

**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 March 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 Ortega 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 of H₂O Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; Deputy Villarreal, security officer; Rick Lewis of American Enerpower; and Mike Owens, candidate for WHCRWA.

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.** Mike Owens, a candidate for the West Harris County Regional Water Authority in Precinct 5 introduced himself to the Board and asked for their vote in April.

Rick Lewis, with American Enerpower, recommended the Board extend its electricity contract past June 2020 to capitalize on savings. He recommended the Board authorize the President of the Board sign for a 36-month term at the lowest price. Following further discussion, it was moved by Director Gagne and seconded by Director Herzog to authorize the Board President to sign an electricity contract for a 36-month term at the lowest price, which motion carried unanimously, 3-0.

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, 3-0.

Director Ortega entered the meeting at this time.

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

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

Director Gagne stated he was impressed by the security report. He explained the Deputy addressed the concerns and described the reasons for the entries in the report. Director Herzog stated she is concerned about commercial vehicles parked at Sandy Hollow and North Willow Bluff. Director Gagne stated there is a flatbed truck parking behind the school at the dead end of Gummert Road and there are not any “no parking” signs in that area.

Director Tyler suggested the security officers attend the Board meeting once per quarter. Chris Richardson suggested the Board could have quarterly Town Hall meetings where the security officers could attend. Director Herzog suggested that perhaps monthly meetings should be held in the evenings in the District since three of the Directors seem to have other commitments that restrict their availability during regular business hours. Director Ortega stated the Board could have shorter regular meetings. Director Tyler stated the Board should address the items properly so security officers could attend the Board meetings quarterly. Director Herzog stated she would still like to receive a monthly security report to review. Following further discussion, it was moved by Director Ortega and seconded by Director Gagne that the District hold quarterly Town Hall meetings with security reports in the District, which motion carried unanimously, 4-0.

4. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, the budget comparison for the period ending February 28, 2018, 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 February.

Ms. Viator informed the Board the current Texas TERM rate is 1.42% and the current TexPool rate of 1.45%.

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.

5. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of February, a copy of which is attached as Exhibit "B". The report reflected the District has collected 95.9% of its 2017 taxes and 99.7% of its 2016 taxes as of February 28, 2018.

Director Herzog asked about the possibility of a Strategic Partnership Agreement with the City of Houston. Mr. Atkinson stated there could be some commercial accounts along Barker-Cypress where sales tax could be collected.

Following further discussion, it was moved by Director Herzog 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, 4-0.

6. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of January, a copy of which is attached as Exhibit "C". The District has 1,770 connections, with 93% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Mr. Freeland discussed the water meter boxes in the townhomes area. He stated they could replace the broken meter boxes with concrete, which is more expensive, or with ABS plastic. Directors Gagne and Herzog suggested replacing the broken meter boxes with ABS plastic.

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler that the operator's report be approved, and to approve replacing the water meter boxes with ABS plastic, which motion carried unanimously, 4-0.

7. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "D". Mr. Atkinson discussed the bids for the Old Greenhouse Road and Barker Cypress development. He recommended awarding the contract to the low bidder, Northtex Construction, LLC, in the amount of \$121,113.80 with a contract time of 30 days. He stated a Notice to Proceed was issued for March 5, 2018.

Mr. Atkinson presented for approval Pay Request No. 4, in the amount of \$33,750.00 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 next discussed the bids for the water, sewer and drainage for Phase One to serve Adelaide Subdivision. He recommended awarding the contract to the low bidder, Reddico Construction Company, in the amount of \$2,079,011.10 with a contract time of 60 days.

Mr. Atkinson discussed the request from Brenwood II Property Owners Association for a park on the District's reserve site. He explained all possible sites are currently platted for drainage and landscape and a re-plat would be a major expense.

Following further discussion, it was moved by Director Ortega and seconded by Director Tyler that the engineer's report be approved, to award the contract to Northtex Construction, LLC for the Green House Road and Barker Cypress Development, that Pay Request No. 4 for the Clearing and Grubbing for Phase One Detention to serve Adelaide Subdivision be approved, and to award the contract to Reddico Construction Company for water, sewer and drainage for Phase One to serve Adelaide Subdivision, which motion carried unanimously, 4-0.

8. **REIMBURSEMENT AND ANNEXATION AGREEMENTS.** The Board considered approval of an Agreement to Purchase Utility Facilities with ANA Development, Inc. and an Agreement for Annexation of Land and Purchase of Utility Facilities with Adelaide Interests, Ltd. Mr. Atkinson and Mr. Richardson explained both agreements, copies of which are attached as Exhibits "E" and "F", respectively.

Following further discussion, it was moved by Director Gagne and seconded by Director Ortega to approve the Agreement to Purchase Utility Facilities with ANA Development, Inc., and to approve the Agreement for Annexation of Land and Purchase of Utility Facilities with Adelaide Interests, Ltd, which motion carried unanimously, 4-0.

9. **DISTRICT WEBSITE.** Director Herzog noted the current website company has been more responsive.

10. **MAINTENANCE OF GREEN SPACES.** The Board discussed the maintenance of greens spaces in the District. Director Ortega stated she would be in favor of the District taking on the expense of maintaining the green spaces. Director Tyler stated she would like to know how the District taking on the expense of maintaining the green spaces would affect the HOA. She asked what the true benefit is to the residents. Director Herzog stated eventually she would like to see enhancement of the green spaces as parks, since there is currently no park area dedicated and available to all District residents. She also confirmed that the District's financial advisor has stated the expense is within the District's operating funds. Director Gagne stated the District is not in a position to make a decision given the costs and liabilities. He stated he would not be in favor of taking on the expenses of the green spaces at this time.

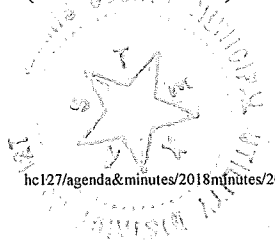
11. **ADJOURNMENT.** There being no further business, it was moved, seconded, and unanimously carried, that the meeting be adjourned.

PASSED, ADOPTED and APPROVED this 12th day of April, 2018.



Secretary

(DISTRICT SEAL)



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