

**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 April 12, 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 and Donnice Hoffman of H₂O Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; and Mark Eyring of Roth & Eyring, PLLC.

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 March 8, 2018. Certain revisions were requested.

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

3. **AUDIT REPORTS FOR FISCAL YEAR ENDED DECEMBER 31, 2017.**

Mark Eyring presented the District Audit Report and the Joint Facilities Audit Report for the fiscal year ended December 31, 2017. Mr. Eyring also presented and discussed the management letter. Director Herzog asked who will look at the audit. Mr. Eyring stated it is a public document and mostly bondholders look at the audit.

Following further discussion, it was moved by Director Herzog and seconded by Director Tyler that the District Audit Report and the Joint Facilities Audit Report for the fiscal year ended December 31, 2017 be approved, 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 March 31, 2018, 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 March.

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, and that the Quarterly Investment Report be approved. Said motion carried unanimously, 4-0.

5. **TAX ASSESSOR REPORT.** Vickey Sullivan reviewed the tax report for the month of March, a copy of which is attached as Exhibit "C". The report reflected the District has collected 96.9% of its 2017 taxes and 99.7% of its 2016 taxes as of March 31, 2018.

Director Herzog reported she learned one of the emergency services districts in the area claimed the sales tax allocation in 2013. As a result, the District cannot apply for a Strategic Partnership Agreement with the City of Houston; there is no sales tax available.

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.

6. **OPERATOR'S REPORT.** Dan Freeland and Donnice Hoffman presented the monthly operations report for the month of February, a copy of which is attached as Exhibit "D". The District has 1,783 connections, with 89% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

Director Herzog asked if there was any trouble with the West Harris County Regional Water Authority ("WHCRWA") water supply from March 15, 2018 through April 2, 2018 due to the interruption of the City of Houston water flow to WHCRWA during that period. Mr. Freeland stated there was not any trouble with the water supply from the City of Houston. Robert Atkinson stated the District's well supply is sufficient. He added it could supply the whole District.

Ms. Hoffman reviewed the bill payment options with the Board. She stated the new bill format is being implemented. Director Herzog asked how many customers are anticipated to go paperless. Ms. Hoffman stated they do not know, but they hope at least 20%.

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

7. **REVIEW OF IDENTITY THEFT POLICY.** Mr. Richardson presented an Order for Reviewing and Confirming the District's Identity Theft Policy, a copy of which is attached as Exhibit "E". Mr. Freeland presented the annual report and discussed the policy and

recommended no changes be made to the policy.

Following discussion by the Board it was moved by Director Herzog and seconded by Director Tyler to confirm the District's Identity Theft Policy, which motion passed unanimously, 4-0.

8. **REVIEW EMERGENCY PREPAREDNESS PLAN.** Mr. Richardson presented for approval the Order Reviewing Emergency Preparedness Plan and Authorizing Submittal of Critical Load Information, a copy of which is attached as Exhibit "F". Mr. Richardson recommended the Board authorize the operator to update the critical load information with its electrical transmission and retail providers.

Following further discussion, it was moved by Director Tyler and seconded by Director Herzog that the Order Reviewing Emergency Preparedness Plan be approved, and to authorize the operator to update the critical load information with its electrical transmission and retail providers, which motion carried unanimously, 4-0.

9. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "G". Mr. Atkinson discussed the Old Greenhouse Road and Barker Cypress development. He presented for approval Pay Request No. 1 to Northtex Construction, LLC, in the amount of \$91,834.02. He stated the cost will be paid by the developer and reimbursed by the District at a future date.

Mr. Atkinson stated Pay Request No. 5 has not yet been received from the contractor for the Clearing and Grubbing for Phase One to serve Adelaide Subdivision.

Mr. Atkinson presented for approval Pay Request No. 1, in the amount of \$108,865.50, and Pay Request No. 2, in the amount of \$294,696.90, for the Detention for Phase One to serve Adelaide Subdivision.

Mr. Atkinson informed the Board the Contract Award letter was given to the contractor for the Water Distribution, Wastewater Collection, and Storm Water Facilities for Phase One to serve Adelaide Subdivision.

Mr. Atkinson reviewed the Developer Reimbursement Schedule.

Mr. Atkinson next reviewed the plat for Adelaide, Section One and the Adelaide General Plan.

Mr. Atkinson informed the Board he is waiting on a response from the engineer and developer to his construction plan comments for the La Sendera at Barker Cypress Development.

Director Herzog informed the Board of the Contractor Outreach Workshop hosted by the WHCRWA. She asked the engineer to research the WHCRWA's next pipeline section in the District.

Following further discussion, it was moved by Director Tyler and seconded by Director Ortega that the engineer's report be approved, that Pay Request No. 1 for the Old Greenhouse Road and Barker Cypress development be approved, and that Pay Request Nos. 1 and 2 for the Detention for Phase One to serve Adelaide Subdivision be approved, which motion carried unanimously, 4-0.

10. RESOLUTION CASTING BALLOT FOR ELECTION OF PERSON TO BOARD OF DIRECTORS OF WHCRWA PRECINCT 5. The Board next considered electing a member of the Board of Directors for the WHCRWA Precinct 5. Following further discussion, it was moved by Director Herzog and seconded by Director Tyler to vote in favor of Michael Owens for the WHCRWA Precinct 5 Board of Directors, which motion carried unanimously.


Mr. Richardson presented a Resolution of the District casting its ballot for the WHCRWA Precinct 5 Board of Directors Election for the Board's signature, a copy of which is attached as Exhibit "H".

11. **DISTRICT WEBSITE.** Director Herzog reported she has reviewed the web hosting agreements. She stated she would like to contact Shannon Waugh, with Off Cinco, to discuss the costs for redesign and email alert services.

12. **MAINTENANCE OF GREEN SPACES.** Director Herzog stated the maintenance of the green spaces will be discussed at the quarterly Town Hall meetings. The Board agreed to hold a Town Hall meeting on Monday, June 11, 2018 at 7:00 p.m. to discuss security and the maintenance of green spaces.

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

PASSED, ADOPTED and APPROVED this 10th day of May, 2018.



Secretary

(DISTRICT SEAL)

