANCE OF GREEN SPACES.** The Board tabled this item.
- 15. **ADJOURNMENT.** There being no further business, it was moved, seconded, and unanimously carried, that the meeting be adjourned.

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



Secretary

(DISTRICT SEAL)



hc127/agenda&minutes/2018minutes/2018.02.08