

**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 September 13, 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 bookkeeper's report.

Also present were Chris Richardson of Strawn & Richardson, P.C.; Stephanie Viator of District Data Services, Inc.; Cindi Oliver of Equi Tax, Inc.; Dan Freeland and Chris Hoffman of H20 Consulting, Inc.; Robert Atkinson of Edminster, Hinshaw, Russ & Associates, Inc.; Julie Williams of Rathmann & Associates, LP; and Felix DeLeon of WCA Waste.

WHEREUPON, the meeting was called to order by the Vice 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. **SECURITY ISSUES.** There were no security issues presented at this time.

3. **MINUTES OF MEETINGS.** The next item to come before the Board of Directors was the review and approval of the minutes of the meetings of June 11, 2018 and August 9, 2018.

Following a discussion, it was moved by Director Herzog and seconded by Director Ortega that the minutes of the meetings of June 11, 2018 and August 9, 2018 be approved, which motion carried unanimously, 3-0.

Director Tyler entered the meeting at this time.

4. **BOOKKEEPER'S REPORT.** Stephanie Viator presented the bookkeeper's report of certain expenses, and the budget comparison for the period ending August 31, 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 August.

Director Herzog asked about the payment to Tackle Construction in the amount of \$4,575.69 for repair of a tap line leak. She noted there was also a payment to the homeowner nearby.

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. Said motion carried unanimously, 4-0.

5. **TAX ASSESSOR REPORT.** Cindi Oliver reviewed the tax report for the month of August, a copy of which is attached as Exhibit "B". The report reflected the District has collected 98.8% of its 2017 taxes and 99.7% of its 2016 taxes as of August 31, 2018.

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.

6. **2018 TAX RATE, HEARING DATE, AND PUBLICATION.** Julie Williams presented tax rate recommendation, a copy of which is attached as Exhibit "C". She recommended decreasing the debt service rate from \$0.42 to \$0.40 and to maintain the same maintenance tax rate of \$0.26 for a total tax rate of \$0.66.

Following further discussion, a motion was made by Director Gagne, seconded by Director Herzog and unanimously carried that the tax assessor/collector be authorized to publish the 2018 tax rate calculation as required by law, with a debt tax rate of \$0.40 and a maintenance tax rate of \$0.26, and to set a public hearing date of October 11, 2018 at 12:00 noon, 4-0.

7. **OPERATOR'S REPORT.** Dan Freeland presented the monthly operations report for the month of July, a copy of which is attached as Exhibit "D". The District has 1,807 connections, with 94% water accountability. Mr. Freeland reported the Wastewater Treatment Plant was in compliance with its permit.

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.

8. **AMENDMENT TO OPERATING CONTRACT.** The Board next considered amending the Operating Contract. Chris Hoffman presented a recommendation to change the operating rates for water tap installations. He explained their current tap installation rates have been in effect since 2015 and since then there have been increases in material costs, equipment costs and labor cost.

Following further discussion, it was moved by Director Tyler and seconded by Director Ortega to approve the amendment to the Operating Contract related to water tap installation rates, which motion carried unanimously, 4-0.

9. **RECYCLING FEE.** Felix DeLeon, of WCA Waste, addressed the Board regarding the recycling fee increase to \$0.92. Mr. DeLeon informed the Board WCA Waste takes its recycling to the Waste Management's facility. He explained there have been contamination issues with recycling and China has changed its policy regarding what recycling is acceptable. Director Herzog asked where the recyclables go and what is done with the products. Mr. DeLeon stated the recycling goes to China and they make products with it. Director Herzog stated the recycling fee increase should be announced through media. She also suggested re-educating customers on how to prepare products for recycling. Mr. DeLeon stated the recycling information is on the website. Director Herzog asked about the automatic trucks that are stated in the contract. Mr. DeLeon stated he will ask about the types of trucks to be used.

Following further discussion, it was moved by Director Herzog and seconded by Director Ortega to accept the recycling fee increase with WCA Waste, conditioned upon a recycling re-education campaign, which motion carried unanimously, 4-0.

10. **AMENDMENT TO DISTRICT RATE ORDER.** The Board tabled this item.

11. **ENGINEER'S REPORT.** Robert Atkinson presented the engineer's report, a copy of which is attached as Exhibit "E". He discussed the Adelaide Development Construction. Mr. Atkinson presented for approval Pay Request No. 6, in the amount of \$57,142.22, for the detention. He stated the developer will pay the contractor and be reimbursed at a later date.

Mr. Atkinson next presented for approval Pay Request Nos. 1, 2 and 3 in the amounts of \$3,043.00, \$15,228.00 and \$10,433.00, respectively, for construction materials testing. He also presented for approval Pay Request No. 4, in the amount of \$497,544.70.

Mr. Atkinson reported they have determined the limits and scope of the mowing within

the District. He requested authorization to solicit bids.

Mr. Atkinson next requested authorization to advertise for bids for the recoating of the Water Plant.

Mr. Atkinson informed the Board the plans for the warehouse development have been received for review. He stated the warehouse is west of the new convenience store on Barker Cypress.

Mr. Atkinson reported the developer has been requested to place a deposit with the District for the legal, engineering, and surveying costs associated with the annexation of the Adelaide tract.

Mr. Atkinson discussed the La Sendera at the Barker Cypress Development. He stated the developer is requesting the District create a water meter easement and a sanitary sewer line easement.

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. 6 for detention in the Adelaide Development be approved, that Pay Request Nos. 1,2,3 and 4 for construction materials testing for the water, sewer and drainage in Adelaide Subdivision, Section One be approved, to authorize the engineer to solicit bids for the mowing within the District, and to authorize the engineer to advertise for bids for the recoating of the Water Plant, which motion carried unanimously, 4-0.

12. **ORDER CANCELLING DIRECTORS ELECTION.** Mr. Richardson stated since no one other than the two incumbents turned in applications to be on the ballot or declared themselves to be write-in candidates, the Board may cancel the November 6, 2018 Directors Election. The Order Canceling Directors Election and Declaring Election of Unopposed Candidates and related Certification were presented for the Board's review and approval, copies


of which are attached as Exhibits "^F~~X~~" and "^G~~X~~", respectively. Following further discussion, it was moved by Director Ortega and seconded by Director Gagne that the Order Canceling Directors Election and Declaring Election of Unopposed Candidates be approved, which motion carried unanimously, 4-0.

13. **DISTRICT WEBSITE.** Director Herzog reported the District website, with Off Cinco, should be up by the end of the month.

14. **NATIONAL NIGHT OUT PARTICIPATION.** The Board discussed its participation in National Night Out. The Board discussed distributing re-usable grocery bags with supplies from TCEQ along with coloring books. The Board also discussed security during National Night Out.

15. **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 October, 2018.



Secretary

